



GLOBE INTERNATIONAL LIMITED

ANNUAL GENERAL MEETING

WEDNESDAY 27 OCTOBER 2010

ADDRESS BY THE CHAIRMAN, PAUL ISHERWOOD AO

My fellow directors, CEO Matt Hill and I hope that shareholders will be able to use today's visit, to gain a more tangible feel for our brands and products and also gain the sense of renewed energy we have here at Globe.

Last year I spoke to you about the extensive restructuring and repositioning of the Globe business that had taken place over the past few years. In 2010 we started to see the fruits of that labour.

Despite difficult trading conditions around the world, and resulting downward pressures on revenue, Globe delivered a profitable year and equally important, finished the year with no debt and solid cash reserves.

Furthermore, it was pleasing to be in a position to once again consider the payment of a dividend to shareholders, which as you now know was declared at 5 cents per share and was paid on the 14th of October.

This was our best financial result for a number of years, against the backdrop of the toughest trading conditions in the company's history. It was a substantial team achievement, and the efforts of all concerned now provide a solid foundation for the future.

With regard to outlook, the company remained profitable in the first quarter of 2011 but trading conditions continue to be challenging and unpredictable. In addition, this early in the year, factors such as a rapidly appreciating Australian Dollar make reported earnings in Australian dollars hard to forecast. Nonetheless, in 2011, we expect to see revenues stabilize in local currency terms, and for the company to remain profitable and cash strong.

In closing I would like to thank my fellow directors, our CEO Matt Hill and the entire Globe team. They have endured a gruelling couple of years and brought the company through the global financial crisis. We have ridden out this crisis and emerged a more robust company with a sound financial base.

We are alert to the uncertain economic circumstances that continue to prevail in North America and Europe and will continue to manage the Company conservatively, but not to the exclusion of any worthwhile growth opportunities.

I would now like to welcome Matt Hill, our Chief Executive Officer, to address the meeting.

ADDRESS BY THE CHIEF EXECUTIVE OFFICER, MATT HILL

Thank you Paul, and welcome everyone to our new headquarters.

It is very exciting to have the opportunity to address shareholders here on site, where one can truly get a sense of what Globe International stands for and see a physical representation of our brands.

As Paul has mentioned, 2010 was an encouraging step for Globe International. We returned to profitability with all our divisions delivering a profitable result despite revenue decline in the aftermath of the global financial crisis and significant losses in the prior year.

The company generated solid cash surpluses, and was able to return to issuing a full year dividend. This in particular was very satisfying as it was physical evidence, not mere words or numbers on a page, demonstrating the company's turnaround.

Initial indications in 2011 are that market conditions have not materially improved in the regions we trade. We expect further difficult conditions in retail, and expect gross margin pressures and foreign exchange movements to have an impact on profitability. However, at this stage, it appears that our revenue has stabilized and the decline we have seen in revenues has been arrested at a group level. This is largely due to market share improvement and in particular a result of improved performance in the all important Globe brand in North America and in Europe.

Over the past few years, when addressing shareholders, we talked predominately of the financial challenges and needed restructuring actions. Mostly we have been focused on our shortcomings and assuring shareholders of our intent and plans to address those shortcomings. As such there has been little discussion of the branded strengths of our company and our worldwide infrastructure to distribute our products. Today I'd like to briefly take a moment to remind shareholders of these strengths and assets of the business in which they have a stake.

Globe International is a multi branded Boardsports and youth culture business, with many leading brands. Our major proprietary brands include Globe, Blind, Gallaz, Enjoi, Darkstar, Tensor, Almost and the recently acquired Cliché.

Each brand focuses on different sections, activities and demographics of the market and many times operate in different channels of distribution. Across all our brands and categories, Globe brands are intended to be sold in multi-channels, from the widest mainstream distribution channels and outlets, online avenues to the most "core" customers. This is an important strategic factor as it does not leave us exposed to one sector of our market, a single retail model, or distribution channel. In my opinion, in uncertain economic times, diverse distribution is a necessity and a very important insurance policy when events are unpredictable.

In terms of regions in which our brands are sold, globally our distribution is extensive with infrastructure in all our major markets. We sell direct to retailers in Australasia, North America, and major EU territories such as Germany, the UK, France and Spain. We also use third party distributors to wholesale our products in various international regions. Between our direct and third party distributed markets, various of our brands are sold in just fewer than 100 countries around the World. This provides us with a solid distribution platform with good growth opportunities in multiple international regions.

When considering product categories, Globe International brands operate broadly across the apparel, footwear and hardgoods categories and have a wide range of product offerings within each of those categories. Our products are always designed to have a unique point of view fitting the sensibility and customer of the brand, to whom it is specifically being marketed.

Furthermore our brands, infrastructure and multi channel distribution strategy provides us with a good platform for all important growth.

While we have great brands with meaningful ceiling room to expand, our markets are still challenging and there are certainly no free kicks out there at the moment. However, as long as we maintain our current financial disciplines, protect our cash reserves, and focus on brand improvement and growth via market share, we can continue to grow the business and improve our brand penetration in various channels of distribution around the World.

In summary we remain satisfied with the turnaround in our performance, and the sound financial base we have set for the business. Our markets are tough but there are signs of improved performance in key brands such as Globe and in key regions such as North America and Europe. In 2011 we plan to keep building our brand momentum and keeping the business in a stable financial position ensuring that Globe International continues to strengthen even against a tough economic macro environment.

Finally, I would like to, as always, thank the directors, management team and all our staff for their support and belief during the trying times of the past few years. It is most rewarding to see all those who dug in and made our turnaround possible now enjoy the positive outcomes of those efforts. We have achieved more with less, and while our absolute performance has some way to go before we can claim we have reached a desirable level of shareholder return, everyone involved can be proud of the achievements to date.