

Global Brands S.A.

Acquisition

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19 November 2010

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

Acquisition of Pagonia Holding AG ("Pagonia")

Further to the announcements made on 30 September 2010 and 9 November 2010, agreement has now been reached for the acquisition by Global Brands of the entire issued share capital of Pagonia.

Pagonia is a Swiss Holding company with three wholly owned subsidiaries, Pizza Taxi GmbH, Pizza Taxi Handels GmbH and Lang Tsu AG. Pagonia also owns 49.75% of Tizzi GmbH and 5% of PizzaBebbi GmbH.

Pagonia subfranchises four pizza delivery stores - Tizzi GmbH, PizzaBebbi GmbH, Allwegas GmbH and Pizza Dealer GmbH ("the Subfranchisees") - which trade under the Pizza Taxi brand in the Basel, Baselland and Aargau regions of Switzerland.

The primary asset acquired by Global Brands is the right to subfranchise the four pizza delivery stores. The acquisition is conditional on all four franchisee companies agreeing to become sub-franchisees of Domino's Pizza under Global Brands S.A. and signing new franchise agreements to this effect. Completion is expected to take place by the 15 December 2010, although the parties have agreed a final long stop date of 15 January 2011.

The annual system sales for the Subfranchisees are c. CHF2.5m. On completion, all assets not used by the Subfranchisees in their businesses and all liabilities of Pagonia and its subsidiaries will be transferred to Pagonia's current owners who will indemnify Global Brands against all claims against Pagonia and its subsidiaries prior to the acquisition.

The consideration for the acquisition, payable on completion, amounts to CHF 940,000 (CHF 50,000 less than previously announced). The consideration will be satisfied by the payment of CHF 611,000 in cash and the issue to the vendors of 7,976,000 new ordinary shares in the Company at a price of CHF 0.0275, representing 4.9% of the enlarged share capital of the Company. On completion, the enlarged share capital of the Company will be 163,534,672 shares of CHF 0.02.

Following the recent placing, Alexander David Securities Ltd, the Company's brokers, now have warrants to subscribe for new ordinary shares in the Company as follows:

- 1,070,777 shares at an exercise price of 0.018p per share
- 184,000 shares at an exercise price of 0.0275p per share.

Bruce Vandenberg, CEO said:

"The acquisition is the catalyst to the implementation of our sub-franchising strategy for Domino's Pizza. At present, Global Brands only operates a single store in Basel. This store has shown a 48% growth in turnover over the last 12 months giving us the confidence to further develop the Basel area. Post completion, we will have five stores in the Basel area. We are expecting a significant uplift in the Subfranchisee system sales following their conversion to the Domino's Pizza brand. The new stores will operate under our pricing structure and menus and will benefit from concentrated local marketing in Basel. We also anticipate some costs savings in merging the head office function. Finally, the acquisition enables us to convert our Swiss branch operations into a full Swiss legal entity which will be both tax efficient and cost effective."

For further information:

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