16 December 2011

Global Brands S.A. ("Global Brands" or "the Company")

Update regarding Delisting and Restructuring

Proposed Demerger of the Pizza Business, Share Split and Reduction of Capital, Adoption of Investing Policy, Funding and Notice of Extraordinary General Meeting

Global Brands S.A. (AIM: GBR), an international business developing branded food operations in Europe, including being the master franchise owner of Domino's Pizza in Switzerland, Luxembourg and Liechtenstein, provides an update on key developments following its announcement on 1 December 2011 of a proposed delisting. Following this announcement the Company was approached by several parties who expressed an interest in preserving the listed company as a vehicle for other transactions. After studying the feasibility of such a restructuring, the board of directors of the company ("the Board") today has decided to follow this path of action, subject to shareholder approval.

Highlights:

- Global Brands will no longer seek a delisting and become an Investing Company which will continue to be listed. An Investing Company is a company which has, as its primary business and objective, the investing of its funds in securities, businesses or assets.
- The current business of Company, the "Pizza Business" will be demerged into a private Swiss company.
- Global Brands shareholders will retain their shareholdings in the listed entity and will receive one new share in the Swiss entity for every Global Brands share held following a capital reorganisation.
- The restructuring has necessitated the postponement of the Extraordinary General Meeting of the shareholders from 27 December 2011 to 2 January 2012.
- In order to fund the Company's immediate working capital requirements ahead of the EGM:
    - the Company's major shareholder, NobleRock has undertaken to provide funding of up to £200,000 which is intended be introduced via a subscription for new equity in Global Brands.
    - Bruce Vandenberg, the CEO, has undertaken to provide funding of up to £100,000 which is intended to be introduced via a subscription for new equity in Global Brands.

Should the required resolutions to the restructuring not be approved by Shareholders and/or the Notary or should the Company not be able to successfully raise funding in the manner described, the Board would need to explore urgently other financing opportunities for the Company including possible third party finance. Should the Company not raise such third party finance, there is a significant risk that the Company would lose the Domino's Pizza Master Franchise Agreement for Switzerland, Luxembourg and Liechtenstein and would cease trading.

Chairman Simon Bentley commented:

"We have spent considerable efforts on behalf of shareholders to find the best way to protect shareholders interests, and believe what we are proposing does this.

This restructuring, which would maintain a listing and allow the Company to remain as an investing vehicle, whilst demerging our core pizza business operations into a private Swiss company, will provide shareholders with an opportunity to maintain shares in a listed business as well as creating a potential upside from an investing company.

The Board believes this restructuring would be most beneficial to preserve shareholders interests. If this does not get shareholder approval, then the Company risks ceasing to trade. As shareholders, Bruce Vandenberg and I will be voting for this; and we would urge other shareholders to also vote in favour."

For further details please see below.

-Ends-

For further information:

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1. Introduction:

Global Brands proposes to demerge its existing business, the Pizza Business, into its Swiss subsidiary, Domino's Pizza Switzerland AG, and transfer the shares of that company to the Shareholders. Under Luxembourg law, the Demerger will be treated as a reduction in capital in specie. If the Demerger is effected, Global Brands will then become an Investing Company under the AIM Rules.

The Demerger would result in Shareholders holding shares in two distinct entities with separate strategic, capital and economic characteristics and management teams:

- Global Brands S.A. will be an Investing Company which will target investment opportunities in line with its Investing Policy; and
- Domino's Pizza Switzerland AG will own the Master Franchise Agreement for Domino's Pizza in Switzerland, Luxembourg and Lichtenstein and will carry on the Pizza Business as a private company.

The Demerger will constitute a fundamental change of business of the Company which, under Rule 15 of the AIM Rules, requires Shareholder approval. In accordance with the AIM Rules, the Company is required to send a circular to Shareholders setting out the reasons for, and principal terms of, the Demerger. The circular will also provide details of the proposed Share Split and Reductions of Capital, the Investing Policy and Placing and seeks Shareholders' approval for the Demerger, the share split and Reduction of Capital and adoption of the Investing Policy.

Should the required resolutions not be approved by Shareholders and/or the Notary or should the Company not be able to successfully raise funding in the manner described in this Document, the Board would need to explore urgently other financing opportunities for the Company, including possible third party finance. Should the Company not raise such third party finance, there is a significant risk that the Company would lose the Domino's Pizza Master Franchise Agreement and would need to cease trading.

2. Demerger of the Pizza Business

Background to and Reasons for the Demerger

The Company was admitted to trading on AIM in September 2005 raising GBP2.8m of capital to be used to grow the company to 23 stores in three years. In addition, it was contemplated that the Company would utilise its listing on AIM to raise further capital to diversify both its brand portfolio and its operations geographically.

