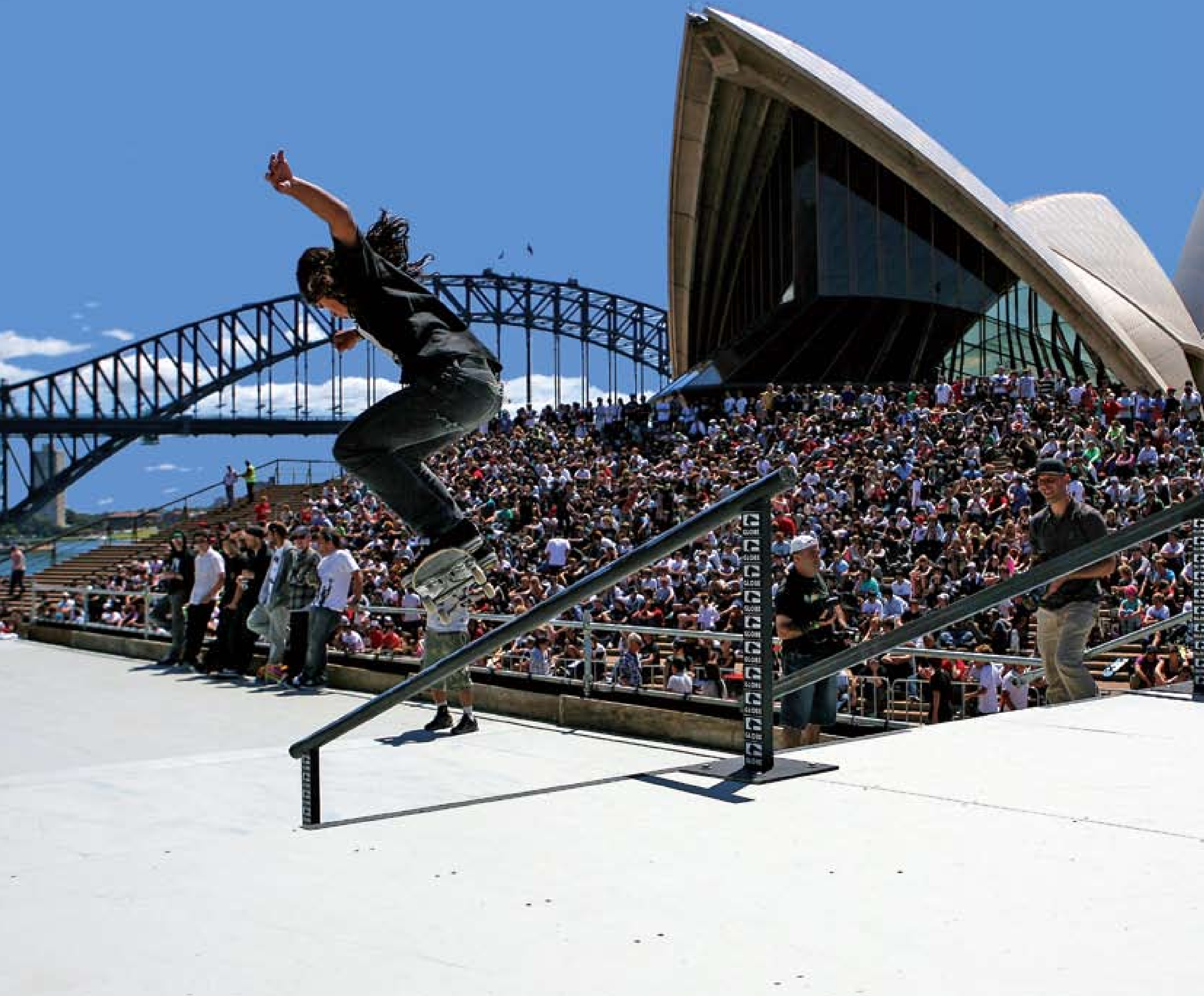
GLOBE INTERNATIONAL LIMITED

ABN 65 007 066 033

ANNUAL REPORT 2008



GLOBE SURF TEAM
COVER: GLOBE SKATE TEAM RIDER DAVID GONZALEZ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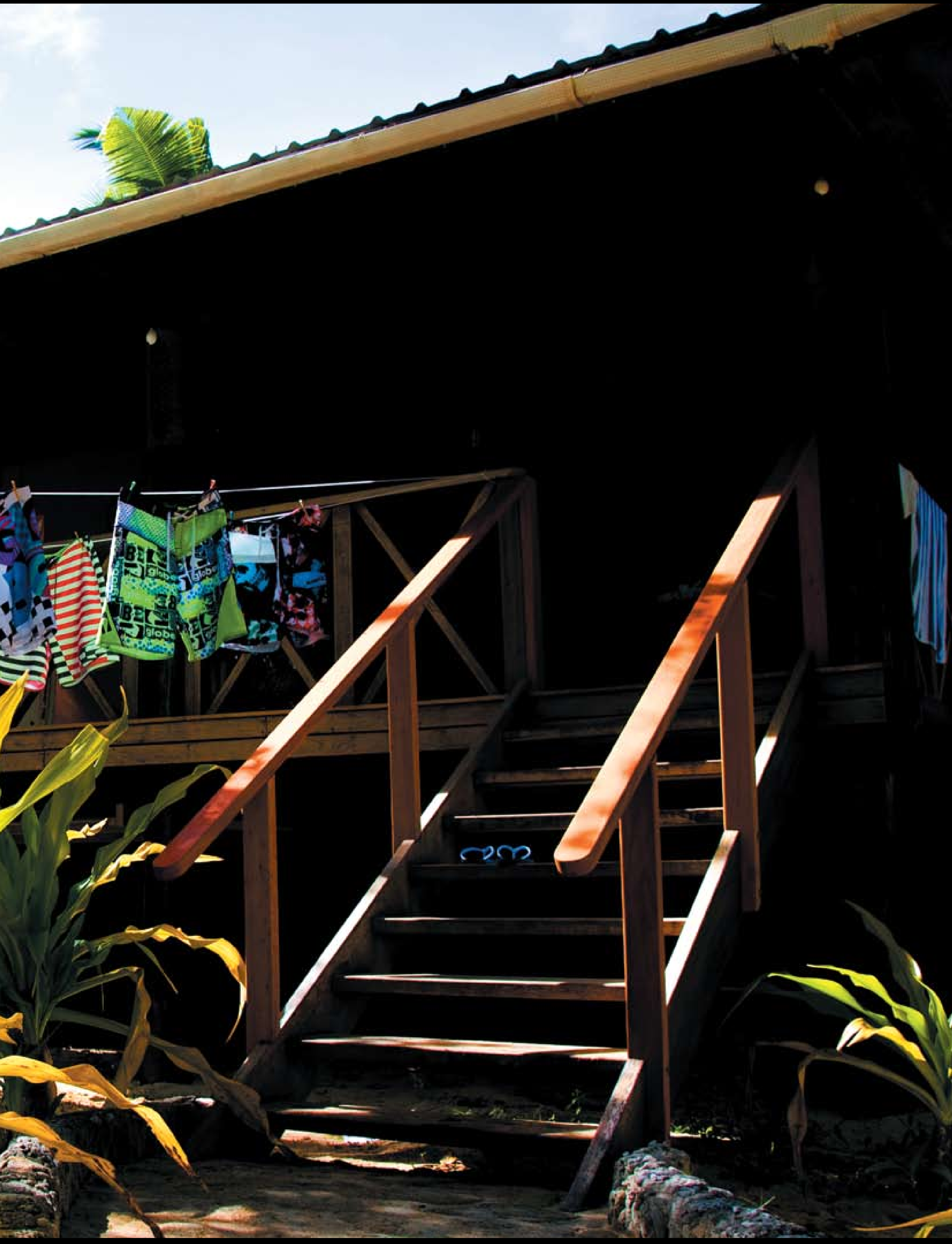
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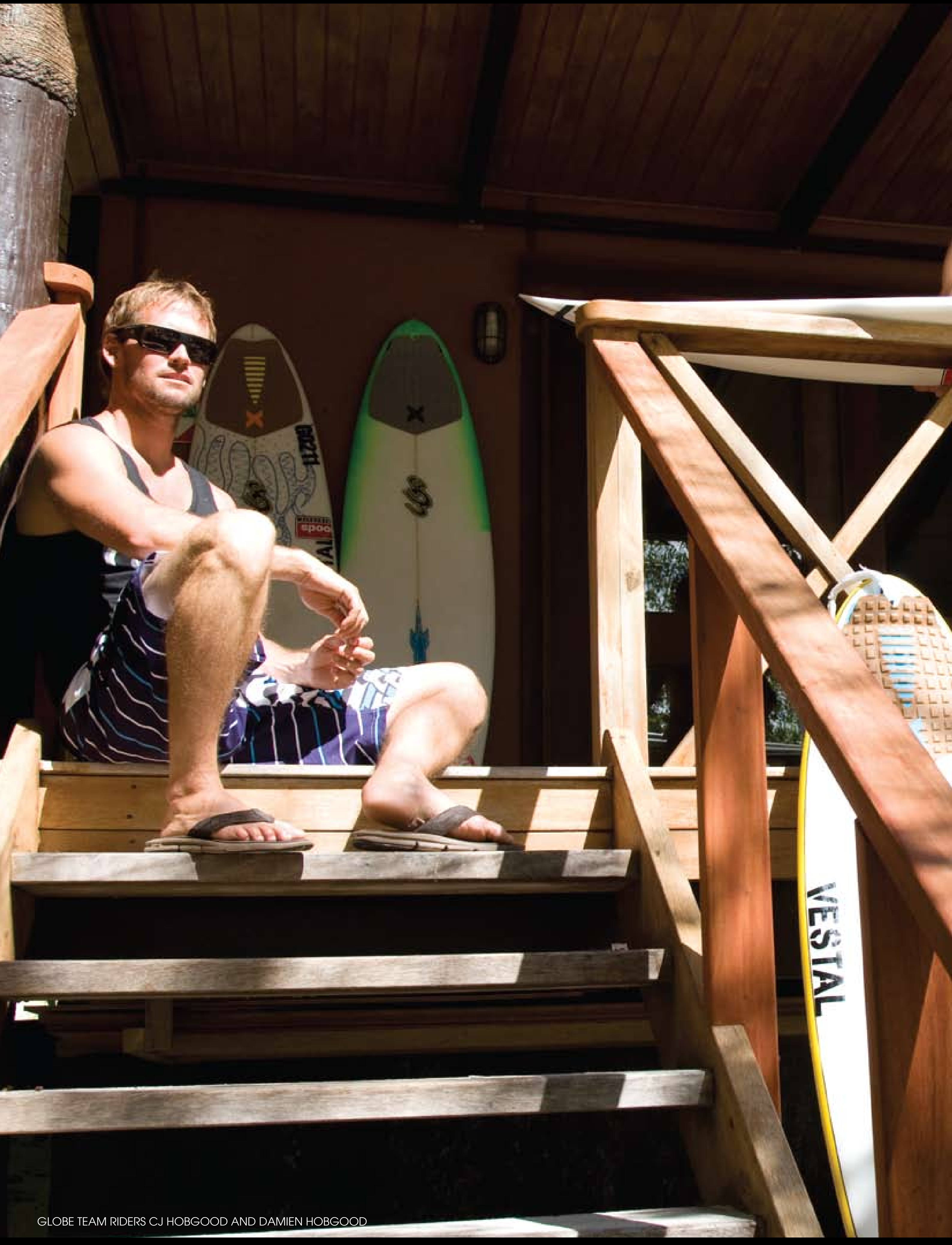
GLOBE TEAM RIDER PAUL MACHNAU

GLOBE INTERNATIONAL LIMITED / ANNUAL REPORT 2008

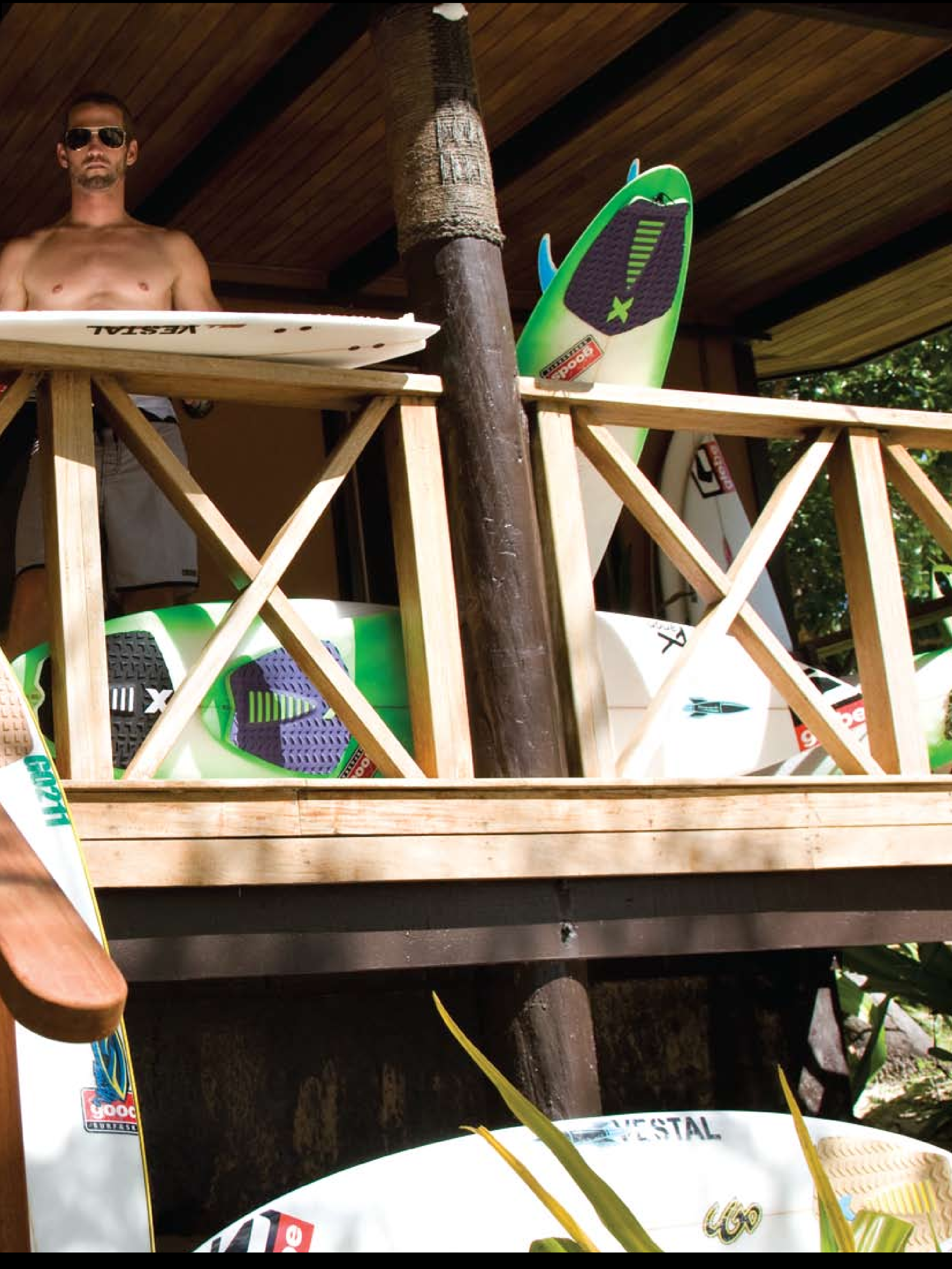
CHIEF EXECUTIVE OFFICER'S REPORT	15
CORPORATE GOVERNANCE	23
DIRECTORS' REPORT	29
AUDITORS' INDEPENDENCE DECLARATION	43
FINANCIAL STATEMENTS (1)	44
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBE INTERNATIONAL LIMITED	107
STOCK EXCHANGE AND INVESTOR INFORMATION	110
COMPANY PARTICULARS	113

(1) These financial statements cover both the separate financial statements of Globe International Limited as an individual entity and the consolidated financial statement for the consolidated entity consisting of Globe International Limited and its subsidiaries.

