



# GLOBAL BRANDS GROUP

*For Immediate Release*

## **Global Brands Announces 2015 Interim Results**

### **All Profit Lines Show Significant Improvement; Margins Continue to Trend Up**

#### **Highlights**

- All profit lines recorded significant improvement in the first half of 2015 as compared to the same period last year
- Total margin continued to trend up, growing as a percentage to turnover to 31.7 %
- Operating costs decreased by 3.2% as a result of on-going focus on maximizing operational synergies
- Turnover of US\$1,282 million, a decrease of 5.0% due to the tail end of the discontinuation of underperforming businesses as well as weakness in the European markets which was largely driven by a decrease in the Euro exchange rate. Excluding the impact of these factors, turnover grew by approximately 6%
- A stronger mix of brands in the portfolio in favour of higher margin businesses
- In line with previous years, performance continues to skew significantly towards the second half of the year

**Hong Kong, 11 August, 2015** – 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 interim results for the six months ended 30 June, 2015.

Mr. Bruce Rockowitz, Chief Executive Officer and Vice Chairman of Global Brands Group Holding Limited, said, “This summer Global Brands marked its first anniversary as an independent listed company. We continue to build on the solid foundation we have established as the partner of choice for American power brands in the affordable luxury space.” He added, “We have sharpened our organizational focus around our product categories, as we continue to improve our business mix towards higher margin areas while at the same time driving operational synergies across the organization. Today, we have a strong portfolio of brands and an excellent platform to take them global through either licensing, ownership or brand management. In line with previous years, we expect our turnover and profits will accelerate significantly in the second half of 2015, particularly given the skewing effect of seasonality on our business.”

Global Brands recorded turnover of US\$1,282 million for the six months ended 30 June, 2015 compared to US\$1,349 million for the same period in 2014. The 5% decline in turnover was the result of the tail end of the discontinuation of certain underperforming brands during



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the course of 2014 which were no longer reflected in the Group's financials in 2015. As well as weakness in the European markets which was largely driven by a decrease in the Euro exchange rate. Excluding the impact of these factors, turnover for the Group grew by approximately 6% during the same period. In addition, Global Brands' business continues to be skewed towards the second half of the year due to back-to-school sales and a higher concentration of holidays during this period, and the fact that some of the brands, such as Frye and Spyder, together with product categories like winter accessories, are more skewed towards the fall and winter seasons.

Total margin continued to trend up, growing as a percentage of turnover from 29.7% in the first half of 2014 to 31.7% in the first half of 2015, mainly due to the Group's focus on improving the business mix towards higher margin areas such as characters on the Licensed Brands side and key Controlled Brands. As the Group continued to drive operational synergies, operating costs reduced by 3.2% to US\$449 million.

As such, all profit lines of Global Brands recorded significant improvement in the first half of 2015 as compared to the same period last year. Core operating loss improved by 32.5% to US\$43 million, while the net loss attributable to shareholders improved by 64.5% to US\$35 million in the first half of 2015 from US\$98 million in the first half of 2014. The Group's adjusted net loss attributable to shareholders also improved by 24.3% to US\$40 million in the first half of 2015 as compared to US\$53 million for the same period in 2014. Continuing on this positive note, the Group's EBITDA increased by 39.6% to US\$47 million in the first half of 2015 from US\$34 million for the same period in 2014.

"We continue to invest in and strengthen our business," said, Mr. Dow Famulak, President and Chief Operating Officer of Global Brands Group Holding Limited. "Within Licensed Brands, the characters and kids fashion areas continued to perform well. This strong performance comes as we leverage our unrivalled global platform and our position as one of the largest licensees of all major kids entertainment franchises. On the Controlled Brands side, we have added Jones New York to further strengthen our women's fashion and apparel brands portfolio. We also continue to grow our key Controlled Brands, such as Frye, Spyder and Juicy Couture and have bolstered our management teams across several brands."

Mr. Rockowitz added, "Consumer appetite for leading American affordable luxury brands remains strong, especially as consumers' demand for these brands has been fuelled by the widespread access to the online arena that makes these brands more popular than ever globally. Looking ahead, we expect our leading businesses to continue to perform well and maintain the course of their growth trajectory. At the same time, we will continue to increase our geographic footprint and look for strategic opportunities to add to our existing platforms, through both licenses and acquisitions."

– Ends –



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*For details of Global Brands Group Holding Limited's 2015 interim results, please refer to the announcement posted on the Stock Exchange of Hong Kong Limited website ([www.hkex.com.hk](http://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, 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](http://www.globalbrandsgroup.com).

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