The performance of the Company since admission has been mixed and well documented. The significant reduction in losses and the move toward breakeven has been a difficult and slow process.

Whilst the Directors appreciate the support of all Shareholders, they believe that the historic performance of the Company and the recent lack of interest to fund the Austrian opportunity is a clear indication of current investor sentiment.

The Directors remain confident that the Pizza Business will continue to improve and ultimately grow through diversification, however they believe that investor sentiment will not significantly improve until the Company has reported a number of years of profitable performance. Without the opportunity to grow quickly by opening a new market such as Austria, growth will be organic and take time. During this time, the business would continue to incur the costs associated with its listing but without the principal benefits that it should bring, through access to capital. Therefore the Directors are recommending to Shareholders to Demerge the Pizza Business from the Company.

In preparing their recommendation in favour of the Demerger, the Directors have taken into account the following:

- The primary purpose of the admission to trading on AIM was the ability to raise capital. This has now been severely compromised, meaning that either capital will not be available or only available at a price that is not in the best interests of Shareholders.

- Capital could be available to the Company from sources other than those seeking publicly traded investments and these would be more easily accessible if the Pizza Business was not owned by a publicly traded company.
- In these circumstances, the on-going costs and regulatory requirements, together with the management time of maintaining the admission to trading on AIM, are not a justifiable expense.

Accordingly, the Board has considered alternative options for the Company including delisting the Company from AIM and more recently a proposal to change the business of the Company to that of an Investing Company, i.e. a company which has as its primary business, the investing of its funds in securities, business or assets, but also to maintain the Pizza Business in another, more cost effective corporate entity.

The Board believes that, given the current financial and trading position of the Company, the proposal to change the business of the Company to that of an Investing Company is in the best interests of the Shareholders as a whole.

To achieve this change of business, it is proposed to demerge the Pizza Business completely into Domino's Pizza Switzerland AG. In July 2011, the Company started the process of moving the assets and liabilities of the Pizza Business into Domino's Pizza Switzerland AG as the principal trading entity in the Group. During this process, it contacted all trading creditors in the Group and notified them that they were being moved into Domino's Pizza Switzerland AG. The process is largely complete.

Currently, Global Brands owns the Master Franchise Agreement and has a number of creditors associated with the costs of a listing. The Company now proposes transferring all remaining creditors and the Master Franchise Agreement to Domino's Pizza Switzerland, leaving Global Brands as clean 'shell'.

Summary of the Demerger

The Demerger will be effected by taking, inter alia, the following steps:

- the transfer of the Master Franchise Agreement from Global Brands to Domino's Pizza Switzerland AG;
- seeking creditor agreement to and transferring all remaining creditors from Global Brands into Domino's Pizza Switzerland AG; and
- following the share split and reductions of Global Brands' share capital, Shareholders who are on the Global Brands Register at the Record Time will receive:

One Domino's Pizza Switzerland AG Share for each Global Brands Ordinary Share

Shareholders will also continue to hold their existing Global Brands Ordinary Shares.

The Demerger is conditional (amongst other things) on:

- the approval by Shareholders of the Resolutions at the Extraordinary General Meeting to be held on 2 January 2012; and
- the confirmation of the Reduction of Capital on 2 February 2012. This confirmation is in turn dependent on the agreement of all creditors to be transferred in Domino's Pizza Switzerland AG.

In order to effect the Demerger, Shareholders will need to approve the following at the EGM.

Share Split

Currently, the market price of the shares is £0.0022 which is substantially below the nominal value of CHF0.02. As the Company is prohibited from issuing new shares at below the nominal value, the Board proposes a restructuring of the Company's share capital which aims to reduce the shares' nominal value to an amount that gives the Board the flexibility to raise further funds.

The proposed restructuring of the share capital of the Company also aims to offset the Company's accumulated losses in order to make the Company more attractive to potential new investors.

Consequently, the Board is proposing to split each subscribed and unissued share of the company with a nominal value of CHF 0.02 into 10 shares with a nominal value of CHF 0.002. Following the share split, the issued share capital will be represented by 2,476,737,180 shares, each having a nominal value of CHF 0.002 per share.

The share split will be effective on 2 January 2012 subject to the Company obtaining the necessary approvals at the EGM.

Capital Reduction to offset accumulated losses

In order to offset the accumulated losses of the Company of CHF 6,000,145 as at 31 December 2010, the Board is proposing to reduce the issued share capital from CHF 8,915,085 to CHF 2,914,941 by cancelling 1,019,266,500 shares with a nominal value of CHF 0.002. This will reduce the issued share capital from 2,476,737,180 shares to 1,457,470,680 shares.

The capital reduction to offset accumulated losses will be effective on 2 January 2012 subject to the Company obtaining the necessary approvals at the EGM.