Globe International Limited is a company limited by shares, incorporated and domiciled in Australia. The address of the Company's registered office is 42 Barkly Street, St Kilda, Victoria, 3182. The financial statements are presented in Australian currency and were authorised for issue by the directors on 27 August 2008. The company has the power to amend and re-issue these financial statements.



GLOBE TEAM RIDERS CJ HOBGOOD AND DAMIEN HOBGOOD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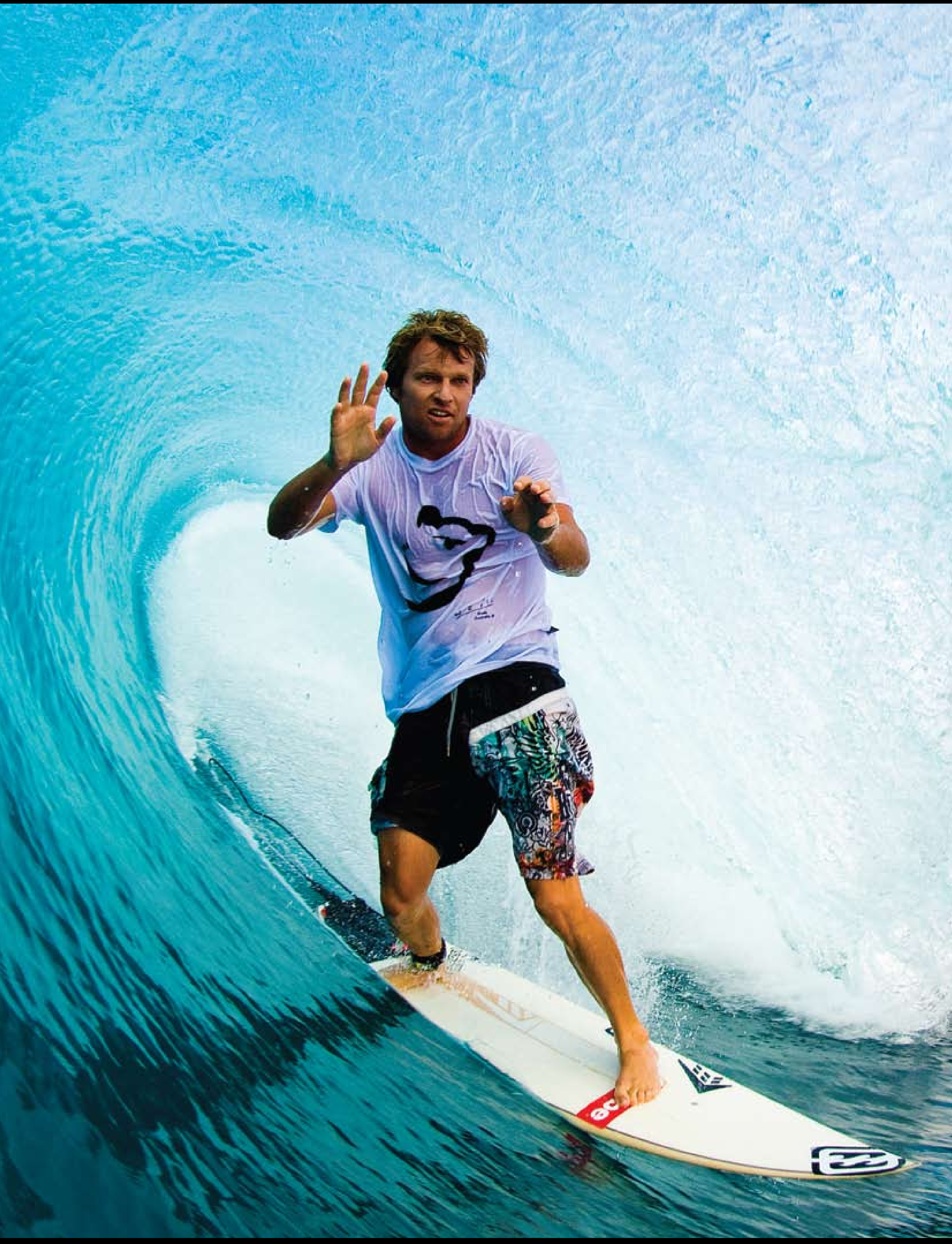
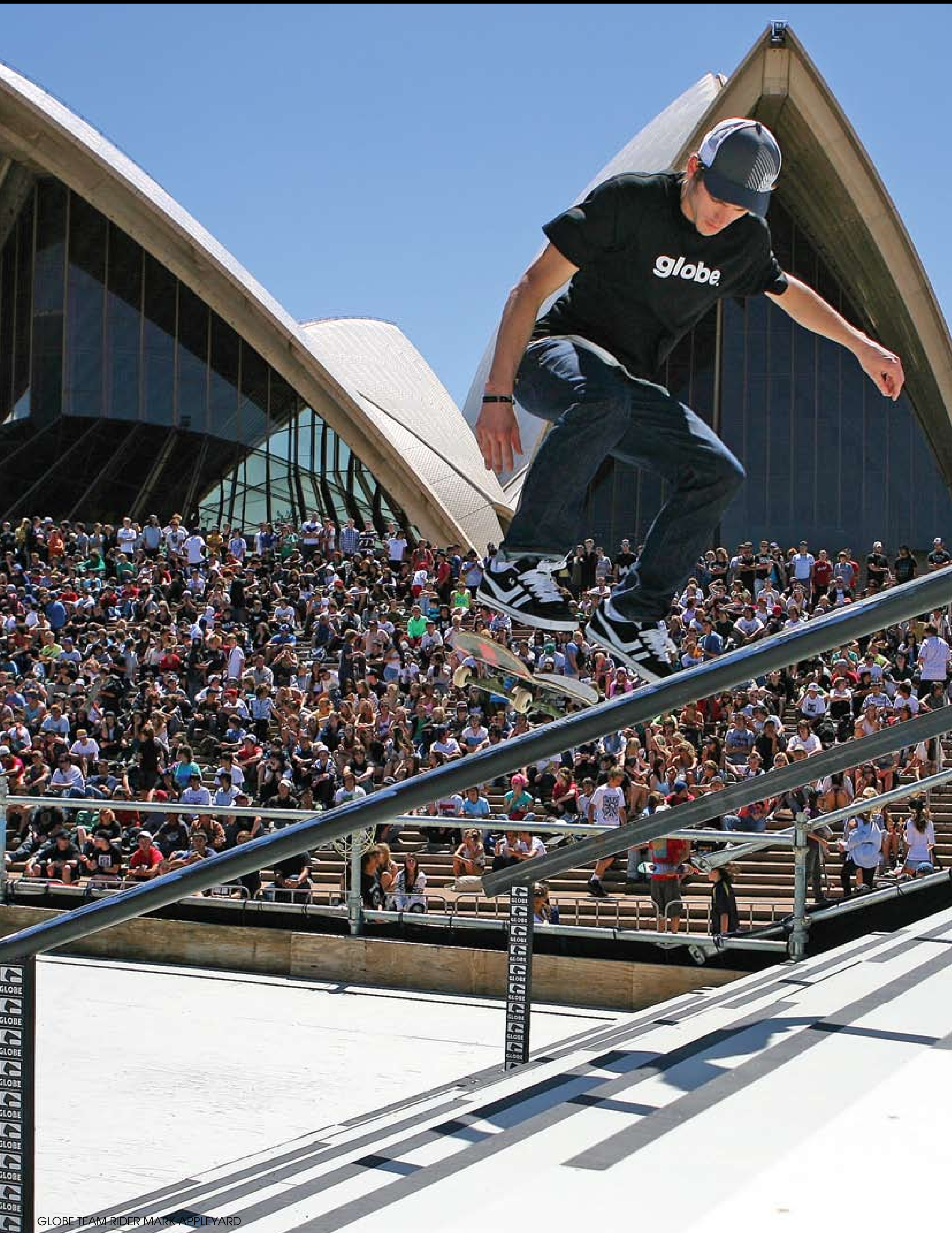
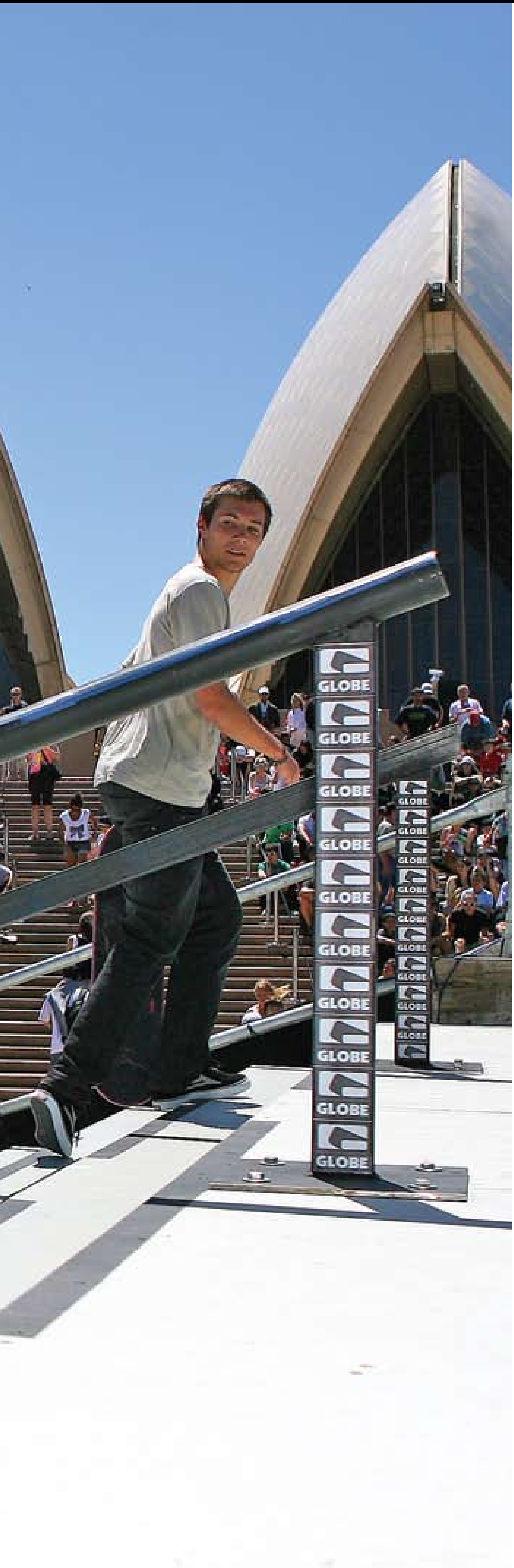


GLOBE SHOES TEAM RIDER TAJ BURROW



GLOBE TEAM RIDER MARK APPLEYARD



Dear Shareholders,

Last year I advised you that, after a period of development and structural change, Globe had returned to its culturally core business of boardsports footwear, apparel and related hardgoods. Over the past 12 months we have actively progressed this strategy, and will continue to do so, as this is where the future of the business lies.

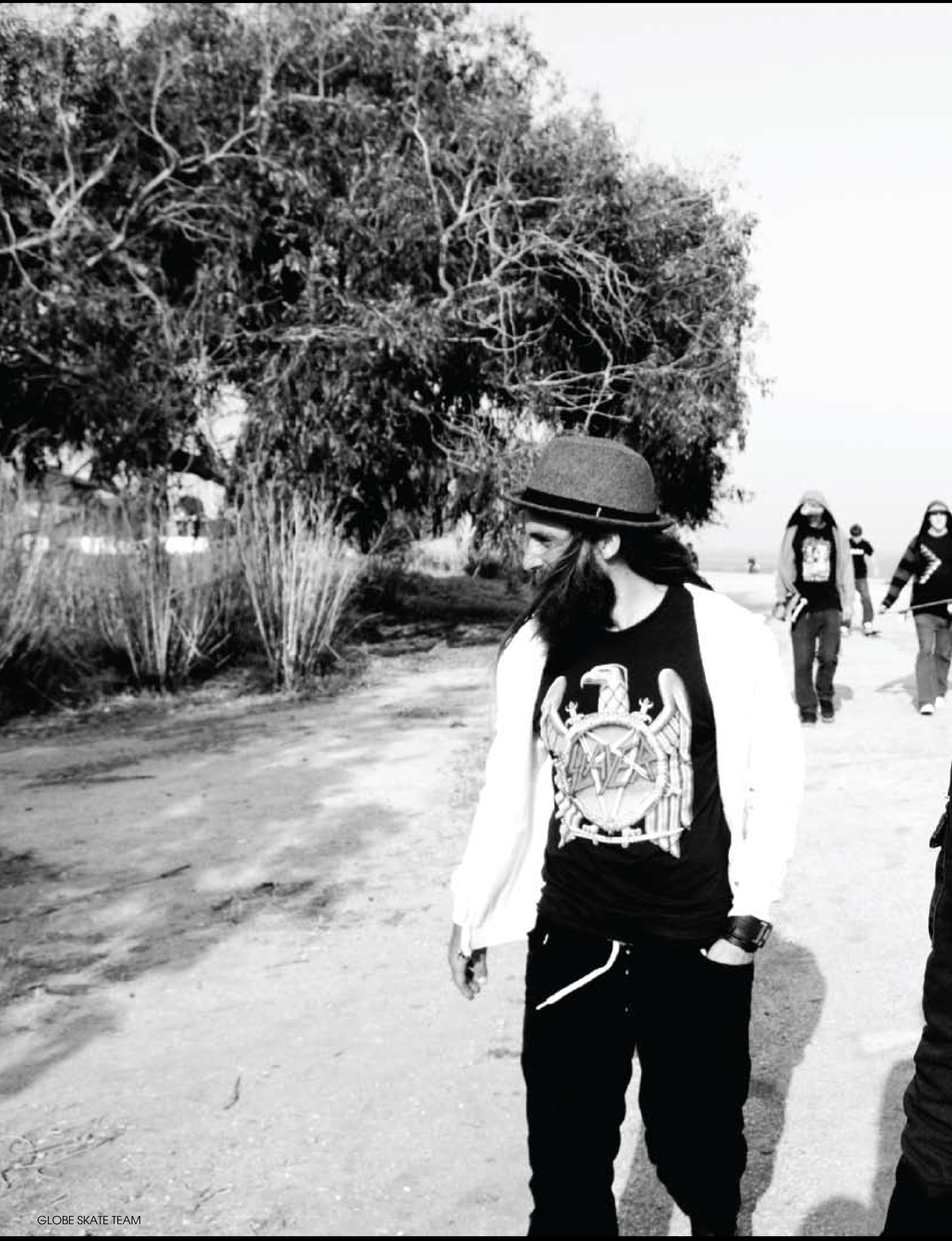
For the fiscal year 2007/2008 it was disappointing that Globe reported a net loss of $24.6 million, primarily due to a $20.6 million one-off, non-cash significant write-down of goodwill, following the annual impairment review of intangible assets. However, excluding the impact of one-off items, earnings before interest, depreciation, amortization and tax (EBITDA) grew from $1.3 million to $2.8 million. Additionally, in constant currency terms, there was an underlying improvement in turnover, with sales growing by $6.0 million or 5.2 per cent compared to the previous period.

As we now progress through the current financial year, we are positive about our future direction, but are concerned with the current international economic climate and outlook. We will continue to take appropriate steps to align our cost base with our view of this outlook. These actions will include the curtailment of expenditure in order to position the business to take advantage of an upturn in market conditions as and when this occurs.

