

**SECURES EXCLUSIVE USA DISTRIBUTION
RIGHTS TO SURF ACCESSORY BRAND
“CREATURES OF LEISURE”**

ANNOUNCEMENT

Monday, 9 August 2004

The Board of Optima Corporation Limited (“Optima”) is pleased to advise that it has secured the exclusive USA distribution and intellectual property rights for well known and respected surf accessories manufacturer, Creatures of Leisure (“Creatures”).

The Creatures licence is in line with Optima’s previously stated strategic objective of securing other surf brands that are complementary to Optima’s existing licence with West. The two brands are merchandised through similar distribution channels and complement each other strongly from a logistics, marketing and brand management perspective.

Background to Creatures of Leisure

Creatures is a market leader in the surf accessories segment, producing a range of high quality leashes, deck grips, board bags and other related surf travel accessories.

Established in Dunsborough, Western Australia 15 years ago, Creatures have earned a reputation for innovative and technically superior surf accessories, the on-going development of which is driven a large extent by the direct feedback from Creatures’ team of elite international surfers.



The Licence

The consideration for the grant of the Licence is \$100,000, of which \$50,000 is payable immediately and a further \$50,000 is payable by 1 January 2005. The Licence is an exclusive licence to market, use, sell and distribute products designed and manufactured by Creatures within the world’s largest surf market, the United States of America.

The Licence, which has an initial term of 5 years (with rights to extend for a further term of ten years, subject to certain conditions), allows Optima to sell, supply, use and exploit all of the Trade Marks and Logos owned by Creatures, anywhere in the United States. In addition to the Licence fee of \$100,000, Optima will pay a royalty fee based on gross sales revenue of between 5% & 10%, depending on the level of sales. The Licence is subject to certain annual revenue performance targets.

As part of the Agreement, Creatures will, at their cost:

- a) maintain the international surf team and specifically maintain a US based surf team;
- b) provide US based advertising in US magazines, to a maximum of \$100,000 p.a.; and
- c) Provide free promotional product to Optima equal to between 1% & 4% of product acquired by Optima.

Optima believe the commitment by Creatures to cover the majority of advertising and sponsorship costs to be significant and reflective of their commitment to the US operations. It is intended that West and Creatures operational, administrative and logistical infrastructure will be shared, maximising the natural synergies in distributing the two surf brands throughout the United States.

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