



For Immediate Release

Global Brands Reports FY2017 Annual Results

***Strong top line and margin growth
All profit lines post strong increase
New Three-Year Plan aims for revenue of US\$5 billion by FY2020***

Highlights

- Revenue grew by 11.6% year-on-year, despite challenging business environment
- Total margin continued strong upward trend, growing 250 basis points due to improving business mix and sourcing optimization
- Core operating profit saw strong increase of 64.5%
- Net profit attributable to shareholders posted a strong increase of 89.4%
- Announced new Three-Year Plan (FY2018 to FY2020), focusing on growing top line, total margin, and EBITDA⁽¹⁾

Hong Kong, 14 June, 2017 – 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 12-months ended 31 March 2017 (the “Reporting Period”), and outlined a new Three-Year Plan (fiscal year 2018 to 2020).

Mr. Bruce Rockowitz, Chief Executive Officer and Vice Chairman of Global Brands Group Holding Limited, said, “This year marks the third anniversary following our listing as an independent company. I am delighted to announce that we have achieved another strong set of results, despite a challenging business environment. We recorded one of the strongest levels of top line growth in the industry, and saw continued improvement in our margins and profitability. This demonstrates the strength of our business strategy and our success in capturing growth opportunities.”

For the 12 months ended 31 March 2017, the Group’s revenue increased by 11.6% to US\$3,891 million, compared to US\$3,486 million for the same period last year, driven primarily by growth from new and existing licenses. The Group’s total margin continued to trend higher, increasing by 19.8%, reaching US\$1,416 million, and growing to 36.4% as a percentage of revenue. The increase was mainly the result of improving the business mix with higher-margin businesses and sourcing optimization. Operating costs for the Reporting

⁽¹⁾ EBITDA is defined as net profit before net interest expenses, tax, depreciation and amortization. This also excludes share of results of joint ventures, material gains or losses which are of capital nature or non-operational related, acquisition related costs and non-cash gain on remeasurement of contingent consideration payable



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Period increased by 15.5% to US\$1,242 million, primarily due to investments in key brands and the addition of new licences.

Core operating profit for the Reporting Period posted a strong increase of 64.5% year-on-year, reaching US\$173 million, while net profit attributable to shareholders also posted a strong increase of 89.4% to US\$90 million.

The Group continued to reap the benefits of its flexible licensing model, diversified brand portfolio, and strong relationships with multiple distribution channels around the world. The Reporting Period saw continuing growth across all four of its business verticals; Kids, Men's and Women's Fashion, Footwear and Accessories, and Brand Management.

Kids, which remains the Group's largest vertical and most established business, reported a revenue increase of 3.9% to US\$1,603 million, compared to the same period last year. While total margin rose by 9.9%, Kids' core operating profit posted a strong increase of 62.2%. Men's and Women's Fashion, a fast growing vertical where the Group has strategically invested to grow the business, saw revenue increase by 31.5% to US\$820 million year-on-year. Both total margin and core operating profit for Men's and Women's Fashion recorded a strong increase of 47.8% and 78.6% respectively.

Footwear and Accessories reported revenue of US\$1,281 million, an increase of 5.6% year-on-year, while total margin increased by 13.6%. As for Brand Management, revenue increased by 75.7% to US\$188 million, largely driven by the formation of the CAA-GBG joint venture. Total margin and core operating profit went up 49.0% and 229.7% respectively from the same period last year.

The Group also announced its new Three-Year Plan (fiscal year 2018 to 2020). The focus will be on reaching US\$5 billion in revenue by the end of fiscal year 2020, while further improving the total margin percentage and EBITDA. At the same time, Global Brands intends to consolidate its leadership position as a licensing partner of choice, while making strategic investments in its product and channel capabilities. The Group will also work to further reduce the gearing ratio.

Mr. Rockowitz concluded, "Over the past few years, the industry has experienced dramatic change. The traditional retail model is no longer sustainable, and success now requires a sophisticated omni-channel strategy. With our flexible licensing model and channel agnostic approach, we see considerable upside in these disruptions, and we are well placed to benefit from the resulting structural transformation in the industry to maintain our growth momentum. Global Brands is both the partner of choice and the partner for the future. Our new Three-Year Plan will build on our strong foundation and the growth we have already achieved, consolidating our leading global position for the next three years and beyond."

– Ends –



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For details of Global Brands Group Holding Limited's results for the 12 months ended 31 March 2017, please refer to the announcement posted on the Stock Exchange of Hong Kong Limited website (www.hkex.com.hk).

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 and fashion accessories companies. The Group designs, develops, markets and sells products under a diverse array of owned 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. In addition, the Group is the global leader in the brand management business through CAA-GBG Brand Management Group.

For more information, please visit the corporate website: www.globalbrandsgroup.com.

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