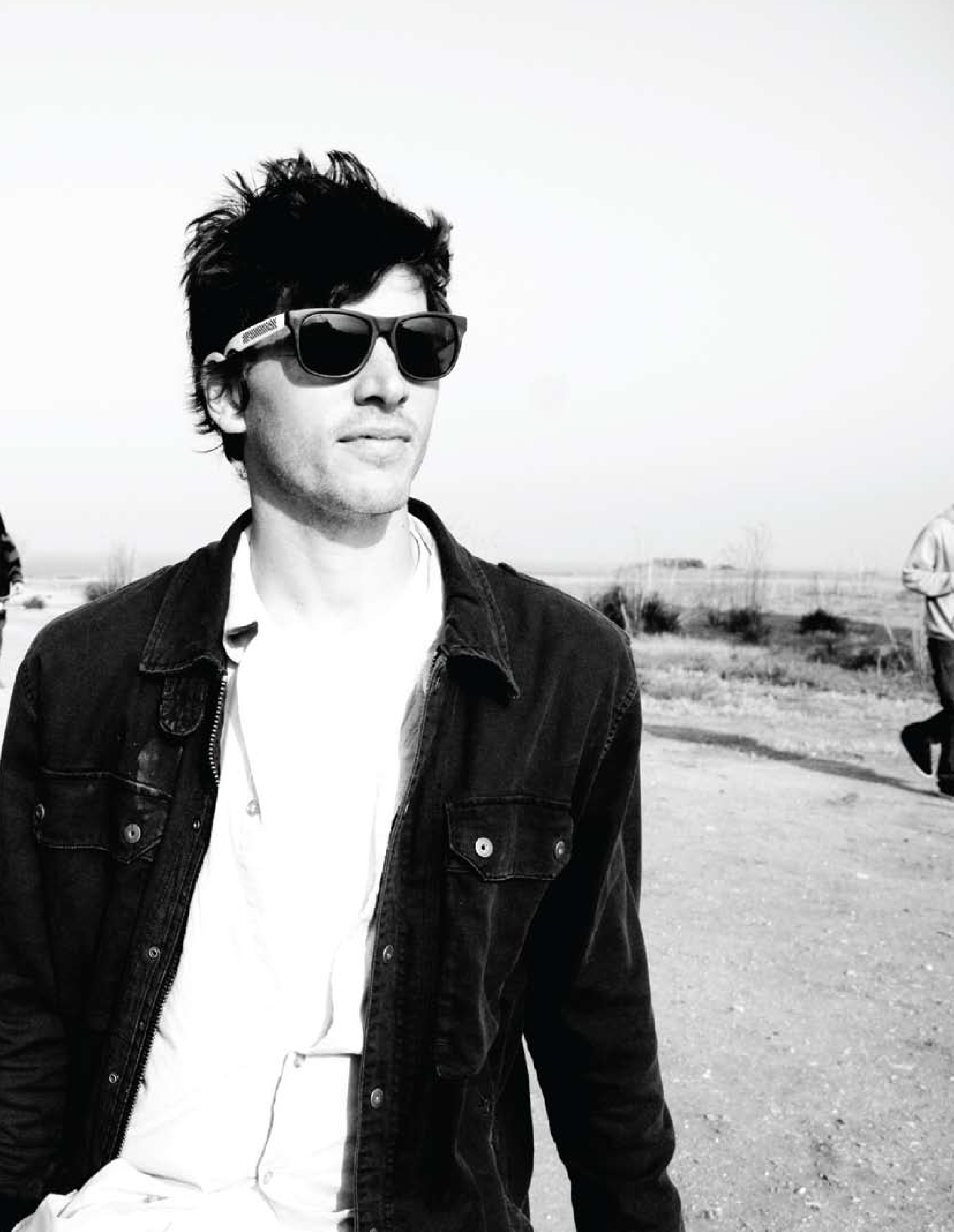
The foundations for the future that we have established over the past year have positioned the company well for what we believe will be a difficult international trading climate over the months ahead. Once again, I would like to extend my thanks to employees, our shareholders and other business partners for their support as we move forward to realise the full potential of Globe.

Matt Hill

Matt Hill
Chief Executive Officer



GLOBE SKATE TEAM



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GLOBE TEAM RIDERS MARK APPLEYARD AND MATT MUMFORD


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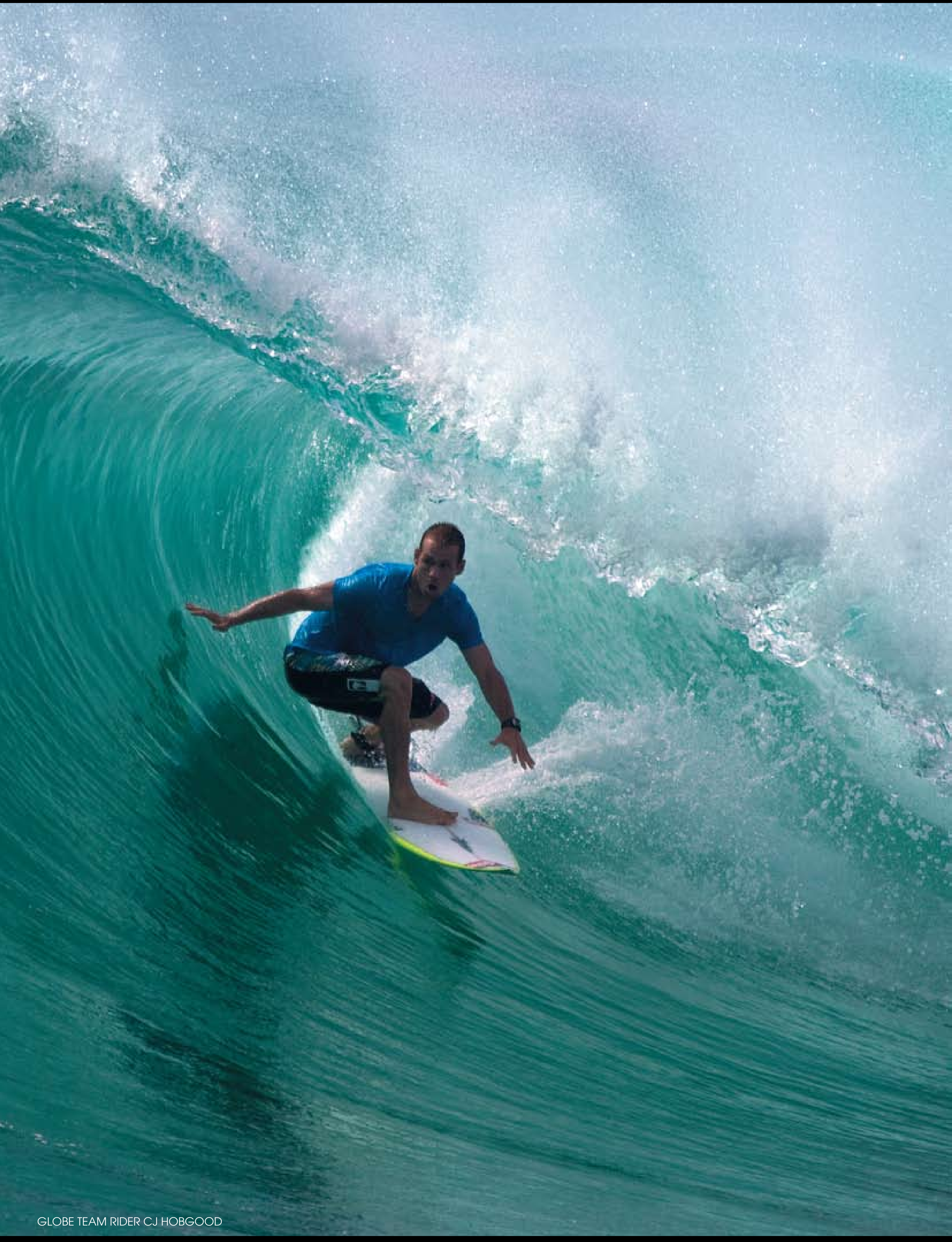


GLOBE TEAM RIDER CJ HOBGOOD

The Company and the Board are committed to demonstrating and achieving the highest standards of corporate governance. This statement outlines the main corporate governance policies and practices of the Company. Unless otherwise stated, they reflect the policies and practices in place throughout the year. The Board considers that its corporate governance policies and practices comply with the specific best practice recommendations of the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations (First Edition Corporate Governance Guidelines) ("Principles"), which applied during the reporting period.

The Board is currently in the process of reviewing the ASX Corporate Governance Council's Second Edition of the Principles which was released in August 2007, and will report against those Principles in the next financial year.

A description of the Company's main corporate governance policies is set out below:

THE BOARD OF DIRECTORS

The Board operates in accordance with the principles set out in its charter. The charter details the Board's composition and responsibilities. The Board Charter is published on the Globe corporate website: www.globecorporate.com

Board composition

The composition of the Board is determined in accordance with the constitution.

Responsibilities

The role and responsibilities of the Board of Directors are set out in the Board Charter.

A summary of the responsibilities include:

- Providing oversight and strategic direction for the Company.

- Reviewing and approving business plans, the annual budget and financial plans, including available resources and major capital expenditure initiatives.

- Monitoring financial performance including approval of the annual and half-year financial reports and liaison with the Company's auditors.

- Appointing and assessing the performance of the Board.

- Selecting, appointing and reviewing the performance of the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and senior management.

- Overseeing the operation of the Board Audit and Risk Committee.

- Considering, approving and monitoring risk management strategies and policies.

- Ensuring the Company meets its social and ethical responsibilities.

The Board has formally delegated authority and responsibility to management for the day to day operations of the Company, subject to certain authority limits and reporting requirements.

Directors

The Board comprises four directors, of whom two (Paul Isherwood and Richard Alcock) are non-executive directors and two (Peter Hill and Stephen Hill) are executive directors. Details of the qualifications and experience of the directors and each director's term in office are set out in the Director's Report.

Directors' independence

The Board considers that each of its non-executive directors are independent.

The Board has adopted specific principles in relation to directors' independence. These state that to be deemed independent, a director must be a non-executive and:

- Not be a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company.

- Within the last three years, not have been employed in an executive capacity by the Company or any other group member, or been a director after ceasing to hold any such employment.

- Within the last three years, not have been a principal of a material professional adviser or a material consultant to the Company or any other group member, or been an employee materially associated with the service provided.

- Not be a material supplier or customer of the Company or any other group member or an officer of or otherwise associated directly or indirectly with a material supplier or customer.

- Have no material contractual relationship with the Company or a controlled entity, other than as a director of the group.

- Not have been on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

- Be free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

Materiality for these purposes is determined on both qualitative and quantitative bases. An amount of over 5% of annual turnover of the Company or 5% of the individual directors' net worth is considered material for these purposes. In addition, a transaction of any amount or a relationship is deemed material if knowledge of it may affect the shareholders' understanding of the director's performance.

Recommendation 2.1 of the Principles states that a majority of the Board should be comprised of independent directors. The Company's current Board composition does not meet this recommendation as the Board is comprised of an equal number of independent and executive directors. The Company believes that as there is no majority of non-independent directors, this structure does not materially interfere with the Board's exercise of unfettered and independent judgement. The Chairman of the Board is an independent director and the composition of the Board is considered adequate for the Company's current size and operations, as it includes an appropriate mix of skills and expertise relevant to the Company's business. Furthermore, the Board is complemented by the Board Audit and Risk Committee which is comprised wholly of independent directors.

Non-Executive Directors

The two non-executive directors met during the year without the presence of management, to discuss the operation of the Board and a range of other matters.

Term of office

The Company's constitution specifies that all directors must retire from office no later than the third annual general meeting (AGM) following their last election. Where eligible, a director may stand for re-election.

The Chairman and the CEO

The Chairman is responsible for leading the Board, ensuring directors are properly briefed in all matters relevant to their roles and responsibilities and facilitating Board discussions.

The CEO is responsible for managing the group, including implementing group strategies and policies.

Commitment

During the 2008 financial year, there were four Board meetings and four meetings of the Board Audit and Risk Committee. Details of the attendance of directors' and committee members at these meetings are set out in the Directors' Report.

Independent professional advice

Directors and Board Committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense.

Performance assessment

The Board undertakes an annual assessment of its collective performance and the performance of the Chairman. The results and action plans, if any, are documented together with specific performance goals which are agreed upon for the coming year. The last Board self assessment was conducted in October 2007.

CORPORATE REPORTING

Consistent with Principle 4, the Company's financial report preparation and approval process, for the financial year ended 30 June 2008, involved both the CEO and CFO giving sign-offs. They have certified to the Board that in their opinions:

- The Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and group and are in accordance with relevant accounting standards.

- The above statement is founded on a system of risk management and internal compliance and control and which implements the policies adopted by the Board.

BOARD AUDIT AND RISK COMMITTEE ("BARC")

The Board has established a Board Audit and Risk Committee ("BARC") to assist in the execution of its duties and to allow detailed consideration of risk management and audit issues faced by the Board.

Minutes of the BARC meetings are tabled at the next BARC meeting.

The BARC consists of the following non-executive directors:

Richard Alcock (Chairman)
Paul Isherwood

Details of these directors' qualifications and attendance at BARC meetings are set in the Directors' Report.

The BARC has its own written charter setting out its role and responsibilities, composition, structure, membership requirements and the manner in which the BARC is to operate. The charter is reviewed on an annual basis and a copy of the BARC charter is published on the Globe corporate website: www.globecorporate.com

A summary of the charter is set out below:

Composition

The BARC comprises two or more Independent Directors as determined by the Board.

All members of the BARC shall have a working familiarity with finance and accounting principles and practices, and at least one member of the BARC shall be an audit committee financial expert.

BARC members will be appointed for an initial term of three years and can be appointed for a subsequent three-year term.

Recommendation 4.3 of the Principles states that the audit committee should be structured so that it consists of at least three members, a majority of whom are independent. The Company does not meet this recommendation as the BARC comprises of two members, both of whom are independent non-executive directors, with substantial experience in the fields of finance, accounting, auditing and law. The breadth of expertise and skills of its current BARC members is considered to be more than adequate to allow for a detailed consideration of risk management and audit issues faced by the Company. Additionally, the BARC encourages the attendance and active participation by the CEO, CFO, Company Secretary and the Company's auditors at all of its meetings.

Responsibilities

The main responsibilities of the BARC are to review the:

- integrity of the financial statements;
- external auditors' qualifications, performance and independence;
- performance of the Company's risk management functions;
- management of the Company's operational risks; and
- compliance with legal and regulatory requirements.

NOMINATION AND REMUNERATION COMMITTEE

The Company does not have separate nomination or remuneration committees. The Board considers that these matters are best addressed by the Board as a whole.

EXTERNAL AUDITORS

The Company and BARC policy is to appoint external auditors who clearly demonstrate quality and independence. PricewaterhouseCoopers were appointed as the external auditors in 2003.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the Directors' Report and in Note 30 to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the Board Audit and Risk Committee.

The external auditor attends the annual general meeting and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

The Company's current audit engagement partner was appointed in 2005. Consistent with the Corporations Act 2001, the Company requires the rotation of the audit engagement partner every five years or less.

RISK ASSESSMENT AND MANAGEMENT

Consistent with Principle 7, the Company is committed to the identification, monitoring and management of risks associated with its business activities and has embedded in its management and reporting systems a number of risk management controls. These include:

- guidelines and limits for approval of capital expenditure and investments;

- a comprehensive annual insurance programme;

RISK ASSESSMENT AND MANAGEMENT (CONT'D)

- policies and procedures for the management of financial risk and treasury operations, including exposures to foreign currency movements;
- annual budgeting and monthly and daily reporting systems which enable the monitoring of progress against performance targets and the evaluation of trends; and
- Directors' financial due diligence questionnaires to management.

Management is ultimately responsible to the Board for the group's system of internal control and risk management. The Board Audit and Risk Committee assists the Board in monitoring this role.

