



COMPANY ANNOUNCEMENT

GLOBE INTERNATIONAL LIMITED RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

MELBOURNE, 26 August 2010: Globe International Limited (GLB) today announced a net profit after tax (NPAT) of \$1.3 million for the financial year ended 30 June 2010. This result, while modest, is a significant improvement compared to the loss of \$8.9 million reported for the year ended 30 June 2009 (the prior year).

Total revenues for the year were \$91.7 million, 22% below the \$117.6 million reported in the prior year. This decline in revenues was predominantly due to the impacts of foreign currency translation. In constant currency terms, net sales were 9% below the prior year, excluding the impact of the discontinuation of the Australian retail business. This represents a reduction in the rate of decline, compared to the 14% decline in constant currency terms reported as at the end of the prior year.

Despite the reduction in total revenues, the Group generated \$5.5 million of earnings before interest, tax, depreciation and amortisation (EBITDA), compared to a loss of \$4.5 million in the prior year. This \$10 million turn-around in profitability is directly attributable to the restructuring undertaken during 2009 and the refined approach to working capital management and on-going cost control at all levels within the business. On a regional basis, all operating segments reported a significant improvement in profitability compared to the prior year.

The strength of the Group's financial position continued to improve, with \$6.0m cash generated from operations during the financial year. As at the end of the financial year, the Group had cash of \$14.9m and no debt, compared to \$11.3m net cash at the end of the prior year.

Directors declared a fully-franked final ordinary dividend of 5.0 cents per share.

Globe International Limited Chief Executive Officer, Matt Hill, said that the performance was in line with expectations.

"We are pleased with this result and the turn-around in underlying performance that has been delivered, particularly given that this has been achieved in the midst of such challenging global economic conditions.

"This performance reflects the benefits of our restructuring and cost rationalisation, and we now have a sustainable global cost base that generates positive cash flows from earnings at current revenue levels. It is pleasing that as a direct result of this Globe is now in a position to pay a dividend to shareholders," said Matt Hill.

"The past financial year has provided the stabilised base from which Globe can now focus its resources on developing its brands and revenue growth strategies. However, we expect that conditions in FY11 will continue to be volatile and, as such, revenue growth is difficult to predict."

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