



**GLOBE INTERNATIONAL
ANNUAL GENERAL MEETING
22 OCTOBER 2008**

SPEECH BY THE CHAIRMAN, PAUL ISHERWOOD

Prior to inviting our CEO, Matt Hill to address the meeting, I would like to make some preliminary comments to shareholders.

First and foremost your Board shares with all of our constituents, a feeling of disappointment with the final 2008 year results.

We know that this result is not a true reflection of the diligence and effort exercised by all of our team, who have to a substantial extent, particularly at the executive level, been diverted by some non-recurring and unexpected factors, particularly the long running dispute with Gola of the UK.

Matt, will of course make reference to the current state of world economies wherein we operate, but suffice to say these are difficult times and actions taken by and planned by the Company to date are already creating an organization best placed to meet the challenges that are within our control.

During the course of our 2007 AGM, a shareholder asked what plans we had to address the issue of the large number of shareholders who hold less than marketable parcels of Globe shares. I advised then, that we were conscious of the issue and as part of our capital management planning, we would design a plan to assist such shareholders.

Regrettably, I am not in a position to put a firm plan before you today, but can reassure you that this matter will be receiving priority attention from us during the remainder of this financial year; and

envisage advising shareholders of a recommended course of action prior to 30 June 2009.

I now invite Matt Hill to address the meeting.

SPEECH BY THE CHIEF EXECUTIVE OFFICER, MATT HILL

Thank you Paul,

Ladies and gentlemen.

As we meet today, the global economy is rapidly slowing and we are seeing an increased level of volatility and uncertainty in financial markets.

With regards to the Globe business, this has impacted our operations with a slow down in revenues worldwide, particularly in North America and Europe.

In response, we have charted a course of financial restraint and we enter this period of challenge from a position of relative stability. Provided that as a company we continue to maintain prudent policies and maintain the equity in our brands, we will emerge from these difficult economic times in sound shape.

We know full-well that economic slowdowns left to their own devices can translate into a relative increase in expenses. As revenues contract there can be a cumulative effect on the company's balance sheet as servicing costs rise on the back of increasing debt.

At Globe, we have largely anticipated this emerging environment and we are prepared as well as we could hope for, with low levels of debt and a solid balance sheet.

Furthermore, we are already well underway with a program of expenditure reduction, to protect against challenging market conditions and probable reductions in revenues. We have been successful in the task to date, and we continue to manage costs aggressively.

Our renewed commitment to stringent financial controls is unwavering. The fact we operate in a low cost environment is now taken as an absolute given across all of our operations by our employees. In this environment however, as a business that produces branded product, we must continue to be well managed and be aggressive in the market. We will continue to strategically target our product and marketing spend to develop a compelling, attractive and unique offering for our customer base.

In short, we must continue to remain focused on the tasks needed to maintain our strength as a business specialising in branded product.

We have continued to demonstrate such branded strength over the last financial year and in particular, our skate hardgoods business has out performed its market.

Other branded highlights include the dominant position Globe footwear continues to hold in the Australian market and the worldwide growth of Globe apparel, a strategic initiative that is starting to contribute revenue and profit growth as we move into fiscal year 2009.

During the period ahead we will continue to focus on what we are good at – designing and distributing the best surf and skate lifestyle footwear, apparel and hardgoods that we can.

As a basis for future growth, we have completed a review of our global management structures and we have taken a number of actions that position us well for future growth and brand development. We have recruited to add the skills and experience required to grow revenues and better distribute our products worldwide.

In addition creative resources and focus to take the branded side of our business forward have been introduced. We are today designing, producing and delivering better Globe and skate hardgoods products than ever before.

I am also pleased to be able to advise that the matter I referred to in our full year result, regarding legal action in Europe in relation to

trademark issues, is well progressed towards being resolved. We now have a signed agreement with regards to settlement with the other party which once finalised in the UK courts will close the case globally. No further significant costs will be incurred by Globe, other than what has already been accounted for and reported, and we anticipate no further action or financial impost. The contingent liability referred to in our full year accounts will be effectively removed.

As I have said earlier, the actions that we have taken are consistent with our expectations of the current financial year being tough and challenging. Overall, the position of the business is progressing towards being sound and our structures and procedures appropriate for the current economic climate and business activity level.

In closing, I would like to thank all Globe employees during what has been a period of considerable difficulty. Due to their efforts, the business is now well prepared to face the tasks ahead of us.

Today I have advised you that our company is adequately set for the months ahead. Shareholders can be assured that every resource is being harnessed to address the current economic situation while still aspiring to build and grow the equity in our brands.

Thank you.