CODE OF CONDUCT

The Company has adopted a set of corporate conduct principles that reinforce to everyone who works for it and acts on its behalf to observe the highest standard of conduct and ethical behavior. A copy of the corporate code of conduct is on the Globe corporate website: www.globecorporate.com

PURCHASE AND SALE OF COMPANY SECURITIES

The Company has in place a formal policy that reinforces to all directors, officers and senior executives of Globe the prohibition against insider trading and imposes limitations upon dealings in Globe securities. A copy of the policy can be found on the Globe corporate website at: www.globecorporate.com

CONTINUOUS DISCLOSURE

The Company has adopted a comprehensive policy covering continuous disclosure that prescribes practices to ensure continuous disclosure, prevention of selective disclosure and the conduct of external briefings. The policy is reviewed annually and updated as required. A copy of the continuous disclosure policy and procedures is on the Globe corporate website: www.globecorporate.com.

The CEO, CFO and the Company Secretary are responsible for communications with the ASX. They must ensure compliance with the continuous disclosure requirements in accordance with the ASX listing rules. They must also coordinate information disclosures to analysts, shareholders, the media and the public.

REMUNERATION POLICIES

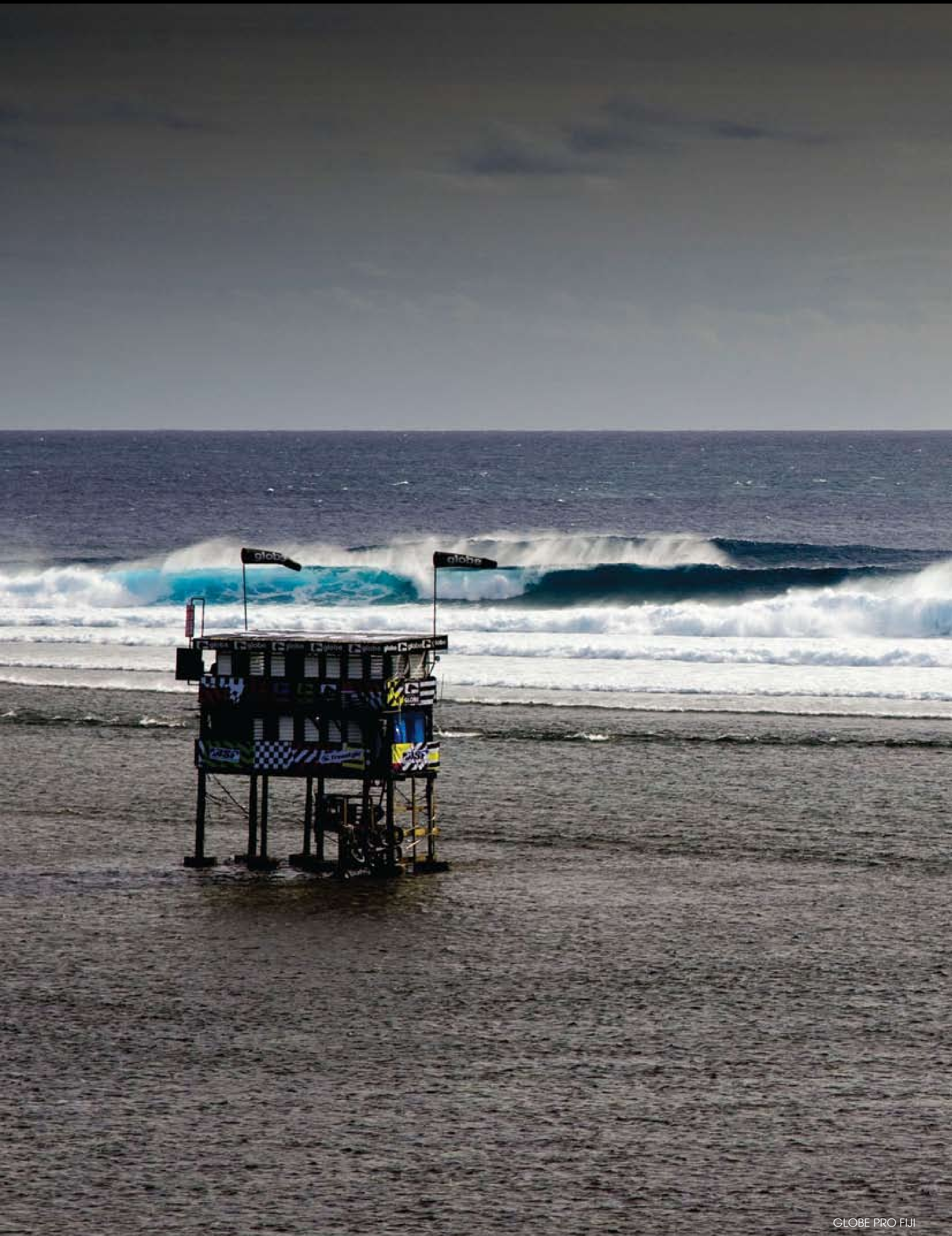
The Company's Remuneration Report contained in the Directors Report (pages 29 to 42) contains full details of the Company's remuneration policies and practices, including the structure and actual remuneration paid to directors and key management personnel and other information required by the Principles.

COMMUNICATIONS WITH SHAREHOLDERS

The Company places considerable importance on effective communications with its shareholders.

The Company's communications strategy promotes the communication of information to shareholders through the distribution of the annual and half yearly reports, announcements through the ASX and the media regarding changes in its businesses, and the Chairman's address at the annual general meeting.

Globe posts all reports, ASX and media releases and copies of significant business presentations and speeches on the Globe corporate website at: www.globecorporate.com



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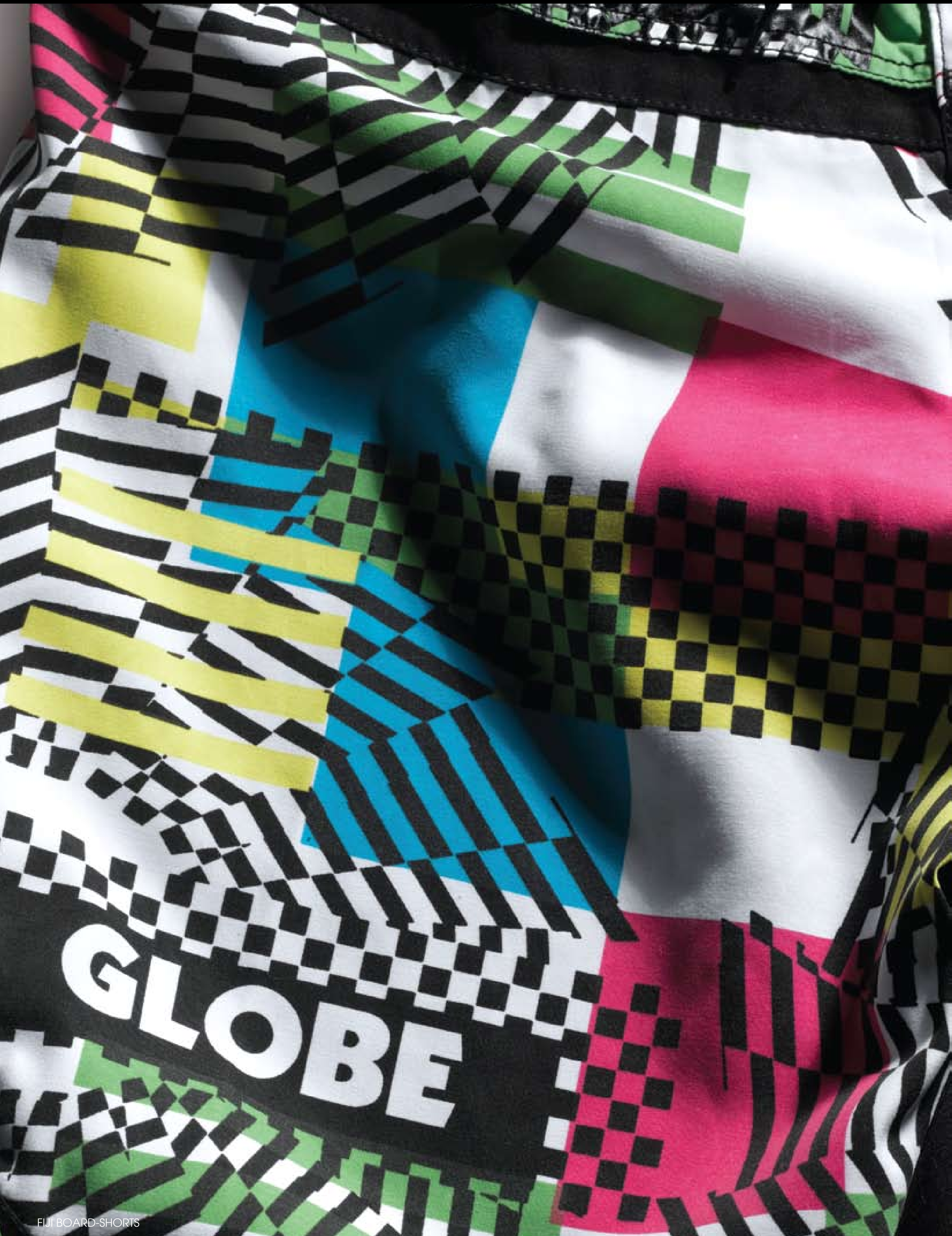

FIJI BOARD-SHORTS

Your directors present their report on Globe International Limited ("the Company") and its controlled entities (collectively "Globe" or the "consolidated entity") for the year ended 30 June 2008.

DIRECTORS

The name and position of each director of the Company in office during the financial year and up to the date of this report:

Stephen Hill Executive Director
11,881,281 shares

Stephen Hill co-founded Globe in 1984, remains a shareholder in the business, and has extensive expertise in the development of growth initiatives and market positioning strategies for the Company. Stephen is an active skateboarder.

Peter Hill Executive Director
11,881,281 shares

Peter Hill co-founded Globe in 1984 and maintains a significant shareholding in the business. He is a major contributor to the strategic market direction and brand development of the business. Peter is a former skateboarding champion and maintains an extensive interest in extreme action sports.

Paul Isherwood AO FCA, Independent Non-Executive Chairman
200,000 shares

Paul Isherwood was appointed to the Board of Directors in March 2001 and elected Chairman in March 2003. He is a former Partner and National Executive Chairman of Partners of Coopers & Lybrand, Chartered Accountants. Paul is also Chairman of the Munich Reinsurance Australian Group Companies and is a director of St George Bank Limited and the Australand Holdings Limited Group. Paul is a member of the Board Audit and Risk Committee.

Richard Alcock B Com, LLB, Independent Non-Executive Director
60,000 shares

Richard Alcock was appointed to the Board of Directors in February 2007 and is the Chairman of the Board Audit and Risk Committee. Richard is the Vice Chairman of Investment Banking at Merrill Lynch International (Australia) Limited. He is a former Senior Partner, Head of Governance and Chairman of the Ethics Committee of the law firm Allens Arthur Robinson with wide ranging experience in the financial services industry and in the media, communications, sports and entertainment industries. Richard's other directorships include Art Exhibitions Australia Limited, The Sydney Children's Hospital Foundation Limited and The University of New South Wales Foundation Limited.

COMPANY SECRETARY

Gerhard M. Correa
B Com, Grad Dip Bus, CPA

Gerhard Correa was appointed as the Company Secretary in November 2004. Gerhard joined the Company in November 2000 as Financial Controller. He was actively involved in the IPO process that led to the listing of the Company in May 2001 and played a key role in the recent capital restructuring of the company. Prior to joining the Company, Gerhard held senior accounting positions with Motorola Australia Pty Ltd (1992 to 1996) and Sportsgirl Sportscraft Group Pty Ltd (1996 to 2000).

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the financial year were the design, development and distribution of youth fashion apparel, footwear and skate hardgoods for the "Action Sports" market under predominantly proprietary brands along with some other licensed and distributed brands.

CHANGES IN STATE OF AFFAIRS

In the 2006 financial year, the consolidated entity announced it had undertaken a strategic review of the business and brand assets as part of the company's long-term strategy to improve efficiency and performance. As a result of that review the following significant changes in the state of affairs of Globe have occurred over the past two financial years:

Financial Year 2008

- Return of Capital to shareholders - the Company used the proceeds from the sale of the World Industries trademarks to return $8.6 million as capital to its shareholders on 14 February 2008.

Financial Year 2007

- Sale of Streetwear Division – on 2 January 2007 the division was sold to Pacific Brands for $41.2 million.
- Return of Capital to shareholders - the Company used the proceeds from the sale of the Streetwear Division to return $32.0 million as capital to its shareholders on 18 June 2007.
- Share Consolidation - the Company completed a 1:10 share consolidation of all its ordinary shares on issue, thereby reducing the number of ordinary shares from 414.6 million to 41.5 million on 18 June 2007.
- Sale of World Industries trademarks – on 25 June 2007, these assets were sold to i.e. Distribution for US$8.0 million.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There are no post balance date events.

DIVIDENDS

No dividends have been paid in the current or prior financial years. The directors do not recommend the payment of a dividend for the year ended 30 June 2008.

REVIEW OF OPERATIONS

The consolidated entity's total revenue for the year was $122.3 million, including $120.7 million of sales revenues. These sales revenues, whilst reported lower than the previous year by $1.8 million, actually increased in constant currency terms by $6.0 million, representing 5.2% growth year on year.

The consolidated entity's earnings from continuing operations before interest tax, depreciation and amortisation ("EBITDA") was $0.8 million (2007: $5.2 million). Excluding significant items, EBITDA of $2.8 million (2007: $1.3 million) represents a $1.5 million improvement in EBITDA compared to the last financial year, which is mainly due to increased margins.

The consolidated entity reported a net loss of $24.6 million for the financial year (2007: net loss $3.1 million), predominantly due to one-off significant items totalling $24.8 million. Following the annual impairment review of intangible assets, the consolidated entity has written down the carrying value of goodwill by $20.6 million. A further $2.8 million relates to income tax items and $1.4 million ($2.0 million before tax) relates to legal expenses associated with the trademark litigation case in the UK, which was reported in the previous half year. Excluding one-off items, net profit after tax was $0.2 million (2007: $1.1 million loss).

FUTURE DEVELOPMENTS AND RESULTS

No further commentary on future developments and expected results is included in this report as the directors are of the opinion that such commentary would likely result in unreasonable prejudice to the consolidated entity.

ENVIRONMENTAL REGULATIONS

The consolidated entity is not subject to particular or significant environmental regulation in respect of its activities.

MEETINGS OF DIRECTORS

Details of attendance by directors at Board meetings and committees of the Board during the financial year are as follows:

	BOARD MEETINGS		BOARD AUDIT AND RISK COMMITTEE MEETINGS	
	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED
Paul Isherwood	4	4	3	3
Peter Hill	4	4	*	*
Stephen Hill	4	4	*	*
Richard Alcock	4	3	3	3

* Not a member of relevant committee.

REMUNERATION REPORT (AUDITED)

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration
B Details of remuneration
C Service agreements
D Share-based compensation
E Additional information

The information provided under headings A – D includes remuneration disclosures that are required under the *Corporations Act 2001* and the *Corporations Regulations 2001* and have been audited. The disclosures in section E are additional disclosures required by the *Corporations Act 2001* and the *Corporations Regulations 2001* which have also been audited.

Remuneration of directors and executives

A. Principles used to determine the nature and amount of remuneration

The objective of the company's executive remuneration framework is to ensure remuneration for performance is competitive and appropriate for the results delivered. The framework aligns executive remuneration with the achievement of both strategic group objectives and individual business unit plans. The Board ensures that executive remuneration satisfies the following key criteria for good remuneration governance practices:

- competitiveness and reasonableness
- compensation linked and aligned to performance
- transparency
- capital management

The executive remuneration framework is aligned with shareholders interests in the following respects:

- it has economic profit as one of the components of plan design, as well as focusing the executive on key non-financial drivers of value.
- it attracts and retains high calibre executives, as it:
  - remunerates capability and experience;
  - reflects competitive remuneration for contribution to achieving and exceeding individual; business unit targets, which ultimately contributes to shareholder growth;
  - provides a clear structure for earning remuneration; and
  - provides recognition for contribution to the achievement of the Company's goals and objectives.

