



GLOBAL BRANDS GROUP

For Immediate Release

Global Brands Announces Results For the 15 Months Ended 31 March 2016

Highlights

- Total margin has continued to trend up since 2013
- Revenue increased to US\$4,118 million, which was partially offset by a decrease in the Euro exchange rate, the tail end impact of exiting certain underperforming brands, and an unseasonably warm winter in North America
- Core operating profit and net profit for the period were US\$75million and US\$25million respectively, reflecting the typically weak first quarter of the year
- Continuous focus on core product categories and high-performing brands
- Added new licenses and expanded platforms across both Licensed and Controlled Brands segments to leverage core competencies
- This 15-month Reporting Period is a consequence of the change of the financial year end date to 31 March, which includes one additional quarter of the year

Hong Kong, 15 June, 2016 – Global Brands Group Holding Limited (“Global Brands” or the “Group”; SEHK Stock Code: 787), one of the world’s leading branded apparel, footwear, fashion accessories and lifestyle product companies, today announced its results for the 15-month period from 1 January 2015 to 31 March 2016 (the “Reporting Period”).

Mr. Bruce Rockowitz, Chief Executive Officer and Vice Chairman of Global Brands Group Holding Limited, said, “Since Global Brands’ independent listing two years ago, our business has progressed along a steady growth trajectory. We have focused on leveraging our competitive strengths as we grow around our core segments. Today, we enjoy a unique position in our industry as no other company operates in the same space in the categories in which we specialize, at our vast scale, across so many countries and regions, and with such deep expertise.”

For the 15 months ended 31 March 2016, revenue increased to US\$4,118 million. This increase was partially offset by a depreciation of the Euro, the tail end effect of the Group’s exit from certain underperforming brands, and an unseasonably warm winter in North America.

The Group’s total margin has continued to trend up since 2013, reaching US\$1,379 million, or 33.5% as a percentage of revenue, for the Reporting Period. As a result of the Group’s investment in key Controlled Brands and the addition of new licenses to the portfolio,



operating costs increased to US\$1,304 million. For the Reporting Period, core operating profit was US\$75million, while net profit for the period was US\$25million.

It should be noted that the Reporting Period covered in this announcement is due to the change in the Group's financial year end date to 31 March to better align with the natural retail cycle of the industry. Consequently, this reporting period includes one additional quarter, i.e. the first quarter of the calendar year, which is typically the weakest quarter of the year. In addition, this 15-month Reporting Period is not directly comparable to the Group's previous annual results covering the 12-month period ended 31 December 2014.

Mr. Dow Famulak, President and Chief Operating Officer of Global Brands Group Holding Limited, said, "During the Reporting Period, we continue to sharpen our focus on our key product categories and high-performing brands, while expanding our platforms where relevant. Our kids category remains a highly successful franchise delivering consistently positive results, while our footwear and accessories business also performed well, particularly our key footwear brands. We made excellent progress with expanding the direct-to-consumer reach and increasing the product offering of our key Controlled Brands, such as Frye, Spyder and Juicy Couture. Under Seven Global, we extended the David Beckham brand to the menswear product category through a partnership with Kent & Curwen, and recently to the men's grooming category through a partnership with the premium men's skincare brand Biotherm Homme."

"We remain committed to the global growth of our business. We will continue to expand our footprint in Europe and in Asia, as well as look for new avenues to further build upon our already strong presence in the US. We will also capitalize on the great opportunities that certain trends represent for our business – in particular the increase in consumer spending on affordable luxury and kids' apparel that is being fuelled by the rising disposable incomes of an expanding middle class." Mr. Rockowitz said, "Going forward, we expect our new licenses and brands will have a positive impact on revenue. We also expect the margin to continue its upward trend due to our emphasis on higher-margin businesses."

Going forward, and beginning from its interim results announcement in November 2016, Global Brands will provide additional segmental disclosure around four core operating verticals, in order to facilitate better understanding of the fundamental drivers of the Group's major business areas and to enable the investment community to better understand, track and evaluate the Group's performance. These four core operating verticals are: 1) kids; 2) men's and women's fashion; 3) footwear and accessories; and 4) brand management.

– Ends –

For details of Global Brands Group Holding Limited's results for the 15 months ended 31 March 2016, please refer to the announcement posted on the Stock Exchange of Hong Kong Limited website (www.hkex.com.hk).



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About Global Brands Group Holding Limited

Global Brands Group Holding Limited (SEHK Stock Code: 787) is one of the world's leading branded apparel, footwear, fashion accessories and related lifestyle product companies. The Group designs, develops, markets and sells products under a diverse array of controlled and licensed brands and a wide range of product categories. Global Brands' innovative design capabilities, strong brand management focus, and strategic vision enable it to create new opportunities, product categories and market expansion for brands on a global scale. For more information, please visit the corporate website: www.globalbrandsgroup.com .

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