



COMPANY ANNOUNCEMENT

GLOBE INTERNATIONAL LIMITED RESULTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

MELBOURNE, 25 February 2011: Globe International Limited (GLB) today announced a net profit after tax (NPAT) of \$0.9 million for the 6 months ended 31 December 2010, which is an 11% improvement on NPAT reported (\$0.8 million) for the prior corresponding period (pcp).

Reported net sales for the half-year of \$45.9 million were 4% up on the pcp in constant currency terms (2% down in reported currency terms). This underlying growth in net sales is driven by the Globe brand sales trends in both North America and Europe, off-set by the sales performance in Australasia which was impacted by poor trading conditions in the Australian retail sector during the half-year.

The Group generated \$1.9 million of earnings before interest, tax, depreciation and amortisation (EBITDA), compared to a profit of \$3.3 million in the prior corresponding half-year. As foreshadowed at the AGM in October 2010, the operating result for the half-year is impacted by adverse foreign exchange rate movements, as well as gross margin pressures due to a difficult retail environment and rising input costs.

The Group continues to maintain a healthy balance sheet, with additional cash of \$1.1 million generated from operations during the half-year. As at the end of the half-year, the Group had available cash reserves of \$12.4 million, additional unutilised financing facilities of \$3.2 million, and no debt. Working capital continues to be tightly managed, with both debtors ageing and inventory holdings in line with internal expectations.

Globe International Limited Chief Executive Officer, Matt Hill, said that the underlying growth in net sales was encouraging but conditions remain challenging.

“Despite positive revenue trends, the macro economic conditions in all regions remain volatile. In addition the downward pressures on profitability due to foreign exchange rates and gross margin pressures experienced in the first half are expected to continue to impact operating profits during the second half of the financial year.”

The Directors have not declared an interim dividend. An assessment on the annual dividend payable will be made at the completion of the full financial year.

Investors & Analysts:

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