



PACIFIC B **R** BRANDS

18 October 2006

ASX/NZX Joint Announcement

Pacific Brands acquires Streetwear Division of Globe International

Pacific Brands Limited (**Pacific Brands**) (ASX/NZX: PBG) today announced it has entered into a conditional agreement to acquire the Australian and New Zealand Streetwear Division (**Streetwear**) of Globe International (**Globe**) (ASX: GLB). The acquisition does not include, either in Australia or internationally, the Globe, Gallaz or Sandolls brands, the skateboard retail chain of PSC or Globe's skateboard hardgoods business. The transaction is subject to a number of conditions and it is anticipated the transaction will be completed in the near future.

Streetwear is a casual apparel business that designs, markets and distributes a range of proprietary and licensed apparel brands into the Australian and New Zealand markets. Brands include Mossimo, Stussy, Paul Frank, Mooks, M-ONE-11, Freshjive, and Independent.

Commenting on the acquisition, the CEO of Pacific Brands, Mr Paul Moore said, "This will be a sound strategic acquisition for Pacific Brands and will fit extremely well alongside our existing workwear, sporting and casual apparel businesses. Streetwear continues our commitment to the lifestyle sector and is complemented by our existing Merrell and Everlast businesses. We believe we can continue to grow this segment.

"Streetwear has some great brands that are highly regarded for their product development and innovation and we will invest further in growing their consumer awareness. It will increase our representation in the premium and specialty retail channels. In addition, it has a small, but growing, underwear business which will fit very well as a premium offering complementing our more mainstream major underwear brands.

"Streetwear is a logical acquisition consistent with our branded strategy. There is a great team of talented and energetic people at Streetwear and we look forward to them joining Pacific Brands. The acquisition gives us an excellent platform for other bolt-on acquisitions and licenses in the outerwear category and to drive operational efficiency and leverage our scale across sourcing, logistics and technology."

Globe International CEO Mr Matt Hill said, "Recently we have undertaken a strategic review of our business and have concluded that significant international growth

opportunities exist for the company in the Globe branded skate and surf businesses. Over recent years our Streetwear business has performed strongly and profitably, however, we believe that by concentrating our efforts in the future on our core business, greater shareholder value can be achieved.

“The anticipated sale of our Streetwear Division to Pacific Brands will be positive for our employees, customers and suppliers and for future shareholder value. Pacific Brands has a strong consumer marketing orientation, a powerful supply chain and excellent back office processes and I would expect that their capabilities will be applied to further drive the Streetwear business and strengthen the brands”.

The contract is subject to several completion conditions. The sale price is dependent on the assets ultimately transferred, but will be up to a maximum of about \$42 million.

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Ends