



Globe International - Extraordinary General Meeting 1 June 2007

Chairman's Address

Ladies and gentlemen

We have one item of business to consider today, namely, item one on the agenda which encompasses both the return of capital to shareholders resulting from the recent sale of our streetwear business, and the consolidation of the company's shares on issue on the basis of one new share for each ten shares currently held.

Before moving to the formal business of the meeting, I would like to just spend a couple of minutes touching on events since the decision was taken last year to divest the streetwear business. I would then like to talk about the renewed focus on the company's core activities of boardsports footwear, apparel and hardgoods.

Just to recap. In October last year, it was announced that Globe had entered an agreement for Pacific Brands to acquire our streetwear division.

The decision to divest streetwear was arrived at after a detailed strategic review undertaken by Directors and senior management that was designed to really understand where the greatest opportunities for the company would exist into the future.

Whilst the brands contained within the streetwear division had been well managed and were profitable, Directors were unanimous in their opinion that the real strength of the company resided in its heritage, knowledge and market expertise and in its internationally well known proprietary brands in the boardsports apparel, footwear and hardgoods sector. Into the future, this is where 100% of management's energies will be devoted.

In January of this year, the sale to Pacific Brands was finalised and over the last six months, transitional matters have been satisfactorily completed. Following the sale, Globe has clearly returned in a definite manner to its core continuing

business and is now more focused, single minded and determined than ever before in its history.

For example, just over two months ago, the Melbourne office of Globe relocated to more appropriate premises in St Kilda, resulting in annual savings and in obtaining premises that are more attuned to the culture of the business. Equally our new offices on the Gold Coast in Queensland and Manly in NSW are now far more aligned to the nature of the on-going business.

In North America forward orders for the Globe brand are strong and we are confident that the uplift we are experiencing will continue. Our performance in the second half of this financial year in this market has been encouraging when compared to recent half years and it is anticipated this improved level of performance will be on-going.

Further, in hardgoods in North America we have seen both improved sourcing and product offering and combined with stringent cost management, resulting in an improved, positive contribution to earnings.

In Europe, we have successfully established a solid distribution platform and recent sell-through has been impressive. We are currently experiencing considerable sales traction in our recently acquired direct markets in this region and we remain confident that we will see our investment in this increasingly important market, continue to pay dividends.

Also encouragingly, across all markets we are starting to experience good growth in Globe's apparel and accessory business with encouraging market acceptance being achieved for the innovative product ranges that have been developed. This apparel sector will become increasingly important to the future of Globe as we continue to leverage the brand equity that we have achieved internationally in footwear, into a broader market.

In summary, Globe is now a far more focused and single minded business. Costs are being well managed, marketing is targeted and product development is exciting. There are clear indications of a wider acceptance of the company's improved product offering and we are experiencing solid sales traction and earnings growth in our continuing business. As previously advised, whilst the full year audited result for the company, which will be released in late August, will be impacted by significant restructuring costs associated with discontinued operations, we look forward to continuing sales and earnings improvement and a consequent improvement in shareholder value. At that time, the results of the continuing operation will be clearly quantified.