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives.

Non-executive Directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. Non-executive directors do not participate in any incentive schemes.

Directors' fees

The current base remuneration was last reviewed with effect from 26 February 2007. The Chairman's and non-executive director's remuneration are inclusive of audit committee fees. The two executive and founding directors of the Company have elected not to be paid directors' fees for the previous five years.

Retirement allowances for directors

There are no retirement allowances for directors. Directors may, however, elect to have a portion of their remuneration paid into their personal superannuation plans.

REMUNERATION REPORT (AUDITED) (CONT'D)

Remuneration of directors and executives (cont'd)

A. Principles used to determine the nature and amount of remuneration (cont'd)

Executive pay
The executive pay and remuneration framework has four components:

- base pay
- short-term performance incentives
- long-term incentives
- other remuneration such as superannuation.

The combination of these comprises the executive's total remuneration.

Base pay
The base pay is structured as a total employment cost package which may be delivered as a mix of cash and non-financial benefits at the executive's discretion.

Executives are offered a competitive base pay that comprises a fixed component as base pay, which is reviewed annually or on promotion.

There are no guaranteed base pay increases fixed in any senior executive's contracts.

Short term incentives ("STI")
Each executive has an STI opportunity which is based on a mix of both quantitative and qualitative targeted performance levels. These targets are set individually for each executive depending on the accountabilities of their roles. The quantitative targets are based on the executive's relevant business unit performance levels. This ensures that the incentive is directly linked to areas of individual control, while at the same time ensuring that such incentives are ultimately linked to the creation of shareholder wealth through improved business unit performance. Both quantitative and qualitative targets are set by the Board and the CEO at the start of each financial year. For senior executives the maximum bonus opportunity is 75% of their base salary.

During the year, the company paid the CEO, and certain other executives, cash bonuses under this STI plan. Details of such payments are specified on page 38 of this report under the title "Cash bonuses".

The short term bonus payments may be adjusted up or down the line with under or over achievement against the target performance levels at the discretion of the Board.

The STI is paid in cash and reviewed annually.

Long term incentive plan ("LTIP")
The objective of the LTIP is to remunerate senior executives in a manner which aligns their remuneration with the creation of shareholder wealth. As such, LTIP grants are only made to senior executives.

LTIP grants to executives are delivered in the form of performance rights. As at the date of this report the relevant performance hurdles have not been met, accordingly none of the performance rights have vested. The earnings of the consolidated entity have not been sufficient to meet the vesting hurdles set out in the LTIP.

During the year, the Board cancelled and replaced previous performance rights that were based on Total Shareholder Return ("TSR") with performance rights that are based wholly on minimum EPS targets and EPS growth. The Board believed that TSR being the sole determinant for the vesting of performance rights was not the most appropriate ongoing measure, because of the small free float of shares in the company and consequent volatility in share price. The Board believes that EPS growth is more closely aligned to the creation of wealth for shareholders.

REMUNERATION REPORT (AUDITED) (CONT'D)

B. Details of Remuneration

Details of the nature and amount of each element of remuneration for each director and the key management personnel (as defined in AASB 124 Related Party Disclosures) of the Company and the consolidated entity are set out in the following tables. The key management personnel of the consolidated entity are the Directors of the Company, the Chief Executive Officer (CEO) and those executives that report directly to the CEO.

In addition, these tables include the details of the five executives of the Company and the consolidated entity who received the highest remuneration during the financial year.

DIRECTORS OF GLOBE INTERNATIONAL LIMITED (1)

	2008			2007		
	SHORT TERM BENEFITS	POST-EMPLOYMENT BENEFITS		SHORT TERM BENEFITS	POST-EMPLOYMENT BENEFITS	
NAME	CASH SALARY $	SUPERANNUATION $	TOTAL $	CASH SALARY $	SUPERANNUATION $	TOTAL $
Paul Isherwood	137,615	12,385	150,000	126,080	11,347	137,427
Richard Alcock (2)	91,743	8,257	100,000	-	34,427	34,427
Norman O'Bryan (3)	-	-	-	12,941	12,640	25,581
Philip Brass (4)	-	-	-	39,856	-	39,856
TOTAL	**229,358**	**20,642**	**250,000**	**178,877**	**58,414**	**237,291**

(1) Remuneration paid to Executive Directors Peter Hill and Stephen Hill is nil for this year and last year
(2) Richard Alcock was appointed as a non-executive director on 26 February 2007
(3) Norman O'Bryan resigned on 16 November 2006
(4) Philip Brass resigned on 26 February 2007

REMUNERATION REPORT (AUDITED) (CONT'D)

B. Details of Remuneration (Cont'd)

KEY MANAGEMENT PERSONNEL (KMP) AND TOP 5 REMUNERATED EXECUTIVES

2008 - CONSOLIDATED ENTITY	SHORT TERM BENEFITS		POST-EMPLOYMENT BENEFITS	OTHER BENEFITS	
NAME	CASH SALARY $	CASH BONUS $	SUPERANNUATION $	OTHER SOCIAL SECURITY (3) $	TOTAL $
Key Management Personnel					
Matthew Hill (2) *Chief Executive Officer*	613,587	334,635	-	-	948,222
Matthew Wong (1) *President - Europe*	296,264	94,423	98,224	65,579	554,490
Gary Valentine (2) *President - North America*	311,966	121,305	-	-	433,271
Bod Boyle (2) *President - Dwindle*	262,293	119,214	-	-	381,507
Steve Douglas *President - Australia*	160,000	60,000	13,129	-	233,129
Frank Dammenhayn *President - Australia*	160,000	40,000	13,129	-	213,129
Jessica Hogan *Chief Financial Officer*	150,000	50,000	13,129	-	213,129
Gerhard Correa *Company Secretary*	130,000	13,000	11,700	-	154,700
Other executives included in Top 5 remunerated executives					
John Sherwood (2) *Vice President - North American Sales*	301,376	43,503	-	-	344,879

(1) Europe based executive
(2) US based executive
(3) Represents compulsory contributions imposed by the French Government to cover other social benefits which are mainly in the nature of unemployment, health and life insurances.

REMUNERATION REPORT (AUDITED) (CONT'D)

B. Details of Remuneration (Cont'd)

KEY MANAGEMENT PERSONNEL (KMP) AND TOP 5 REMUNERATED EXECUTIVES (CONT'D)

2008 - THE COMPANY	SHORT TERM BENEFITS		POST-EMPLOYMENT BENEFITS	
NAME	CASH SALARY $	CASH BONUS $	SUPERANNUATION $	TOTAL $
Key Management Personnel				
Steve Douglas *President – Australia*	160,000	60,000	13,129	233,129
Frank Dammenhayn *President – Australia*	160,000	40,000	13,129	213,129
Jessica Hogan *Chief Financial Officer*	150,000	50,000	13,129	213,129
Gerhard Correa *Company Secretary*	130,000	13,000	11,700	154,700
Other executives included in Top 5 remunerated executives				
Noel Forsyth *Vice President - Global Footwear*	160,000	33,000	13,129	206,129
Stephen Pace *Vice President - Australian Finance, IT, Operations*	161,772	18,000	12,132	191,904

REMUNERATION REPORT (AUDITED) (CONT'D)

B. Details of Remuneration (Cont'd)

KEY MANAGEMENT PERSONNEL (KMP) AND TOP 5 REMUNERATED EXECUTIVES (CONT'D)

2007 - CONSOLIDATED ENTITY	SHORT TERM BENEFITS		POST-EMPLOYMENT AND OTHER BENEFITS		SHARE-BASED PAYMENTS	
NAME	CASH SALARY $	CASH BONUS $	SUPERANNUATION $	OTHER SOCIAL SECURITY (3) $	PERFORMANCE RIGHTS $	TOTAL $
Key Management Personnel						
Matthew Hill (2) *Chief Executive Officer*	681,529	509,554	-	-	36,042	1,227,125
Gary Valentine (2) *President - North America*	350,318	127,389	-	-	6,355	484,062
Matthew Wong (1) (3) *President - Europe*	284,804	-	81,749	45,291	6,355	418,199
Michael Sonand *Chief Operating Officer & President Australasia - ceased employment with the consolidated entity on 2 January 2007.*	137,500	150,000	25,998	-	4,774	318,272
Frank Dammenhayn (4) *President – Australia (from 2 January 2007)*	160,000	70,000	15,684	-	4,446	250,130
Steve Douglas (4) *President – Australia (from 2 January 2007)*	151,833	70,000	12,686	-	4,333	238,852
Jessica Hogan (4) *Chief Financial Officer (from 21 June 2007)*	105,167	105,000	12,686	-	2,110	224,963
Gerhard Correa (4) *Company Secretary*	124,500	85,000	12,686	-	2,336	224,522
Other executives included in Top 5 remunerated executives						
Mark McKee (2) *Graphic Designer*	293,874	127,389	-	-	-	421,263
John Sherwood (2) *Vice President – North American Sales*	331,210	49,682	-	-	1,914	382,806

(1) Europe based executive
(2) US based executive
(3) Represents compulsory contributions imposed by the French Government to cover other social benefits which are mainly in the nature of unemployment, health and life insurances
(4) Key Management Personnel from 2 January 2007, but includes remuneration for the full year.

REMUNERATION REPORT (AUDITED) (CONT'D)

B. Details of Remuneration (Cont'd)

KEY MANAGEMENT PERSONNEL (KMP) AND TOP 5 REMUNERATED EXECUTIVES (CONT'D)

2007 - THE COMPANY	SHORT TERM BENEFITS		POST-EMPLOYMENT BENEFITS	SHARE-BASED PAYMENTS	
NAME	CASH SALARY $	CASH BONUS $	SUPERANNUATION $	PERFORMANCE RIGHTS $	TOTAL $
Michael Sonand (1) *Chief Operating Officer & President Australasia – ceased employment with the Company on 2 January 2007*	137,500	150,000	25,998	4,774	318,272
Frank Dammenhayn (1) *President – Australia (from 2 January 2007)*	160,000	70,000	15,684	4,446	250,130
Steve Douglas (1) *President – Australia (from 2 January 2007)*	151,833	70,000	12,686	4,333	238,852
Jessica Hogan (1) *Chief Financial Officer (from 21 June 2007)*	105,167	105,000	12,686	2,110	224,963
Gerhard Correa (1) *Company Secretary*	124,500	85,000	12,686	2,336	224,522

(1) Key management personnel since 2 January 2007, but includes remuneration for the full year.

CASH BONUSES

Cash bonuses for key management personnel and other senior executives are determined in line with the policy discussed on page 33 of this report under the title "Short Term Incentives". For each of the cash bonuses paid in 2008 included in the above tables, the percentage of available bonus that was earned or paid in the current financial year, and the percentage that was forfeited because performance criteria were not met, is set out below:

NAME	PERFORMANCE RELATED PAID	PERFORMANCE RELATED FORFEITED
Matthew Hill	72.7%	27.3%
Gary Valentine	51.8%	48.2%
Matthew Wong	42.5%	57.5%
Steve Douglas	50.0%	50.0%
Frank Dammenhayn	33.3%	66.7%
Jessica Hogan	44.4%	55.6%
Gerhard Correa	13.3%	86.7%
Bod Boyle	60.6%	39.4%
John Sherwood	19.2%	80.8%
Noel Forsyth	27.5%	72.5%
Stephen Pace	14.8%	85.2%

REMUNERATION REPORT (AUDITED) (CONT'D)

C. Service Agreements

Remuneration and other terms of employment of the Chief Executive Officer are formalised in a service agreement. This agreement includes the provision of performance-related cash bonuses and participation in the long term incentive plan. Other major provisions of the agreement relating to remuneration are set out below:

- Initial term 6 years commencing from 15 September 2004
- Base salary package to be reviewed annually by the Board of Directors
- 12 months notice of termination by either party until 15 September 2010
- Cash bonus up to a maximum of 75% of base remuneration based on, but not limited to, the achievement of certain profitability criteria, completion of certain strategic objectives, and satisfactory conduct of all duties as Chief Executive Officer. These criteria are reviewed and set by the Board at the beginning of each financial year.
- Participation in the Executive LTIP.

All other key management personnel are subject to employment contracts, where duration is unlimited and standard notice periods of six to twelve weeks apply. In addition, key management personnel are eligible to participate in both short and long term incentive plans.

D. Share Based Compensation

Executive Long Term Incentive Plan (LTIP)

A scheme under which senior executives are awarded Performance Rights was approved by shareholders at the 2003 Annual General Meeting. The terms of the LTIP are as follows:

- There is nil consideration payable by the participant to the Company for Performance Rights awarded under the LTIP.
- The holder of the Performance Rights is not entitled to voting or dividend rights until the Performance Rights vest and the shares are issued.
- The Performance Rights, subject to performance criteria, vest in equal annual instalments on each anniversary of the Award date. If the Performance Criteria for any year are not satisfied, those Performance Rights relating to that year will lapse and will not be carried forward.

Set out below is a summary of the Performance Rights issued under the plan.

Rights awarded on 23 October 2003

All rights awarded on 23 October 2003 lapsed on 23 October 2007. No rights vested under this scheme.

Rights awarded on 5 April 2007

The Company issued further LTIP rights under the plan on 23 January 2007. On 5 April 2007 the vesting dates, the TSR hurdles and the number of shares issued were altered. The closing share price as at 5 April 2007 was 26 cents. The details of the revised LTIP scheme are provided below:

INSTALMENT	AWARD DATE	VESTING DATES	NO. ISSUED	TSR VESTING HURDLE	RIGHTS VESTED DURING THE YEAR
1	5 April 2007	31 Oct 2007	3,850,000	$0.28	-
2	5 April 2007	31 Oct 2008	3,850,000	$0.35	-
3	5 April 2007	31 Oct 2009	3,850,000	$0.45	-
4	5 April 2007	31 Oct 2010	3,850,000	$0.55	-

REMUNERATION REPORT (AUDITED) (CONT'D)

D. Share Based Compensation (cont'd)

The company returned $30.2 million in share capital on 18 June 2007 and also completed a 1:10 share consolidation on the same date. Following the share consolidation and return of capital, the number of rights held and TSR vesting hurdles were adjusted as shown in the table below:

INSTALMENT	VESTING DATES	NO. ISSUED	TSR VESTING HURDLE (1)	RIGHTS VESTED DURING THE YEAR
1	31 Oct 2007	385,000	$2.10	-
2	31 Oct 2008	385,000	$3.50	-
3	31 Oct 2009	385,000	$4.50	-
4	31 Oct 2010	385,000	$5.50	-

(1) TSR vesting hurdles adjusted for share consolidation and return of capital.

Rights awarded on 1 November 2007

The Performance Rights awarded on 5 April 2007 were cancelled and replaced with Performance Rights issued on 1 November 2007, based solely on EPS hurdles. The share price of the Company on 1 November 2007 was $1.27. The details of these replacement Performance Rights are as follows:

TRANCHE	VESTING DATES	NO. ISSUED	RIGHTS VESTED DURING THE YEAR
1	30 Aug 2008	506,667	-
2	30 Aug 2009	506,667	-
3	30 Aug 2010	506,667	-

Details of the hurdles required to be achieved prior to the vesting of Performance Rights under each of the tranches are as follows:

Tranche 1 (506,667 shares) - Measurement date of vesting 30 August 2008

EPS GROWTH	% OF SHARES UNDER THIS TRANCHE VESTING
Less than 5%	Nil
Equal to 5%	50%
Greater than 55% but less than 10%	Pro rata between 50.1% to 99.9%
Equal to or greater than 10%	100%

Prior to any shares vesting under Tranche 1, the minimum EPS that must be achieved for the year ended 30 June 2008 is 4.95 cents.

