



COMPANY ANNOUNCEMENT

GLOBE INTERNATIONAL LIMITED

RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2015

MELBOURNE, 23 February 2016: 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 six months ended 31 December 2015, reporting continued revenue growth and an improvement in profitability compared to the prior corresponding period.

- Net sales of \$78.8 million grew \$12.8 million (19%) over the prior corresponding period (10% in constant currency).
- Earnings before interest, tax, depreciation and amortisation (EBITDA) of \$4.2 million were \$1.5 million (+54%) ahead of the same time last year.
- Net Profit After Tax (NPAT) of \$2.9 million for the half year was \$1.3 million ahead of the prior corresponding period.

Financial Performance

Group reported net sales for the half year were \$78.8 million, an increase of 19%, which drove the underlying profitability improvement. This revenue and profitability improvement was a consequence of recent investments and diversification into new markets and brands.

The stand out from a regional perspective was Australia with revenue growth of 36%, with all branded divisions in Australia contributing. In Europe, sales though flat in reported currency, declined 4% in local currency as a result of hardgoods sales falling in the region as compared to a high point this time last year. In North America, while sales grew 16% in reported currency terms, in local currency, sales declined 6% after a softening of retail in the USA in the second quarter of the financial year.

Branded highlights included Globe apparel which continued to grow in all regions, work-wear brand FXD, and Australia's 4Front division.

The significant growth in revenue translated to reported earnings before interest, tax, depreciation and amortisation (EBITDA) of \$4.2 million for the half year, as compared to \$2.8 million at the same time last year.

Financial Position

At 31 December 2015, the Group had available net cash of \$7.3 million, which is \$3.0 million lower than the \$10.3 million net cash reserves at 30 June 2015. The utilisation of cash during the half year is principally a result of increased investment in working capital to facilitate continuing sales growth and to fund the \$1.7 million 2015 final dividend paid October 2015. The underlying ageing profile of major working capital accounts such as accounts receivable and inventory remains satisfactory.

Dividend

The Directors have determined that a fully franked interim dividend of 3 cents per share will be paid to shareholders on 14 April 2016.

Looking Forward

Chief Executive Officer Matt Hill said, "While trading conditions continue to be difficult we are pleased to report growth in revenues and profit over the prior corresponding period. The company has a first rate stable of brands operating in multiple regions and in a variety of different distribution channels. This has helped us post a solid track record of growth over the past few years, and enables us to ride highs and lows of various markets with relative stability at a group level. We ended the first half of the 2016 financial year with our brands and finances in a solid position. However, conditions are expected to be challenging for the remainder of the financial year, particularly in the USA and Europe. Amidst softer retail and macro-economic conditions worldwide we expect rates of growth to slow, but remain positive about our business and brands".

Investors, Media and Analysts

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