



COMPANY ANNOUNCEMENT

GLOBE INTERNATIONAL LIMITED RESULTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

MELBOURNE, 28 February 2013: Globe International Limited (Globe) today announced its results for the six months ended 31 December 2012.

Financial Performance

Globe reported net profit after tax (NPAT) of \$0.15 million for the 6 months ended 31 December 2012, which is ahead of the \$0.08 million of NPAT, excluding significant other income¹, earned in the prior corresponding period.

The Group generated \$0.9 million of earnings before interest, tax, depreciation and amortisation (EBITDA), compared to an EBITDA profit of \$0.5 million² in the prior corresponding half-year. The improvement in operating profitability was driven by net sales growth and stabilising gross margins.

Net sales for the half year of \$43.9 million grew by 6% in constant currency terms over the prior period. In reported AUD currency, sales were 4% above the same last year, driven by continued growth in Globe branded sales, particularly Globe apparel and life-style skateboards; as well as new initiatives in Australia, including the relatively new streetwear division, "4Front Distribution", and the recently launched workwear brand, "F.X.D".

CEO Matt Hill said "It is pleasing to deliver branded sales growth despite continued macro-economic uncertainty and the well-publicised challenges in our global retail account base. We anticipated these trends would persist, and strategically invested in the diversification of our brand and category mix to minimise the effect of those trends on the group. However, while these investments are starting to pay-off, we are not immune to the impact on our traditional, core business and continue to develop strategies to ensure our business as a whole remains relevant and buoyant".

Financial position

As at 31 December 2012, the Group had available cash reserves of \$8.9 million (June 2012: \$10.2 million), and available financing facilities of \$2.0 million (June 2012: \$2.6 million). The utilisation of cash during the half-year is principally a result of the \$1.0 million dividend paid to shareholders on 18 October 2012, and further investment in working capital to fund sales growth.

Mr Hill said, "The continued stability of the group's financial position and recurring base level profitability remains a priority, as it allows us to invest in strategic product and sales investments to ensure the longer term health of our business and our brands".

Dividends

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

Other matters

The results for the first half include \$0.1m of costs incurred in relation to the "two-strikes" rule and the unsolicited and unsupported Mariner take-over offer. Both matters, while costly and distracting, are now resolved, with the full board of directors re-elected at the Spill Meeting on 6 February 2013, and the Mariner Offer closing on 15 February 2013, with Mariner acquiring a mere 27,032 out of 41,463,818 (0.065%) of Globe's shares on issue.

Investors, media and analysts:

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¹ Reported NPAT in the 6 months to 31 December 2011, including net \$0.7 million in other income relating to proceeds from the settlement of a legal case, was \$0.8 million.

² Reported EBITDA in the 6 months to 31 December 2011, including net \$1.0 million in other income relating to the settlement proceeds, was \$1.5 million.