Tranche 2 (506,667 shares) - Measurement date of vesting 30 August 2009

EPS GROWTH	% OF SHARES UNDER THIS TRANCHE VESTING
Less than 12.5%	Nil
Equal to 12.5%	50%
Greater than 12.5% but less than 50%	Pro rata between 50.1% to 99.9%
Equal to or greater than 50%	100%

REMUNERATION REPORT (AUDITED) (CONT'D)

D. Share Based Compensation (cont'd)

Prior to any shares vesting under Tranche 2, the minimum EPS that must be achieved for the year ended 30 June 2009 is 5.57 cents. If the minimum EPS is not achieved, then no shares will vest under this tranche even if the EPS growth rates have been achieved.

Tranche 3 (506,667 shares) - Measurement date of vesting 30 August 2010

EPS GROWTH	% OF SHARES UNDER THIS TRANCHE VESTING
Less than 12.5%	Nil
Equal to 12.5%	50%
Greater than 12.5% but less than 50%	Pro rata between 50.1% to 99.9%
Equal to or greater than 50%	100%

Prior to any shares vesting under Tranche 3, the minimum EPS that must be achieved for the year ended 30 June 2010 is 6.26 cents. If the minimum EPS is not achieved, then no shares will vest under this tranche even if the EPS growth rates have been achieved.

The performance rights held by KMPs immediately prior to 1 November 2007 and the impact on fair values of those rights before and after the replacement are as follows:

NAME	NUMBER OF RIGHTS PRIOR TO REPLACEMENT	NUMBER OF RIGHTS AFTER REPLACEMENT	TOTAL FAIR VALUE PRIOR TO REPLACEMENT $	TOTAL FAIR VALUE AFTER REPLACEMENT $	DIFFERENCE IN FAIR VALUES AFTER REPLACEMENT $
Matthew Hill	750,000	750,000	53,797	146,392	93,136
Gary Valentine	100,000	100,000	7,173	19,591	12,418
Matthew Wong	100,000	100,000	7,173	19,591	12,418
Frank Dammenhayn	100,000	100,000	7,173	19,591	12,418
Steve Douglas	100,000	100,000	7,173	19,591	12,418
Bod Boyle	50,000	50,000	3,586	9,795	6,209
Jessica Hogan	50,000	50,000	3,586	9,795	6,209
Gerhard Correa	50,000	50,000	3,586	9,795	6,209

Limiting of exposure to risk in relation to performance rights by key management personnel

The Company's performance rights are based wholly on EPS hurdles and not market based conditions. As the Company has no performance rights which are granted on market based conditions, it is not necessary for the board to formulate a policy in relation to key management personnel limiting their exposure to risk in relation to these performance rights.

E. Additional Information (unaudited)

The earnings of the consolidated entity in the financial year ended 30 June 2008 have not been sufficient to meet the EPS growth hurdle for the first tranche of the LTIP. Accordingly, all Performance Rights under this tranche will lapse on 30 August 2008.

Having regard to the changes between the opening and closing trading prices during the 2008 financial year and each of the previous four financial years, there has been no increase in shareholder wealth over the last five years. However as a contribution to shareholder wealth, the company has returned $48.8 million to shareholders during this period, by way of fully franked dividends of $8.2 million in 2005, a return of capital of $32.0 million in 2007 and a return of capital of $8.6 million in 2008.

INSURANCE OF OFFICERS

During the financial year, Globe International Limited paid premiums to insure the directors, secretary and senior management of the Company. The amount of such premiums is confidential as per the terms of the insurance contract.

The liabilities insured include legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company and its controlled entities, but not in respect of obligations owed to the Company, or if they are found liable in such civil penalty or criminal proceedings.

NON-AUDIT SERVICES

Certain non-audit services were provided by the consolidated entity's auditor, PricewaterhouseCoopers.
The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. PricewaterhouseCoopers received, or are due to receive, $371,161 (2007: $817,060) from the consolidated entity for non-audit services rendered during the financial year, predominantly in relation to capital restructuring and taxation compliance and advice.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 43.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

AUDITOR

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the Board of Directors.

Melbourne
Dated this 27th August 2008

Paul Isherwood
Chairman

PRICEWATERHOUSECOOPERS

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AUDITORS' INDEPENDENCE DECLARATION

As lead auditor for the audit of Globe International Limited for the year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Globe International Limited and the entities it controlled during the period.

Chris Dodd
Partner
PricewaterhouseCoopers

Melbourne
27 August 2008

	NOTES	CONSOLIDATED		THE COMPANY	
		2008 $'000	2007 $'000	2008 $'000	2007 $'000
Revenue from continuing operations	4	**122,315**	**126,035**	**27,102**	**27,183**
Other Income	4	-	6,692	1,205	516
Changes in inventories of finished goods and work in progress		356	(5,687)	(700)	(531)
Inventories purchased		(60,914)	(59,577)	(11,464)	(14,665)
Employee benefits expense		(19,061)	(17,926)	(4,581)	(4,299)
Depreciation and amortisation expense	5	(1,704)	(4,376)	(613)	(693)
Impairment of property, plant and equipment	5	(31)	(502)	-	-
Impairment of intangible assets	5	(20,608)	(3,309)	-	-
Finance costs	5	(98)	(591)	-	(32)
Selling and administrative expenses		(41,197)	(43,187)	(9,052)	(7,498)
Provision against investment in subsidiary	5	-	-	(19,262)	-
Provision for receivable from subsidiary	5	-	-	(10,000)	(4,642)
Profit / (loss) before related income tax expense		(20,942)	(2,428)	(27,365)	(4,661)
Income tax (expense) / benefit	8(a)	(3,655)	4,382	(1,354)	7,451
Profit / (loss) from continuing operations		**(24,597)**	**1,954**	**(28,719)**	**2,790**
Profit / (loss) from discontinued operations	7	-	(5,036)	-	(5,689)
Profit / (loss) for the year		**(24,597)**	**(3,082)**	**(28,719)**	**(2,899)**
Profit is attributable to:					
Equity holders of Globe International Limited	24	(24,597)	(3,225)	(28,719)	(2,899)
Minority Interest	25	-	143	-	-
		(24,597)	**(3,082)**	**(28,719)**	**(2,899)**
Earnings per share from continuing operations attributable to the ordinary equity holders of the company (EPS):					
After significant items					
Basic EPS (cents per share)	38	(59.32)	4.71		
Diluted EPS (cents per share)	38	(59.32)	4.71		
Earnings per share attributable to the ordinary equity holders of the company (EPS):					
After significant items					
Basic EPS (cents per share)		(59.32)	(7.78)		
Diluted EPS (cents per share)		(59.32)	(7.78)		

The above income statements should be read in conjunction with the accompanying notes.

	NOTES	CONSOLIDATED		THE COMPANY	
		2008 $'000	2007 $'000	2008 $'000	2007 $'000
ASSETS					
Current assets					
Cash and cash equivalents	9	7,346	22,634	1,151	6,038
Trade and other receivables	10	21,337	22,428	3,947	3,962
Inventories	11	15,261	14,486	4,890	5,656
Prepayments		2,130	1,382	1,495	450
Current tax assets	16	289	812	-	246
Total current assets		46,363	61,742	11,483	16,352
Non current assets					
Trade and other receivables	10	-	-	35,989	40,948
Property, plant and equipment	13	1,762	2,466	784	1,073
Other financial assets	14	680	768	36,181	64,042
Intangible assets	15	22,891	43,356	-	-
Deferred tax assets	16	6,774	6,432	5,689	5,155
Total non current assets		32,107	53,022	78,643	111,218
Total assets		**78,470**	**114,764**	**90,126**	**127,570**
LIABILITIES					
Current liabilities					
Trade and other payables	17	12,106	10,418	3,029	3,411
Borrowings	18	70	1,941	-	-
Derivative financial instruments	12	124	87	120	106
Current tax liabilities	19	1,157	1,690	-	-
Provisions	20	1,387	1,581	566	480
Total current liabilities		14,844	15,717	3,715	3,997
Non current liabilities					
Trade and other payables	17	-	464	-	-
Borrowings	18	142	211	-	-
Deferred tax liabilities	19	4,045	3,443	262	116
Provisions	20	352	313	352	313
Other	21	195	261	-	18
Total non current liabilities		4,734	4,692	614	447
Total liabilities		**19,578**	**20,409**	**4,329**	**4,444**
NET ASSETS		**58,892**	**94,355**	**85,797**	**123,126**
Equity					
Contributed equity	22	143,768	152,368	143,768	152,368
Reserves	23	(6,613)	(4,347)	239	249
Retained profits / (losses)	24	(78,263)	(53,666)	(58,210)	(29,491)
Parent entity interest		58,892	94,355	85,797	123,126
Minority interest	25	-	-	-	-
Total equity		**58,892**	**94,355**	**85,797**	**123,126**

The above balance sheets should be read in conjunction with the accompanying notes.

	NOTES	CONSOLIDATED		THE COMPANY	
		2008 $'000	2007 $'000	2008 $'000	2007 $'000
Total equity at the beginning of the year		94,355	132,500	123,126	158,098
Cash flow hedge reserve movement (net of tax)	23(b)	(26)	(91)	(10)	(104)
Net Exchange difference on translation of financial reports of foreign controlled entities	23(a)	(2,240)	(2,379)	-	-
Net income / (expense) recognised directly in equity		(2,266)	(2,470)	(10)	(104)
Profit / (loss) for the year		(24,597)	(3,082)	(28,719)	(2,899)
Total recognised income / (expense) for the year		(26,863)	(5,552)	(28,729)	(3,003)
Transactions with equity holders in their capacity as equity holders:					
Return of capital to equity holders	22	(8,600)	(32,010)	(8,600)	(32,010)
Share based payments reserve (net of tax)	23(c)	-	41	-	41
Distributions to minority interests	25	-	(257)	-	-
Sale of entity with minority interests	25	-	(367)	-	-
		(8,600)	(32,593)	(8,600)	(31,969)
Total equity at the end of the year		58,892	94,355	85,797	123,126
Total recognised income and expense for the year is attributable to:					
Members of Globe International Limited		(26,863)	(5,695)	(28,729)	(3,003)
Minority Interests	25	-	143	-	-
		(26,863)	(5,552)	(28,729)	(3,003)

The above statements of changes in equity should be read in conjunction with the accompanying notes.

	NOTES	CONSOLIDATED		THE COMPANY	
		2008 $'000	2007 $'000	2008 $'000	2007 $'000
Cash flows from operating activities					
Receipts from customers (inclusive of goods and services tax)		123,195	169,197	29,872	59,162
Payments to suppliers and employees (inclusive of goods and services tax)		(124,270)	(156,875)	(28,301)	(55,828)
Interest received		734	1,181	405	1,153
Interest and other costs of finance paid		(97)	(761)	-	(87)
Income taxes received / (paid)		(2,522)	643	246	1,590
Net cash provided by / (used in) operating activities	37(a)	(2,960)	13,385	2,222	5,990
Cash flows from investing activities					
Payment for property, plant and equipment	13	(718)	(2,626)	(324)	(2,092)
Proceeds on disposal of the Streetwear Division (net of transaction costs)	7(d)	-	36,979	-	35,782
Payment for trademarks and other intangibles	15	(631)	(1,127)	-	-
Proceeds on disposal of the World Industries trademarks (net of transaction costs)		-	8,540	-	-
Net cash provided by / (used in) investing activities		(1,349)	41,766	(324)	33,690
Cash flows from financing activities					
Proceeds from borrowings		-	630	-	-
Net advances to controlled entities		-	-	(6,785)	(2,614)
Repayment of borrowings		(1,555)	(5,119)	-	-
Repayment of finance leases		(385)	(172)	-	(52)
Return of Capital received from a subsidiary		-	-	8,600	-
Return of Capital paid to shareholders of the Company	22	(8,600)	(32,010)	(8,600)	(32,010)
Dividends paid to minority interests	25	-	(257)	-	-
Net cash provided by / (used in) financing activities		**(10,540)**	**(36,928)**	**(6,785)**	**(34,676)**
Net increase / (decrease) in cash and cash equivalents		**(14,849)**	**18,223**	**(4,887)**	**5,004**
Cash and cash equivalents at beginning of the financial year		22,634	5,318	6,038	1,034
Effect of exchange rates on cash holdings in foreign currencies		(439)	(907)	-	-
Cash and cash equivalents at the end of the financial year	9	**7,346**	**22,634**	**1,151**	**6,038**

The above statements of cash flows should be read in conjunction with the accompanying notes. These cash flows include both the continuing and discontinued operations. Refer to Note 7 for a summary of cash flows from the discontinued operations.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Globe International Limited as an individual entity and the consolidated entity consisting of Globe International Limited and its subsidiaries.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Compliance with IFRS
Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report of Globe International Limited complies with International Financial Reporting Standards (IFRS).

Early adoption of standards
AASB 8 *Operating Segments* was early adopted by the consolidated entity in the financial year beginning 1 July 2007. AASB replaces AASB 114, *Segment Reporting*. The new standard requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in a change to the operating segments reported, as well as how segment revenues and expenses are included in each of the reportable segments. That is, the segments are reported in a manner that is more consistent with the internal reporting provided to the chief operating decision maker. Comparative disclosures for the previous financial year have been restated.

The consolidated entity has not elected to early adopt any other relevant accounting standards and amendments that have been published but that are not mandatory for 30 June 2008 reporting periods. The consolidated entity's assessment of the impact of these new standards and interpretations is set out in Note 1(ae).

Historical Cost Convention
These financial statements have been prepared under the historical cost convention, as modified as required by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

Critical Accounting Estimates
The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are discussed further in Note 1(af).

(b) Principles of Consolidation

(i) Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Globe International Limited ("the Company") as at 30 June 2008 and the results of all subsidiaries for the year then ended. Globe International Limited and all its subsidiaries together are referred to in this financial report as the consolidated entity.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Principles of Consolidation (cont'd)

The purchase method of accounting is used to account for the acquisition of subsidiaries by the consolidated entity (refer Note 1(l)). Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are deconsolidated from the date that control ceases.

The consolidated entity applies a policy of treating transactions with minority interests as transactions with parties external to the consolidated group. Minority interests in the results of controlled entities are shown separately in the consolidated income statement and consolidated balance sheet respectively.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Globe International Limited.

(ii) Employee Share Trust

The consolidated entity has formed a trust to administer the consolidated entity's Executive Long Term Incentive Plan. The trust is consolidated as the substance of the relationship is such that the trust is controlled by the consolidated entity. Shares held by the trust are disclosed as ordinary shares and deducted from equity.

(c) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate for each jurisdiction adjusted by:

- changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements;
- the utilisation or derecognition of tax assets associated with net operating losses, temporary differences and foreign tax credits;
- prior year adjustments between the tax provided and the tax return ultimately lodged; and
- provisions for estimated tax liabilities in relation to on-going tax audits or disputes with tax authorities.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Income Tax (cont'd)

Tax consolidation legislation
Globe International Limited and its wholly-owned Australian controlled entities implemented the tax consolidation legislation as at 1 July 2003. The head entity, Globe International Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone tax payer in its own right.

