



ACN: 007 066 033

# **Globe International Limited**

## **FY 2006 Half Year Summary**

**9 March 2006**

## Key Points

- Result in line with management expectations and full year result on track as advised at last year's AGM
- Revenues and EBITDA negatively impacted in the half by poor first quarter
  - North America Sales shortfall (Poor Fall season for Globe shoes and "at once" hardgoods business)
- Second quarter delivered improved performance
  - Sales momentum improved
  - Operational costs reduced in North America
  - Reversed first quarter loss

## Key Points (cont)

- European sales up over 8% in local currency in difficult market
  - European infrastructure spend now complete
  - Margins increasing
- Australia and New Zealand
  - Wholesale sales stable, although two minor brands ceasing since last year
  - PSC and retail chain integration and expansion successful and earnings positive
  - New brand Superdry introduced
- Balance sheet well managed.
  - Operating cash flow positive with \$17.5m turnaround from last year H1

## Consolidated Result

<b>Globe Group</b>	1st Half FY06	1st Half FY05
Australasia	60,288	61,734
Globe Europe	10,058	10,288
Nth America	27,918	36,515
<b>Total Revenue</b>	<b>98,264</b>	<b>108,537</b>
Australasia	3,206	4,020*
Globe Europe	(405)	1,022*
Nth America	(1,630)	1,900*
<b>Total EBITDA</b>	<b>1,171</b>	<b>6,942*</b>
<b>Pre amortisation EBT/(Loss)</b>	<b>(698)</b>	<b>5,221*</b>
<b>Pre amortisation NPAT/(Loss) (after minority interests)</b>	<b>(436)</b>	<b>3,078*</b>
<b>Pre amortisation EPS (cents)</b>	<b>(0.1)</b>	<b>0.7*</b>
<b>NPAT/(Loss) (after minority interests)</b>	<b>(740)</b>	<b>2,757*</b>
*AIFRS adjusted		

# Outlook

- Positive momentum from Q2 continues into Q3
- North America sales growth
  - Solid forward order book for Globe shoes
  - Re-emerging hard good sales
- Australian retail expansion to continue as planned
- World and Dwindle margin growth
- Globe brand direct spends decreased
  - Removal of duplication spending nearing completion

## **Outlook (cont)**

- European infrastructure complete
  - Fixed cost base going forward as sales increase
  - Margins increasing
- On track with forecast to deliver a full year EBITDA of approximately \$10 million being similar to FY2005.
- Previously announced strategic review being undertaken by the Sage Group is progressing.