



ABN 98 084 370 669

## **Quarterly Activities Report for the Period to 30 June 2013**

### **Wrapping machine arrives at US manufacturing facility, Creature inclusions ordered and new three dimensional animated Characters in development**

#### **Highlights**

During the June quarter Yowie Group Ltd:

- Ordered the first limited edition creature inclusions;
- Successfully factory tested and commissioned the high speed foil wrapping machine in Cologne, Germany, followed by shipping and arrival at the US manufacturing plant;
- Successfully completed a chocolate sampling survey of 1000 survey participants for the US market recipe selection;
- Commenced final design for in-store packaging;
- Completed character foil designs;
- Finalised Yowie digital platform strategy;
- Shortlisted leading best in class UK and US digital strategy agencies; secured the passing of all resolutions put to the General Meeting of Shareholders held on 12 June 2013;
- Issued a Prospectus for the offer of up to 33,333,334 shares in the capital of the Company at an issue price of \$0.15 per share to raise up to A\$5million; and
- Advised Shareholders that the minimum subscription of A\$1.5million had been surpassed.

#### **Corporate**

- The Company announced the appointment of Mr Bob Watson to the Board as a Non Executive Director on 8 April 2013;
- On 12 June 2013 the Company conducted a successful shareholder meeting where all resolutions put to the meeting were successfully passed, including shareholder approval to conduct a capital raising via a Prospectus;
- The Company issued a Prospectus on 18 June 2013 to raise up to A\$5million, minimum subscriptions of A\$1.5million where reached by 20 June 2013;
- The Company successfully resolved a legal dispute with a previous Director (post quarter end); and
- As at 30 June 2013 the Company had A\$3.2million in cash at bank.

## **Operations**

During the June quarter Yowie Group Ltd:

- Ordered the first range of Yowie collectable limited edition creature inclusions comprising all six (6) Yowie characters plus the first eighteen (18) release inclusion animals and the leaflet inserts;
- Finalised the confectionery display packaging, cartons, tray and character foil designs;
- Continued with the installation of the confectionery production line at Whetstones Chocolates facility in Florida which included assembly and pre installation testing;
- Appointed a key and highly experienced CEO level confectionery industry adviser for the US market; and
- Progressed the appointment of distribution partners for the North American and Australian/New Zealand markets.

Key operational milestones for the next 3 to 6 months are

- Commencement of the production line trials at Whetstone factory in Florida;
- Production, testing, certification and shipping of the twenty four Yowie inclusions, leaflets and capsules; and
- Production of the product packaging including the carton, tray and foil elements.

## **Sales and Marketing**

During the June quarter Yowie Group Ltd:

- Continued the creative development of the Yowie Kingdom and the three dimensional animated characters;
- Developed the Series 1 limited edition Yowie collectable posters; and
- Shortlisted leading best in class UK and US digital strategy agencies.

Key sales and marketing milestones for the next 3 to 6 months include

- Launch of Yowie World Internet and Digital Platform;
- Appointment of US and Australian/New Zealand national distributors and account managers;
- The finalisation of the US and Australian/New Zealand product launch, sales and marketing strategy;
- Engage key agencies to undertake the social media and PR campaign; and
- Establish a consumer hotline to engage consumers quickly and bring the brand to life.

**Wayne Loxton**  
**Executive Chairman**  
**Yowie Group Ltd.**



**About Yowie**

*Yowie Group Ltd is a company that owns intellectual property rights and intends to use these rights to outsource the manufacturing and distribution of the Yowie chocolate confectionery product, digital platform and Yowie branded licensed consumer products. The Company's vision is to distribute the Yowie product initially in North America with further expansion planned into Australia, New Zealand and the Asia Pacific region where the Yowie brand is known and brand equity remains strong even with the brand not having been active in the market for around eight years.*

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

**YOWIE GROUP LTD**

ABN

98 084 370 669

Quarter ended ("current quarter")

30 JUNE 2013

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	-	-
1.2 Payments for (a) staff costs	-	-
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital <sup>1</sup>	(852)	(1,559)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	17
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Other (royalty income)	5	8
<b>Net operating cash flows</b>	<b>(844)</b>	<b>(1,535)</b>

<sup>1</sup> Includes \$253k deposit for raw materials

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(844)	(1,535)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property (product development)	(120)	(138)
(d) physical non-current assets	(18)	(69)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)		
Cash acquired in acquisition of subsidiaries	-	24
<b>Net investing cash flows</b>	<b>(138)</b>	<b>(183)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(982)</b>	<b>(1,718)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	1,834	7,323
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	(2,242)
1.19 Dividends paid	-	-
1.20 Other (capital raising costs)	(30)	(388)
<b>Net financing cash flows</b>	<b>1,804</b>	<b>4,693</b>
<b>Net increase (decrease) in cash held</b>	<b>822</b>	<b>2,975</b>
1.21 Cash at beginning of quarter/year to date	2,199	64
1.22 Exchange rate adjustments to item 1.20	201	183
<b>1.23 Cash at end of quarter</b>	<b>3,222</b>	<b>3,222</b>

+ See chapter 19 for defined terms.

## Payments to directors of the entity and associates of the directors

### Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	195
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Payments include:

- Payments of directors' fees and consulting fees to directors
- Payment of directors' fees and consulting fees to former directors

## Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Nil

## Financing facilities available

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
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**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	3,222	2,199
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.23)</b>		<b>3,222</b>	<b>2,199</b>

**Acquisitions and disposals of business entities**

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	-	-
5.2	Place of incorporation or registration	-	-
5.3	Consideration for acquisition or disposal	-	-
5.4	Total net assets	-	-
5.5	Nature of business	-	-

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+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign..here:

  
(Company Secretary)

Date: 24 July 2013

Print name: Mr Jerry Monzu

## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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