



COMPANY ANNOUNCEMENT

GLOBE INTERNATIONAL LIMITED RESULTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

Melbourne, 26 February 2014: Globe International Limited (Globe), board sports and street fashion producer and distributor, today announced its financial results for the six months ended 31 December 2013, reporting revenue growth and an improvement in profitability compared to the prior corresponding half year.

Globe reported earnings before interest, tax, depreciation and amortisation (EBITDA) of \$2.4 million, including the release of \$0.6 million of restructuring provisions, for the six months ended 31 December 2013, compared to an EBITDA of \$0.9 million reported in the six months to 31 December 2012. Net profit after tax (NPAT) was \$0.8 million for the half-year, which is \$0.7 million above the \$0.1 million NPAT reported in the prior corresponding period.

Reported net sales for the half-year of \$51.4 million were 17.2% above the same time last year. In constant currency terms net sales were 6.5% higher than the prior corresponding period.

The increase in net sales was largely driven by growth initiatives such as FXD and Stussy in Australia, as well as continued growth in Globe branded European sales. In North America, sales decline offset some of the revenue growth from the other regions.

The \$1.5 million increase in operating profits (EBITDA) over the prior corresponding period is mainly due to the top-line revenue growth. In addition, the profitability of the North American division, which struggled in the second half of last financial year, was improved compared to that period, as a result of cost cuts and the release of restructuring provisions during the half.

Chief Executive Officer Matt Hill said "It is encouraging to see how our recent restructure and diversification plans are starting to pay off. With revenue increases from our new growth initiatives, we have been able to improve both group sales and profitability. Meanwhile we continue to invest in the traditional business and address the need to reposition certain segments of our business."

At 31 December 2013, the Group had available net cash of \$9.1million (June 2013: \$6.4 million) and additional available financing facilities of \$4.1 million (June 2013: \$3.7 million). The increase in net cash reserves is mainly due to the \$2.4 million in cash generated from operations during the half year (December 2012: \$0.2 million).

Mr Hill said, "We expect full year revenues and operating profits to be ahead of last year. However, as is usual for the company, due to seasonal timing, sales and profits are expected to be lower in the second half of the financial year as compared to the July to December 2013 period."

The Directors have resolved that no interim dividend will be paid.

Investors, media and analysts:

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