



## **MEDIA RELEASE AND ASX ANNOUNCEMENT**

27 August 2008

# **GLOBE INTERNATIONAL 2007/08 RESULTS**

Globe International (ASX:GLB) today announced its full year result for 2007/08, reporting total revenues of \$122.3 million and a net loss of \$24.6 million which is predominantly due to a one-off non-cash significant item. Excluding the impact of one-off items, and in constant currency terms, there was an underlying performance improvement.

Net sales of \$120.7 million for the year, whilst reported down by \$1.8 million, actually increased in constant currency terms by \$6.0 million, representing 5.2 per cent growth, year on year. Strong sales performance from the Company's skateboarding brands, particularly in North America, have contributed largely to this outcome.

Significant one-off items totaling \$24.8 million have adversely impacted earnings, resulting in the net loss after tax of \$24.6 million. Following the annual impairment review of intangible assets, the Company has written down the carrying value of goodwill by \$20.6 million. A further \$2.8 million relates to income tax items and \$1.4 million (\$2.0 million before tax) relates to legal expenses associated with the trademark litigation case in the UK, which was reported in the previous half year.

Excluding significant items, EBITDA of \$2.8 million represents a \$1.5 million improvement compared to the last financial year, largely due to increased margins. NPAT for the year, pre-significant items, of \$0.2 million is also ahead of last year by \$1.3 million.

"The fact that we have reported a loss as a result of these one-off items is very disappointing," the Chief Executive Officer of Globe, Matt Hill said. "It is also regrettable that the strong level of growth that we reported in the first half did not continue into the second half due to more difficult conditions in some markets.

“However, notwithstanding this, we have seen underlying net sales growth in our core business this year despite difficult trading conditions in some markets. While our current financial position is sound, we expect to operate against a backdrop of difficult international trading conditions over the next twelve months. Accordingly, we will take the steps required to appropriately align our cost base with this outlook.”

Mr Hill said that the actions that the Company had taken over the last two years were strategically pivotal and placed the Company in a sound position to face the challenges to come as a result of worldwide market conditions.

ENDS

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**Globe - who we are**

Globe is an international business with its products sold in over 65 countries. Globe's key offices are in Melbourne and the Gold Coast in Australia, Los Angeles in the USA, Hossegor on the south-west coast of France and London in the UK. Globe's heritage and future is in building and managing boardsports brands represented across the apparel, footwear, hardgoods and accessories markets worldwide. Globe designs and develops products that appeal to the broader youth culture and span multiple categories of footwear and apparel hardgoods in skate, surf and snow.

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