



COMPANY ANNOUNCEMENT

GLOBE INTERNATIONAL LIMITED RESULTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

MELBOURNE, 23 February 2012: Globe International Limited (GLB) today announced a net profit after tax (NPAT) of \$0.8 million for the 6 months ended 31 December 2011, which is marginally lower than the NPAT reported (\$0.9 million) for the prior corresponding period (pcp).

The Group generated \$1.5 million of earnings before interest, tax, depreciation and amortisation (EBITDA), which includes net \$1.0 million in other income relating to proceeds from the settlement of a legal case, compared to an EBITDA profit of \$1.9 million in the prior corresponding half-year. The underlying profitability of the group versus the prior corresponding period is most significantly affected by downward pressure on gross margins as a consequence of changes in sales mix.

Reported net sales for the half year of \$42.3 million were 8% below the same time last year, largely due to the strengthening of the Australian Dollar. In constant currency terms, net sales were flat on the pcp. The European division continues to be a stand-out performer for the group as it grows market share despite difficult macroeconomic conditions. The Australian business is maintaining sales levels in a tough market and sales in the North American business were down versus the pcp in single digit percentage terms, after a period of solid growth in the 2011 financial year.

On 31 December 2011, the Group had available cash reserves of \$8.9 million (June 2011: \$12.3 million), and available financing facilities of \$3.9 million (June 2011: \$3.4 million). The utilisation of cash during the half-year is principally a result of the \$2.1m dividend paid on 30 September 2011, as well as \$1.2 million of cash used in operating activities during the half-year - mainly to fund working capital requirements largely of a seasonal nature.

Globe International Limited Chief Executive Officer, Matt Hill, said that while there are some promising signs for the business, the outlook for the next six to twelve months remains difficult to predict given uncertainty in markets. Regarding the second half outlook, we anticipate continued stability for the Group and expect profitability to be largely consistent with the first half, excluding the settlement proceeds.

“Given market conditions around the world, and the specific challenges our industry faces, we are pleased that our company remains stable, cash strong and are able to focus on longer term strategic growth initiatives for our brands. Despite modest expectations for financial performance in the short term, with some encouraging signs particularly in the Globe brand, we have embarked on longer term product and sales investments that we expect to start to pay off in the 2013 financial year.”

“While we would like to see rapid growth in sales, we are satisfied with having maintained sales levels for the half-year in constant currency terms – particularly given macroeconomic uncertainty and the associated volatility in our retailers’ buying patterns. Maintaining a stable financial position and a recurring base level of operating profitability is in line with our longer term goals of investing in sought after brands and products.”

The Directors have resolved that no interim dividend will be paid. An assessment on the annual dividend payable will be made at the completion of the full financial year.

Investors, Media & Analysts:
Jessica Moelands (previously Hogan)
Chief Financial Officer
+61 (0)3 8534 9932
jessica.m@globeintltd.com