

Quarterly Activities Report for the period to 30 September 2014

Highlights

- Walmart selects Yowie for trial in 50 of its Texas stores – the biggest US grocery retailer Walmart, with over 4000 stores across America, is currently trialing Yowie at the high traffic cash register aisle ends
- Strong new customer growth providing positive outlook
- Yowie is now being trialed in, or trading with, over 1100 US retail outlets, in 33 US mainland States, with potential for roll out to over 8500 outlets.
- Sales per store per week averages tracking well against comparative novelty confectionery products in some cases exceeding category norms
- Appointed a Senior Vice President of Sales for North America
- Entered into a sales agency agreement with The Madelaine Chocolate Company for expanded distribution coverage

Sales & Marketing

During the quarter:

- Reached agreement for a 50 store launch as part of a Walmart in-store trial over a four week period with Yowie featured on the cash register aisle ends. Walmart is the largest retailer in the world and the largest grocery retailer in the United States. Each week, more than 140 million customers and members visit Walmart's more than 4,000 stores and 800 clubs across the US.
- Received purchase orders from the large national convenience chain, Valero Corner Store (1,100 stores nationally and 1,900 including Canada). Initial roll-out in 235 stores across Texas, Colorado and Southern California with sales averages meeting retailer expectation and channel norms but at higher value price point than the majority of standard single serve confectionery lines delivering new category revenue growth
- Signed a number of new sales and distribution accounts which will result in Yowie product being distributed to an additional 600 outlets in the first instance with potential for rollout into over 3,000 stores.

Head Office

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ABN 98 084 370 669





- Reached a rollout/trial for Yowie product into 1,125 stores with potential to rollout to 8,562 stores. At the end of the quarter, the Company's retail account summary included:

Customer	Store Type	Total No Stores	Roll Out Stores #	Status
Walmart	National Retail Chain	4116	50	Product in all 50 Texas trial stores by mid-October
First Source LLC	National Distributor	2000	TBD	First distributor order received yet to be sold through to retail customer
Valero	Convenience Store Chain	1100	235	Trial commenced in 235 stores with consistent initial sell through
*Cost Plus WM	Retail Chain	288	288	National rollout commenced. *Also included in separate Easter 2015 ranging
Hy Vee	Grocery Chain	235	31	In 31 trial stores by mid-October
URM Stores Inc.	Grocery Distributor	200	56	Purchase order receive for 56 trial stores
B.A. Sweetie Candy	Candy Distributor	200	200	B.A.S distribute to >200 small traders
Thornton Oil/Lipari Foods	Fuel & Convenience Chain	175	55	In 55 trial stores in the Chicago and Nashville regions
*Raley's /SSI	Supermarket Chain	150	150	National roll out to be in store by end September. *Also approved for separate Easter 2015 ranging
Lolli & Pops/ Candyopolis/ Powells Retail Group	Specialist Candy Retailer	35	35	National coverage with consistent repeat orders per store being received
Summerwinds Resort	Leisure & Entertainment	39	1	Strong sell through in the trial theme park store
Dierbergs	Grocery Chain	20	20	Full roll out to all 20 stores in Louisville stores by end September in conjunction with 'Kid City' Taste of St Louis Event & promotional activity
Dylans Candy Bar	Specialist Candy Retailer	3 in major City tourism locations	3	Successful launch and continuing consistent sales
St Louis Zoo	Leisure & Entertainment Venue	1	1	Continuing sales at our first nature aligned leisure and entertainment venue
TOTAL		8,562	1,125	

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- A successful ECRM participation with genuine interest from presentation to over 48 potential buyers. Over half responding with a planned trial of the Yowie product.

Although early market performance is positive, national rollout is a lengthy process and building a strong sales and distribution network in the US market remains the No 1 priority for the Company in the US market

Operations

During the quarter:

- Commissioned and completed an independent end to end supply chain review including capsules & inclusions, chocolate supply, finished goods conversion, storage and distribution. This review, incorporating recommendations, was carried out by Blue Hills Consulting an independent expert in the field. It is intended this review be undertaken annually in line with the company's commitment to continuous improvement and best practice quality and safety standards.
- As part of Yowie Group's commitment to Quality, the Company's US co-packer is currently transitioning to be certified in the Global Food Safety Initiative (GSFI) Food Safety Program. At the heart of this program is the Hazard Analysis & Critical Control Points (HACCP) program which our co-packer continues to refine with the assistance of an independent qualified QA expert advisor.
- Production at the Florida co-packer plant continues to operate efficiently, marginally ahead of target product output rates over the quarter. The facility is also capable of materially increasing capacity quickly to respond to our expected increase in product demand.
- A software platform (Sage) has been acquired to assist in the management of transportation, stock management, MRP, procurement, accounting, customer data capture/management and manufacturing processes. Key relevant staff are currently undergoing training.

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Corporate

- As at 30 September 2014, the Company held cash reserves of \$6.4 million.

A handwritten signature in black ink, appearing to read "Wayne Loxton".

Wayne Loxton
Executive Chairman
Yowie Group Ltd

About Yowie

Yowie Group Ltd is a global brand licensing company specialising in the development of consumer products designed to promote learning, understanding and engagement with the natural world through the adventures and exploits of six endearing Yowie characters. Educating children and adults about the environment and ecology is at the heart of the Yowie proposition.

Yowie Group employs its company-owned intellectual property rights in the outsourcing of the manufacturing and distribution of the Yowie chocolate confectionery product and in the development of a Yowie digital platform and Yowie branded licensed consumer products. The Company's vision for the Yowie brand includes distribution of Yowie product in North America, with further expansion planned into Australia, New Zealand and throughout Asia, 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. Expansion into Europe and the Middle East are key strategic priorities for a second-stage brand rollout.

Yowie Group Ltd was first listed on the Australian Securities Exchange www.asx.com.au in December 2012 under code name 'YOW'. The Company's registered head office is in Perth, Western Australia.

For more information on the company go to www.yowiegroup.com
The Yowie consumer website can be found at www.yowieworld.com

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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 September 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from customers	33	33
1.2 Payments for (a) staff costs	(74)	(74)
(b) advertising and marketing	(21)	(21)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital ¹	(1,838)	(1,838)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	68	68
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (royalty income)	2	2
Net operating cash flows	(1,830)	(1,830)

¹ Includes \$870k purchases of raw materials and manufacturing costs.

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

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,830)	(1,830)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property (product development)	(10)	(10)
(d) physical non-current assets	(158)	(158)
(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)	-	-
Net investing cash flows	(168)	(168)
1.14 Total operating and investing cash flows	(1,998)	(1,998)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	17	17
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (capital raising costs)	-	-
Net financing cash flows	17	17
Net increase / (decrease) in cash held	(1,981)	(1,981)
1.21 Cash at beginning of quarter/year to date	8,246	8,246
1.22 Exchange rate adjustments to item 1.21	132	132
1.23 Cash at end of quarter	6,397	6,397

+ 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	100
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

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

None

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
admitted on the basis of commitments

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	4,897	2,996
4.2	Deposits at call	1,500	5,250
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		6,397	8,246

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	-	-

+ 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 ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: N J Bassett
(Company Secretary)

Date: 27 October 2014

Print name: Mr Neville Bassett

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.

+ See chapter 19 for defined terms.