



GLOBAL BRANDS GROUP

For Immediate Release

Global Brands Announces FY 2016/17 Interim Results

Strong Revenue Growth and Total Margin Trending Higher Significant Increase in Core Operating Profit

Highlights

- Strong growth in revenue by 15.0%, driven primarily by growth from existing and new licenses
- Total margin continued to trend up strongly, growing as a percentage of revenue to 35.5%
- Core operating profit posted a significant increase of 129.9%
- EBITDA increased by 44.0% to US\$179 million
- Adjusted net profit attributable to shareholders rose by more than 300% to US\$44 million

Hong Kong, 17 November, 2016 – Global Brands Group Holding Limited (“Global Brands” or the “Group”; SEHK Stock Code: 787), one of the world’s leading branded apparel, footwear, and fashion accessories companies, today announced its interim results for the six months ended 30 September, 2016 (the “Reporting Period”).

Mr. Bruce Rockowitz, Chief Executive Officer and Vice Chairman of Global Brands Group Holding Limited, said, “I am delighted we have delivered such a strong set of results. These were achieved despite facing a challenging business environment globally and fundamental shifts in consumer behaviour in our industry. These excellent results demonstrate the resilience of our business model and the success of our efforts to grow all four of our business verticals.”

For the six months ended 30 September 2016, the Group’s revenue increased by 15.0% to US\$1,844 million compared to US\$1,604 million for the same period last year, driven primarily by growth from existing and new licenses.

The Group’s total margin continued to trend up strongly and increased by 19.9%, reaching US\$655 million, growing as a percentage of revenue to 35.5%. The increase was mainly attributable to an improving business mix in favour of higher-margin businesses and sourcing optimization. As a result of our investment in key brands and the addition of new licenses, operating costs increased by 12.6% to US\$578 million.

Core operating profit also posted a significant increase of 129.9% from the same period last year, to US\$78 million, while EBITDA increased by 44.0% to US\$179 million. For the Reporting Period, the Group’s adjusted net profit attributable to shareholders increased by 344.2% to US\$44 million, compared to US\$10 million for the same period last year.

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Global Brands is disclosing segmental information around the Group's four business verticals to enable the investment community to better track and evaluate the Group's progress and performance. This Reporting Period has seen continued growth across all four of the Group's business verticals: Kids, Footwear and Accessories, Men's and Women's Fashion, and Brand Management. The Kids vertical, the Group's largest, increased revenue by 10.3% to US\$813 million compared to the same period last year, while total margin increased by 14.8% to US\$295 million. Kids' core operating profit increased by 147.4% to US\$49 million. Footwear and Accessories, the Group's second largest vertical, reported a revenue increase of 3.4% to US\$595 million, while total margin increased by 6.0% as compared to the same period last year.

Revenue for Men's and Women's Fashion increased by 48.9% to US\$371 million, while total margin increased by 55.4% to US\$155 million. As compared to the same period last year, core operating profit of Men's and Women's Fashion increased by 88.5% to US\$32 million. As for Brand Management, revenue increased by 52.8% to US\$66 million, while total margin increased by 41.3% to US\$16 million.

Mr. Dow Famulak, President and Chief Operating Officer of Global Brands Group Holding Limited, said, "We continue to invest in and strengthen our business across all four verticals where we have seen growth across the board. Our Kids business, which is our largest vertical, has continued to deliver an excellent performance on a consistent basis. Footwear and Accessories are also doing well, and we have entered into an exclusive partnership with Katy Perry, adding to our portfolio of power brands. The Men's and Women's vertical is also scaling quickly, and we have made considerable progress in growing our key brands domestically and internationally. Finally, we have experienced strong growth in our Brand Management vertical, and created the world's largest company in this space when we formed a joint venture with Creative Artists Agency (CAA)."

Mr. Rockowitz added, "Global Brands business model is perfectly positioned to capitalize on the opportunities presented by the revolutionary changes we have seen in the retail landscape. We are embracing change, continuing to diversify our brands, leveraging our ability to be channel agnostic and gearing up our e-commerce capabilities. We will continue to focus on building our footprint across Europe and Asia, and increasing our market share across all our distribution channels. I am excited by what lies ahead."

– Ends –

For details of Global Brands Group Holding Limited's FY2016/17 interim results, 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 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 its joint venture, CAA-GBG Brand Management Group.

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

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