In addition to its own current and deferred tax amounts, Globe International Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable or payable to other entities in the group. Details about the tax funding agreement are disclosed in Note 8.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(d) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of each of the consolidated entity's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Globe International Limited's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

(iii) Group companies
The assets and liabilities of overseas controlled entities are translated into Australian currency at rates of exchange current at balance date, while its revenues and expenses are translated at average exchange rates during the year. Exchange differences arising on translation are taken directly to foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or borrowings repaid a proportionate share of such exchange differences are recognised in the income statement as part of the gain or loss on sale.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, goods and services tax (GST) and other taxes paid. Revenue from a sale to a wholesale customer is recorded when goods have been despatched to a customer pursuant to a sales order and the associated risks have passed to the carrier or customer. Revenue from retail sales is recognised when a retail store sells a product to the customer. Royalties are recognised in the period in which underlying sales are made by the licensee. Interest revenue is recognised on a proportional basis using the effective interest rate method.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Segment reporting

An operating segment is identified as a discrete business segment whose results are reported to the chief operating decision maker. The chief operating decision maker has been identified as the Chief Executive Officer ("CEO"). Sales and profitability of operating segments is reported in line with how information is presented internally for management review.

Change in accounting policy

The policy of defining operating segments in line with internally reported segments was adopted for the first time in the current financial year. In previous reporting periods, the operating segments were based on the location of customers and statutory reported profits. The policy was changed following the release of AASB 8 *Operating Segments*. While the standard does not need to be applied until 1 July 2009, the consolidated entity has decided to adopt the standard early (see Note 1 (a)). This policy has been applied to comparative information in relation to the 2007 financial year, and the disclosures have been restated accordingly. The new policy does not have an impact on the reported profitability of the consolidated entity.

(g) Borrowing Costs

Borrowing costs are recognised as expenses in the period in which they are incurred and include interest on bank overdrafts and short term and long term borrowings.

(h) Leases

Leases of property, plant and equipment where the consolidated entity has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(i) Website Costs

Costs in relation to the development and maintenance of websites are charged as expenses in the period in which they are incurred.

(j) Major event costs

Costs associated with major promotional events are expensed at the first date that each distinct part of the promotional campaign occurs.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation, and other financial assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are consolidated at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(l) Business combinations

The purchase method of accounting is used for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their market price as at the acquisition date. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the consolidated entity's share of the identifiable net assets acquired is recorded as goodwill (refer to Note 1 (r)). If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(m) Cash and cash equivalents

For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and investments in money market instruments within three months to maturity (if applicable). Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(n) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts, principally on 30 day terms. A provision for doubtful receivables is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivable. The amount of the provision is the difference between the assets carrying amount and the present value of estimate future cash flow, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

Other receivables are amounts due as a result of transactions outside the normal course of business. A provision for doubtful receivables is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivable.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct material, direct labour and an appropriate proportion variable expenditure. Costs are assigned to inventory based on standard costs which closely approximate actual costs. Net realisable value is the estimated selling price in the ordinary course of business less estimated selling costs.

(p) Investments and other financial assets

Classification

The consolidated entity classifies its financial assets in the following categories: Investments and derivative financial instruments that are designated as hedges are classified as "available-for-sale assets"; and all receivables are classified as "loans and receivables". The consolidated entity does not hold any "financial assets at fair value through profit and loss" or any "held-to-maturity investments".

Recognition and measurement

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the consolidated entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. These assets are subsequently measured at fair value unless the fair value can not be reliably measured, in which case they are carried at cost less impairment losses. Receivables are carried at amortised cost using the effective interest rate method.

Impairment

The consolidated entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of investments held for sale, a significant or prolonged decline in the future benefit to be recovered from the asset is considered as an indicator that the financial asset is impaired. Impairment losses on investments and receivables are recognised directly in the income statement.

(q) Property, plant and equipment

Property, plant and equipment are carried at historical cost less accumulated depreciation or amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. All subsequent costs, including repairs and maintenance, are expensed as incurred.

Depreciation on plant and equipment is calculated using the straight line method to allocate cost, net of the residual value, over estimated useful lives as follows:

Class of Asset	Useful Life
Leasehold Improvements and leased assets	Period of Lease
Motor Vehicles	7 years
Computer Equipment	3 years
Plant & Equipment	4-10 years
Office Equipment, Furniture and Fittings	4-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(k)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Intangible assets

(i) Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the consolidated entity's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired (Note 1(k)), and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the consolidated entity's investment in the specific distribution channel and/or region of operation.

(ii) Trademarks and licences
Trademarks and licences that have a finite useful life are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method to allocate the cost of trademarks and licences over their estimated useful lives, which vary from 5 to 30 years.

Trademarks and licences that have an indefinite useful life are carried at cost less impairment losses. These assets are assumed to have nil tax cost bases, unless specific deductions are available. These assets are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired (Note 1(k)).

(s) Derivatives

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The consolidated entity designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges).

The consolidated entity documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as risk management objective and strategy for undertaking various hedge transactions. The consolidated entity also documents its assessment of whether the derivatives that are used in hedging transactions have been, and will continue to be, highly effective in offsetting changes in the cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 12. Movements in the hedging reserve in shareholders' equity are shown in Note 23. The credit risk and foreign exchange risk associated with these instruments is disclosed in Note 27.

Cash Flow hedges
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash-flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item will affect profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory), the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost of the asset.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Derivatives (cont'd)

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at the time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Derivatives that do not qualify for hedge accounting
Certain derivative instruments may not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

(t) Trade and other payables

These amounts represent liabilities for goods and services to the consolidated entity prior to the end of the financial year which are unpaid. The amounts that are unpaid are generally payable within 30 days of recognition.

(u) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(v) Provisions

Provisions for legal claims, restructuring and other obligations are recognised when the group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are recognised at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects the current market assessments of the time value of money and the risks specific to the liability. Where relevant, the increase in the provision due to the passage of time is recognised as interest expense.

(w) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries or associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(x) Employee Benefits

Wages, salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised as provisions in respect of employee's services up to the reporting date and are measured at the nominal value of amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Superannuation
The consolidated entity makes contributions to various accumulating employee superannuation funds, or foreign equivalent funds, which are charged as expenses when incurred. The consolidated entity does not contribute to any defined benefit funds.

Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Short-term incentive plans
The consolidated entity recognises a liability and an expense for bonuses payable under various short term incentive plans. Short term incentive plans are based on the achievement of targeted performance levels set at the beginning of each financial year. Further information relating to these is included in the Remuneration Report which is set out on pages 6 to 13 of the Directors' Report. The consolidated entity recognises a liability to pay short term incentives when contractually obliged based on the achievement of the stated performance levels, or where there is a past practice that has created a constructive obligation.

Share based payments
Share based compensation benefits are provided to employees via the Globe Employee Share Plan ('ESP'), Option Plan ('ESOP') and Executive Long Term Incentive Plan ('LTIP'). Information relating to these plans is included in Note 28 and in the Remuneration Report which is set out on pages 6 to 13 of the Directors' Report.

(i) Globe Employee Share Plan ('ESP')
Under this plan, shares are issued to employees for no consideration. The fair value is measured at grant date and recognised over the period in which the employee becomes entitled.

(ii) Option Plan (ESOP)
No expense is recognised in respect to these options. All options under the ESOP lapsed on 2 January 2007, and none of these options vested. No further issue of options will be made under this plan.

(iii) Executive Long Term Incentive Plan (LTIP)
The fair value of rights granted under the LTIP is recognised as an employee benefit expense with a corresponding increase in equity.

In relation to rights that are granted with market based vesting conditions, the fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the performance rights. The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the performance right, the share price at grant date, the expected dividend yield and the risk-free interest rate for the term of a zero-priced performance right. The fair value of such rights is not adjusted in future periods to reflect the actual value of rights that ultimately vest.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(x) Employee Benefits (cont'd)

(iii) Executive Long Term Incentive Plan (LTIP) (cont'd)
In relation to rights granted with non-market vesting conditions (for example, based on EPS targets), the best available estimate of the number of performance rights expected to vest is used at the reporting date to determine the employee benefit expense for the period. This estimate is revised at each future reporting date if subsequent information indicates that the number of performance rights expected to vest differs from previous estimates and a corresponding adjustment is made to the employee benefit expense in those future periods.

(y) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. If the entity acquires its own equity instruments as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit and loss and the consideration paid including any directly attributable incremental costs, net of tax, is recognised directly in equity.

(z) Earnings per share

Basic earnings per share
Basic earnings per share is determined by dividing the operating profit after income tax by the weighted average number of ordinary shares outstanding during the financial year.

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(aa) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

(ab) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable form the taxation authority. In this case it is recognised as part of the cost of the acquisition of the asset or part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included within other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as an operating cash flow.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ac) Rounding of amounts

The Company has applied relief available under ASIC Class Order 98/0100 and accordingly, amounts in the financial report have been rounded off to the nearest one thousand dollars or, in certain cases, to the nearest dollar.

(ad) Comparative figures

Where required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(ae) New accounting standards and UIG interpretations

As noted in Note 1(a), certain new accounting standards and UIG interpretations have been published that are not mandatory for 30 June 2008 reporting periods. The consolidated entity has decided not to early adopt certain relevant accounting standards and UIG interpretations. Refer below for assessment of the impact of the new standards and interpretations which are relevant to the consolidated entity and have not yet been adopted:

(i) Revised AASB 101 Presentation of Financial Statement
A revised AASB 101 was issued in September 2007 and is applicable to annual reporting periods beginning on or after 1 January 2009. Application of the revised standard is not expected to have any impact on the results of the consolidated entity, but may impact certain disclosures.

(ii) AASB-I 10 Interim Financial Reporting and Impairment
AASB-I 10 applies to annual reporting periods beginning on or after 1 November 2007. It prohibits impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. The consolidated entity will apply AASB-I 10 from 1 July 2008, but it is not expected to have any impact on the consolidated entity's financial statements.

(iii) ED 151 Australian Additions to, and Deletions from, IFRSs
ED 151 Australian Additions to, and Deletions from, IFRSs. ED 151 is applicable for annual reporting periods beginning on or after 1 July 2008, with early adoption permitted. ED 151 further eliminates differences between AASBs and IFRS. It is not expected to have an impact on the financial results of the Company or the consolidated entity but may impact certain disclosures

(iv) AASB-I 11 AASB 2 - Group and Treasury Share Transactions and AASB 2008-1 Amendments to Australian Accounting Standards arising from AASB Interpretation 11
AASB-I 11 and AASB 2008-1 are effective for annual reporting periods commencing on or after 1 March 2008. AASB-I 11 addresses whether certain types of share-based payment transactions should be accounted for as equity settled or as cash settled transactions and specifies the accounting in a subsidiary's financial statements for share based payment arrangements involving equity instruments of the Company. The consolidated entity will apply AASB-I 11 from 1 July 2008, but it is not expected to have any material impact on the consolidated entity's financial statements.

(v) Revised AASB 123 Borrowing Cost and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123
The revised AASB 123 is applicable to annual reporting periods commencing on or after 1 January 2009. It has removed the option to expense all borrowing costs and, when adopted, will require the capitalisation of all borrowing costs directly attributable to the acquisition of a qualifying asset. There will be no impact on the financial report of the consolidated entity as all such costs are already being capitalised.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(af) Critical Accounting estimates

Accounting estimates are assumptions that are used to determine the financial performance and position at a point in time. These estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events, that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and assumptions that have a risk of causing potentially material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimated Impairment of Goodwill and Intangible Assets with indefinite lives
The consolidated entity tests annually whether goodwill and intangible assets with indefinite lives have suffered any impairment, in accordance with the accounting policy stated in Note 1(k). The recoverable amounts of cash generating units with goodwill have been determined based on value-in use calculations, and those with indefinite lived intangible assets have been valued based on fair value. These calculations require the use of assumptions. Refer to Note 15 *Intangible Assets* for details of these assumptions.

(ii) AASB-I 10 Interim Financial Reporting and Impairment
The fair value estimates of financial assets and liabilities must be estimated for recognition, measurement and disclosure purposes.

The nominal value less estimated credit adjustments of trade and other receivables and payables are assumed to approximate their fair values.

The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

The fair value of financial liabilities for disclosure purposes is estimated by discounting future contractual cash flows at the relevant interest rate or the current market interest rate that is available to the consolidated entity for similar financial instruments, where there is no relevant interest rate.

(iII) Taxation estimates
The current year income tax expense and current tax payable are determined in accordance with Note 1(c).

The carrying value of Deferred Tax Assets relating to tax losses is determined based on the estimated probability of recovery of those losses in future periods. Refer to Note 16 *Tax Assets* for the details of these estimates.

(ag) Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business. The results of discontinued operations are presented separately on the face of the income statement and the notes to the income statement.

NOTE 2. FINANCIAL RISK MANAGEMENT

The consolidated entity's activities expose it to a variety of financial risks; credit risk, market risk (including currency risk, and interest rate risk), and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as foreign exchange contracts to hedge certain risk exposures. These derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis for foreign exchange risk and aging analysis for credit risk.

The Board of Directors has the ultimate responsibility for the establishment and oversight of the risk management framework. The Board has established the Board Audit and Risk Committee ("BARC") to work with senior management to establish the overall risk and control framework. Senior management are then delegated the authority and responsibility to assess specific risks, set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and procedures are reviewed regularly by senior management to reflect changes in market conditions and the Company's and consolidated entity's activities. Senior management reports to the BARC on a regular basis in relation to the risk and control framework. The consolidated entity and the Company have written policies in place, covering specific areas, such as foreign exchange risk and credit risk.

The consolidated entity and the Company hold the following instruments as at the reporting date:

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Financial assets				
Cash and cash equivalents	7,346	22,634	1,151	6,038
Trade and other receivables	21,337	22,428	3,947	3,962
Other financial assets	680	768	36,181	64,042
Net amounts receivable from subsidiaries	-	-	35,989	40,948
	29,363	45,830	77,268	114,990
Financial liabilities				
Trade and other payables	12,106	10,882	3,029	3,411
Borrowings	212	2,152	-	-
Derivative financial instruments	124	87	120	106
	12,442	13,121	3,149	3,517

(a) Credit risk

Whilst overall credit risk management is overseen by the BARC, the day to day management of credit risk is conducted at a regional level by senior and middle management. Credit risk arises from cash and cash equivalents, forward exchange contracts, deposits with banks, as well as credit exposures to trade receivables. Cash, cash equivalents and deposits are placed with reputed international banks. The counterparties to forward exchange contracts are also reputed banks.

The consolidated entity and the Company have no significant concentrations of credit risk in relation to trade receivables as there are a large number of customers. In the case of the consolidated entity, these customers are internationally dispersed. To minimise exposure to credit risk, the consolidated entity and the Company have policies in place to ensure that sales of products are made to customers with an appropriate credit history. Credit history is verified mainly through trade references and reports from credit rating agencies where available. Credit limits are established for each customer, which are reviewed on a regular basis. When a customer is deemed un-creditworthy no credit is granted and payment is secured either by a letter of credit or prepayment for the goods.

NOTE 2. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (cont'd)

Goods are sold subject to retention of title clauses in those regions where such clauses are legally accepted, so that in the event of default the consolidated entity and the Company may have a secured claim in certain circumstances. In some instances personal guarantees are obtained from customers. No collateral is required for trade receivables.

In the consolidated entity, other financial assets represent sundry receivables none of which are individually significant and are not considered to be impaired. In the Company, other financial assets and net amounts receivable from subsidiaries largely represent investments in subsidiaries which, based on future profitability projections of the subsidiaries are tested annually for impairment.

Note 27 (a) contains quantitative details of the consolidated entity's and the Company's exposure to credit risk.

(b) Market risk

(i) Foreign exchange risk
The consolidated entity and the Company operate internationally and are exposed to foreign exchange risk arising from various currency exposures, primarily in respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities in a currency that is not the consolidated entity's functional currency. The risk is measured using sensitivity analysis and projections of future commercial transactions. Forward contracts are used to manage foreign exchange risk.

The consolidated entity's risk management policy is for each region to hedge up to 75% of forecast foreign currency denominated inventory purchases over a six month period. All hedges of projected purchases qualify as "highly probable" forecast transactions for hedge accounting purposes.

