



COMPANY ANNOUNCEMENT

GLOBE INTERNATIONAL LIMITED

RESULTS FOR THE YEAR ENDED 30 JUNE 2015

MELBOURNE, 21 August 2015: Globe International Limited (the Group), producer and distributor in the board sports, street fashion and work-wear markets, today announced its financial results for the year ended 30 June 2015, reporting significant and continued revenue growth and an improvement in profitability compared to the prior financial year.

- Revenue of \$137.7 million grew \$33.7 million (32%) over the prior financial year (28% in constant currency).
- Earnings before interest, tax, depreciation and amortization (EBITDA) of \$6.2 million were \$4.5 million (+260%) ahead of the previous financial year excluding significant items.
- Net Profit After Tax (NPAT) of \$3.7 million for the full year was \$3.2 million ahead of the previous financial year excluding significant items.

Financial Performance

All regions reported double digit revenue growth for the full-year, contributing to the 32% increase in revenue reported by the Group. This growth in revenue drove the underlying profitability improvement. This revenue and profitability improvement was a consequence of the recent investments and diversification into new markets and brands and as such, growth came from multiple brands, product categories and geographic regions.

The stand-outs from a regional perspective were Australia and Europe, with constant currency revenue growth of 33% and 46% respectively. In Australia, revenue growth for the year came from all divisions including Globe, Hardcore, 4Front and the Group's proprietary work-wear brand FXD. In Europe, the Globe brand continued to grow across all categories of footwear, apparel and skate hardgoods. Finally, the 14% increase in revenue in North America came from Dwindle skate hardgoods, Globe apparel and the addition of new brands.

The significant growth in revenue translated to reported earnings before interest, tax, depreciation and amortisation (EBITDA) of \$6.2 million for the full year, as compared to \$1.7 million last year after adjusting for significant items.

Net Profit After Tax (NPAT) of \$3.7 million for the full year was \$16.0 million ahead of the previous financial year. Excluding the net effect of the impairment charge of \$12.8 million from the prior year, the Group result reflects a \$3.2 million underlying NPAT increase from the prior year.

Financial Position

At 30 June 2015, the Group had available net cash of \$10.3 million, which is \$2.2 million higher than the \$8.1 million net cash reserves at 30 June 2014. Cash generated from operations during the year was partially utilised towards an interim dividend payment and reinvestment in the business through higher working capital to fund top line sales growth. Despite the increase in working capital, the underlying ageing profile of accounts receivable and inventory improved as both asset classes had a higher proportion of balances in the "current" category at 30 June 2015 than they did at 30 June 2014.

Dividend

The Directors have determined that a fully franked final dividend of 4 cents per share will be paid to shareholders on 15 October 2015.



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Looking Forward

Chief Executive Officer Matt Hill said, "The financial year ended strongly for Globe International and we're proud of the positioning and performance of our brands currently in all territories. Strategic repositioning over the past few years of heritage brands such as Globe and the introduction of new brands has given the company renewed energy, relevance in the market place and revenue growth. We now see this revenue growth flowing through to the bottom-line. This investment has taken place while still maintaining strong financial disciplines and as a result the company remains in a stable financial position with a strong balance sheet. We expect revenue and profit growth to continue into the next financial year but do see increased challenges in our retail markets and with the stronger US dollar impacting margins."

Investors, Media and Analysts

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