Capital Reduction to effect the Demerger

In connection with the Demerger, the Board is proposing to transfer all the assets and liabilities into Domino's Pizza Switzerland AG and reduce Global Brand's share capital account to CHF 217,140. The issued share capital will be reduced by an amount equivalent to the value of the Company's shareholding in Domino's Pizza Switzerland AG by repurchase of shares of the Company and payment in kind to the shareholders of the Company, pro rata to their shareholding, in the form of shares in Domino's Pizza Switzerland AG.

In order to effect the Demerger, the Board is proposing to reduce the Company's share capital in accordance with the provisions of Article 69 (2) of the Luxembourg law dated 10 August 1915 related to commercial companies, as amended. This will involve the cancellation of part of the Company's share capital account.

The cancellation of the part of the share capital account will only take effect if sanctioned by the Shareholders at the Extraordinary General Meeting and is subject to a 30 day notice period to creditors of the Company. Providing there is no objection by creditors and creditors agree to their transfer to Domino's Pizza Switzerland AG within the 30 notice period the cancellation will be completed on 2 February 2012, the Demerger will take effect.

It should be noted that, although it is currently the Board's intention that the Demerger should be concluded, the Board is entitled to decide not to proceed with the Demerger at any time prior to the EGM if it determines that it would not be in the interests of Shareholders.

Proposed amendments to the Articles of Association

A number of amendments to the Articles of Association are required to implement the restructuring and require approval at the Extraordinary General Meeting. Such amendments will include the change of the par value of the Company's authorised and issued share capital from CHF 0.02 to CHF 0.002 and the change in the Company's objectives.

Further Trading Facilities

The Company intends to put in place a matched bargain facility for Domino's Pizza Switzerland AG in due course following the Demerger.

3. Global Brands S.A.

Proposed Investing Policy

Following the Demerger becoming effective, the Company will become an Investing Company under AIM Rules.

The Investing Policy of the Company will be to acquire controlling stakes, either through the issue of securities or for cash, in quoted and non-quoted companies. The acquisition strategy will be focused on a limited number of 'buy and build' opportunities, with the intention of realising value for Shareholders through a future exit.

The Board believes that there are attractive near term opportunities to acquire assets, either quoted or non-quoted, and through combining aligned businesses, to create value through a combination of revenue growth and synergistic cost savings.

Any such possible acquisition may constitute a reverse takeover in accordance with the AIM Rules for Companies and will, therefore, require Shareholder approval. The Board will ensure that Shareholders are kept updated with respect to developments in this regard.

AIM Rule 15

In accordance with AIM Rule 15, the Investing Policy must be approved by Shareholders in a Extraordinary General Meeting and the Company must implement the Investing Policy or make an acquisition or acquisitions which constitute a reverse takeover under the AIM Rules within 12 months of the Company becoming an Investing Company. Failure to do so will result in the suspension of the Global Brands Ordinary Shares on AIM pursuant to AIM Rule 40. If following suspension of the Global Brands Ordinary Shares in accordance with AIM Rule 40, the Global Brands Ordinary Shares have not been re-admitted to trading on AIM within six months from the date of suspension, the admission of the Global Brands Ordinary Shares to trading on AIM will be cancelled and the Directors will convene a Extraordinary General Meeting of the Shareholders to consider whether to continue seeking investment opportunities or to wind up the Company and distribute any surplus cash back to Shareholders. The assessment of whether or not the Investing Policy has been implemented must be made to the satisfaction of AIM.

Financing of the Company and Domino’s Pizza Switzerland AG prior to the Demerger

In order to fund the Company’s immediate working capital requirements ahead of the EGM:

- the Company’s major shareholder, NobleRock has undertaken to provide funding of up to £200,000 which is intended be introduced via subscription for new equity in Global Brands.
- Bruce Vandenberg, the CEO, has undertaken to provide funding of up to £100,000 which is intended to be introduced via subscription for new equity in Global Brands.

The intention is to issue these shares by 22 December 2011. Such shares will be subject to the share split and capital reductions proposed at the EGM.

On the assumption that the full amount of funds are raised, it is expected that NobleRock will increase its shareholding from 41.5% to 45.92% and it is expected that Bruce Vandenberg will, either directly, or indirectly, increase his holding in the Company from 2.48% to 7.90%.

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Notes to Editors:

Global Brands is a public company incorporated under the laws of Luxembourg and established in 1999. The company has been admitted to trading on the AIM of the London Stock Exchange since 2005.

The Company is the owner and operator of the exclusive master franchise of Domino's Pizza in Switzerland, Luxembourg and Liechtenstein. Domino's Pizza is the world's leading pizza delivery brand, with over 9000 stores in 63 markets.

Global Brands SA's stated strategy is to add additional international brands to its portfolio.