

Global Brands S.A.

New contract

RNS Number : 6386A
Global Brands S.A.
12 October 2009

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

New contract

Global Brands pushes ahead with its Strategic Plan; outsources the Commissary, upgrades systems and changes delivery areas. It also announces the closure of its least profitable store in Renes and the immediate redeployment of equipment and infrastructure into the new Hoengg store in Zurich which will be opened in January 2010.

The Directors of Global Brands SA, the Dominos Pizza Master Franchisee in Switzerland, have undertaken a program of strategic change to cut cost, drive sales and re-position the business for sustained profitability.

The Directors have been closely managing the business and, through consultation with Dominos Pizza International, have identified specific strategic changes. A number of these initiatives have now been concluded.

The most significant of these are the agreements with a new 3rd party logistics and a dough production supplier. Global Brands has entered into a long term agreement with HAVI Group to provide the company with an outsourced, centralised, professional logistics operation. The HAVI Group currently provides logistics services to a number of major Swiss organisations including the 147 store MacDonalDs network. The Company has also completed a long term manufacturing agreement with Deliciel, one of Switzerland's leading independent bakeries. Deliciel currently produces fresh and frozen products for MacDonalDs, Movenpick, Migros and Coop.

Simon Bentley, Chairman said, "We are delighted to be working with such experienced and professional partners. By outsourcing our Commissary function, we are now able to provide our stores with excellent levels of service. More importantly by linking with our new partner's economies of scale we are able to support the growth of our business in both company and sub-franchised stores without the need for capital investment in our commissary function. Our previous in-house operation had reached its full capacity and these two deals enable us to scale the business rapidly." The outsourced services are scheduled to go live by 1 December 2009.

The other strategic initiatives that the company has completed are:

- A full upgrade of the Dominos Pulse point of sale systems across our entire network which is essential for central reporting and optimal daily management of store operations.

- Reducing each store's delivery area. As noted previously, attempts to deliver pizzas too far from the stores inevitably leads to poor customer service and high labour costs. In line with Dominos International recommendations, we have tightened the delivery areas to a 9 minutes drive from each store. An immediate improvement in customer service has been experienced.

Under the previous management, the Renes store was closed twice by local authorities. Although the closures were initially appealed, subsequent analysis by the Directors showed that the badly located store (in a suburb of Lausanne) was one of the Company's worst performing stores and there were material business benefits to be gained from such a closure. Consequently, the Directors elected not to continue to contest the matter and the store was permanently closed on 8 October 2009.

The equipment and infrastructure from the store in Renes will be immediately redeployed in the new Hoengg store site in Zurich. This will reduce the amount of capital required for this new store which the Company expects to open in January 2010. In addition, the Renes building which is owned by the Company, will be sold to raise further working capital for the business. This supports the Company's medium term strategic plan which is to rationalise the store base to ensure that company owned stores are concentrated in the Zurich, Basel and Geneva regions.

"These actions are the first steps in turning around the business and achieving profitability. We will be making further announcements as we progress with the implementation of the plan", states Simon Bentley.

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