The consolidated entity and the Company do not hedge its net investments in foreign subsidiaries denominated in foreign currency as those currency positions are considered long term in nature. Any foreign exchange gains or losses are taken to the foreign currency translation reserve on consolidation.

Note 27 (b) (i) contains quantitative details and sensitivity analysis of the consolidated entity's and the Company's exposure to foreign exchange risk.

(ii) Interest rate risk
The consolidated entity's and the Company's main interest rate risk arises from movements in interest rates on interest earned on surplus funds placed on deposit or at call with banks. These funds are placed in interest bearing accounts on short term maturities and are not hedged with interest rate derivatives.

No sensitivity analysis has been conducted on interest rate risk on borrowings as the consolidated entity and the Company have minimal exposure to borrowings. Additionally, the interest expense incurred on borrowings by the consolidated entity and the Company during the financial year was not material in nature.

Note 27 (b) (ii) contains quantitative details of the consolidated entity's and the Company's exposure to interest rate risk.

(c) Liquidity risk

The consolidated entity and the Company finances its operations by a combination of reinvestment of surplus cash from recent divestments, short-term bank debt and finance leases. Liquidity risk is the risk that the consolidated entity and the Company may not be able to access funding when required, for both day-to-day requirements and to support its strategic activities.

Liquidity risk is managed by continuously monitoring forecast and actual cash flows and matching the maturities of financial assets against liabilities. Due to the seasonal nature of the cash flows, adequate undrawn credit lines are maintained with reputed banks. Additionally, credit terms are negotiated with suppliers of goods and services to manage liquidity.

Note 27 (c) contains quantitative details of the consolidated entity's and the Company's exposure to liquidity risk.

NOTE 3. SEGMENT REPORT

(a) Description of Segments

The consolidated entity has three operating segments – Australasia, North America and Europe, which are the consolidated entity's regional business units. In determining these segments, management has considered the way information is reported internally to the Chief Executive Officer and the Board of Directors. Each of these divisions is headed by a Divisional President, and the Board monitors the performance of each of these segments separately.

The consolidated entity deals in predominantly one business segment which is the same in each geographical region – the sale of footwear, apparel, accessories and skateboarding hardgoods in the Action Sports market.

(b) Reportable Segment Information

The segment information provided to the CEO and the Board of Directors for the reportable segments is as follows:

2008	NOTES	AUSTRALASIA $'000	NORTH AMERICA $'000	EUROPE $'000	UNALLOCATED $'000	TOTAL $'000
Segment Revenue						
Total Segment Revenue		37,780	62,401	23,155	-	123,336
Internal Segment Revenue		-	(1,755)	-	-	(1,755)
External Segment Revenue		37,780	60,646	23,155	-	121,581
Segment Profit / (Loss)						
Segment EBITDA		1,179	5,584	(388)	(5,610)	765
Significant Items included in EBITDA						
UK litigation expenses	6	-	-	-	(2,020)	(2,020)
Depreciation and amortisation	5	(832)	(725)	(147)	-	(1,704)
Interest revenue	4	482	162	90	-	734
Finance costs	5	(61)	(37)	-	-	(98)
Other material non-cash items						
Impairment of receivables	5	63	(188)	(702)	-	(827)
Impairment inventories	5	(433)	87	115	-	(231)
Impairment of property, plant and equipment	5	(31)	-	-	-	(31)
Impairment of intangible assets	5	-	-	-	(20,608)	(20,608)

	AUSTRALASIA $'000	NORTH AMERICA $'000	EUROPE $'000	TOTAL $'000
Segment Assets and Liabilities				
Reportable segment assets	22,645	23,668	14,075	60,388
Reportable segment liabilities	5,569	8,057	7,912	21,538
Capital expenditure	324	286	108	718

NOTE 3. SEGMENT REPORT (CONT'D)

(b) Reportable Segment Information (cont'd)

2007	NOTES	CONTINUING AUSTRALASIA $'000	DISCONTINUED AUSTRALASIA $'000	NORTH AMERICA $'000	EUROPE $'000	UNALLOCATED $'000	TOTAL $'000
Segment Revenue							
Total Segment Revenue		39,847	35,988	63,051	23,716	-	162,602
Internal Segment Revenue		-	-	(1,747)	-	-	(1,747)
External Segment Revenue		**39,847**	**35,988**	**61,304**	**23,716**	**-**	**160,855**
Segment Profit / (Loss)							
Segment EBITDA		(691)	1,707	8,889	506	(3,521)	6,890
Significant Items included in EBITDA							
Profit on sale of World Industries trademarks	6	-	-	5,909	-	-	5,909
Australian net asset write-down	6(a)	(511)	-	-	-	-	(511)
Individually significant bad debts	6	-	-	(557)	(507)	-	(1,064)
Restructuring costs	6	-	-	-	-	(413)	(413)
Total of significant items		(511)	-	5,352	(507)	(413)	3,921
Depreciation and amortisation		(1,096)	(1,153)	(1,713)	(785)	(782)	(5,529)
Interest revenue		1,168	13	-	-	-	1,181
Finance costs		(254)	(170)	(301)	(36)	-	(761)
Other material non-cash items							
Impairment of receivables		(226)	(150)	(968)	(935)	-	(2,279)
Impairment inventories		(446)	(150)	(486)	(142)	-	(1,224)
Impairment of intangible assets		(1,754)	-	-	(1,555)	-	(3,309)
Impairment of fixed assets		(502)	-	-	-	-	(502)

	AUSTRALASIA $'000	NORTH AMERICA $'000	EUROPE $'000	TOTAL $'000
Segment Assets and Liabilities				
Reportable segment assets	38,821	30,472	14,904	84,197
Reportable segment liabilities	6,367	6,964	16,065	29,396
Capital expenditure	2,621	95	304	3,020

NOTE 3. SEGMENT REPORT (CONT'D)

(c) Reconciliations (cont'd)

(i) Segment Revenues

Segment revenues include the revenue on sale of goods and royalty income earned. Segment revenues include transfers between segments. Such transfers are priced on an arms-length basis and are eliminated on consolidation at a segment reporting level.

Segment revenue reconciles to total revenue from continuing operations as follows:

	2008 $'000	2007 $'000
Total segment revenue	123,336	162,602
Elimination of inter-segment revenue	(1,755)	(1,747)
Interest revenue	734	1,181
Discontinuing operations total revenue	-	(36,001)
Continuing business total revenue	**122,315**	**126,035**

(ii) Segment EBITDA

Segment EBITDA is the most common measure used by the CEO and the Board of Directors to measure the performance of the operating segments based on a measure of adjusted EBITA. The measurement basis excludes the cost of central corporate costs, which are included as "unallocated" in the segment report. Certain Globe branded costs, including global marketing and events and footwear design, development, sourcing and production, are incurred centrally. To determine segment profitability, these costs are allocated one third to each segment for management reporting purposes. All other costs are allocated to regions based on the location of the spend.

Segment EBITDA reconciles to total operating profit before tax as follows:

	NOTES	2008 $'000	2007 $'000
Total segment EBITDA		6,375	10,410
Unallocated corporate expenses		(3,590)	(3,521)
Unallocated UK litigation expenses	6	(2,020)	-
Discontinued operations EBITDA		-	(1,707)
Continuing business EBITDA		**765**	**5,182**
Depreciation and amortisation		(1,704)	(4,376)
Impairment of assets		(20,639)	(3,811)
Interest revenue		734	1,168
Finance costs		(98)	(591)
Profit / (Loss) before tax from continuing operations		**(20,942)**	**(2,428)**

NOTE 3. SEGMENT REPORT (CONT'D)

(c) Reconciliations (cont'd)

(ii) Segment Assets

Segment Assets are allocated to the segments based on the operations of the segment and the physical location of the asset. Net intercompany receivables are included in the segments as applicable. Intangible assets are allocated to the segment that owns the assets and the associated rights, with the exception of certain Globe intangible assets which are unallocated. Current and deferred tax assets are not considered to be segment assets. Reportable segment assets are reconciled to total assets as follows:

	2008 $'000	2007 $'000
Total segment assets	60,388	84,197
Elimination of inter-segment loans	(7,162)	(14,120)
Unallocated intangible assets	18,181	37,443
Current and deferred tax assets	7,063	7,244
Total assets	**78,470**	**114,764**

(ii) Segment Liabilities

Segment Liabilities are allocated to the segments based on the operations of the segment. Net intercompany payables are included in the segments as applicable. Borrowings are included in segment liabilities as these are either short-term financing loans related to cash on hand, or finance lease assets related to the property, plant and equipment used to generate operating cash flows. Current and deferred tax liabilities are not considered to be segment liabilities. Reportable segment liabilities are reconciled to total liabilities as follows:

	2008 $'000	2007 $'000
Total segment liabilities	21,538	29,396
Elimination of inter-segment loans	(7,162)	(14,120)
Current and deferred tax liabilities	5,202	5,133
Total liabilities	**19,578**	**20,409**

(d) Other information

Information about revenues from external customers and non-current assets in Australia, the entity's country of domicile, and any other material individual countries is disclosed below. These revenues are allocated based on the location of the customer. Non-current assets are allocated based on the location of the asset, or the country which derives income from the asset in the case of investments and intangible assets. Assets that are not allocated to reporting segments are excluded from regional assets.

	EXTERNAL SEGMENT REVENUES		EXTERNAL NON-CURRENT ASSETS	
	2008 $000	2007 $000	2008 $000	2007 $000
Australia	34,078	62,696	960	1,498
United States	41,383	45,706	5,224	5,839
Other foreign countries	46,120	52,453	968	1,810
Unallocated deferred taxes	-	-	6,774	6,432
Unallocated intangible assets	-	-	18,181	37,443
Total Liabilities	**121,581**	**160,855**	**32,107**	**53,022**

NOTE 4. REVENUE AND OTHER INCOME

CONSOLIDATED	CONTINUING OPERATIONS		DISCONTINUED OPERATIONS		TOTAL	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Revenue:						
Sale of goods	120,676	122,479	-	35,641	120,676	158,120
Royalty income	905	2,388	-	347	905	2,735
Finance income	734	1,168	-	13	734	1,181
	122,315	126,035	-	36,001	122,315	162,036
Other income:						
Exchange gains net	-	649	-	-	-	649
Profit on disposal of trademarks and other intangibles	-	5,909	-	-	-	5,909
Other income	-	134	-	233	-	367
	-	6,692	-	233	-	6,925

THE COMPANY	CONTINUING OPERATIONS		DISCONTINUED OPERATIONS		TOTAL	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Revenue:						
Sale of goods	26,687	26,036	-	26,855	26,687	52,891
Royalty income	10	6	-	345	10	351
Dividend income	-	-	-	-	-	-
Finance income	405	1,141	-	12	405	1,153
	27,102	27,183	-	27,212	27,102	54,395
Other income	1,205	516	-	1,139	1,205	1,655

NOTE 5. EXPENSES

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Loss / profit from ordinary activities of the continuing operations, before income tax, includes the following specific expenses:				
Cost of sales	60,558	65,264	12,614	15,196
Bad and doubtful debts	827	2,129	(64)	171
Provision for receivable from subsidiary	-	-	10,000	4,642
Costs of restructuring the consolidated entity	-	413	-	413
Provision for restructuring	-	511	-	-
Write down of inventory to net realisable value	231	1,074	330	352
Borrowing costs				
Interest & finance charges paid	98	591	-	32
Operating lease expenses				
Rent for premises	3,166	4,096	645	688
Depreciation				
Leasehold improvements	456	883	161	191
Motor vehicles	-	76	-	63
Plant and equipment	67	378	-	129
Office equipment, furniture and fittings	719	535	452	94
Leased Assets	134	108	-	-
Total Depreciation	1,376	1,980	613	477
Amortisation				
Amortisation of trademarks	311	2,396	-	216
Amortisation of other intangibles	17	-	-	-
Total Amortisation	328	2,396	-	216
Total depreciation and amortisation	**1,704**	**4,376**	**613**	**693**
Impairment of property, plant and equipment	31	502	-	-
Impairment of intangible assets	20,608	3,309	-	-
Impairment of investment in subsidiary	-	-	19,262	-

NOTE 6. SIGNIFICANT ITEMS

	NOTES	CONSOLIDATED		THE COMPANY	
		2008 $'000	2007 $'000	2008 $'000	2007 $'000
Profit (loss) for the year includes the following items for which disclosure is relevant in explaining the financial performance of the continuing operations:					
Legal costs associated with trademark litigation	31	(2,020)		-	
Write-down in recoverable amount of goodwill		(20,608)	(1,632)	-	-
Write-down of investment in subsidiary	5	-	-	(19,262)	-
Profit on sale of World Industries trademarks	4	-	5,909	-	-
Australian net asset write-down	6(a)	-	(2,688)	-	-
Accelerated amortisation of certain trademarks		-	(1,787)	-	(196)
Provision for individually significant doubtful trade and other receivables, including subsidiaries		-	(1,064)	(10,000)	(4,642)
Costs of restructuring the consolidated entity	5	-	(413)	-	(413)
Total significant items impacting the continuing operations		**(22,628)**	**(1,675)**	**(29,262)**	**(5,251)**
Income tax (expense) / benefit associated with items above		606	(1,085)	3,000	1,576
Capital loss incurred on restructure of the consolidated entity		-	5,786	-	5,786
Derecognition of Deferred Tax Assets	8	(2,000)	-	(5,000)	-
Provision for potential tax liabilities associated with on-going tax audits	8	(800)	-	-	-
Total significant income tax (expense) / benefit impacting the continuing operations		**(2,194)**	**4,701**	**(2,000)**	**7,362**
Net significant items impacting the continuing operations		**(24,822)**	**3,026**	**(31,262)**	**2,111**

(a) Australian net asset write-down

During the previous financial year, the consolidated entity reassessed the value of certain retail related trademarks and goodwill, and the operating performance of each of its stores. The result of this review, and the subsequent implications in the previous financial year ended 30 June 2007, is as follows:

	NOTE	CONSOLIDATED 2007 $'000
Write-down in recoverable amount of intangible assets		(1,675)
Write-down in recoverable amount of property, plant and equipment		(502)
Provision for restructuring	20	(511)
		(2,688)
Income tax effect of significant items		492
Total balance, net of income tax		(2,196)

NOTE 7. DISCONTINUED OPERATIONS

Financial year ended 30 June 2008

There are no discontinued operations in the current financial year

Financial year ended 30 June 2007

(a) Description

On 2 January 2007, the consolidated entity sold its Streetwear Division to Pacific Brand Limited for $41.2 million. This Division consisted of the Streetwear wholesale and retail businesses in Australia and New Zealand as well as the investment in the World Brands joint venture. The division being disposed of is reported in this financial report as a discontinued operation.

The discontinued operation is included entirely within the Australasian business segment in Note 3 Segment Information. Financial information relating to the discontinued operation is set out below.

(b) Financial performance and cash flow information

The comparative financial performance and cash flow information presented is for the 6 months ended 31 December 2006 (2007 column):

	NOTES	CONSOLIDATED		THE COMPANY	
		2008 $'000	2007 $'000	2008 $'000	2007 $'000
Revenue	4	-	36,001	-	27,212
Other income	4	-	233	-	1,139
Expenses from operations		-	(32,718)	-	(26,174)
Depreciation and amortisation expense		-	(1,153)	-	(896)
Finance costs		-	(170)	-	(55)
Operating profit before income tax		-	**2,193**	-	**1,226**
Income tax expense	8 (a)	-	654	-	340
Operating profit after income tax from discontinued operations		-	**1,539**	-	**886**
Profit / (loss) on sale of business, net of tax	7 (d)	-	(6,575)	-	(6,575)
Profit after income tax from discontinued operations		-	**(5,036)**	-	**(5,689)**
Earnings per share (cents per share)		-	(12.2)	-	
Diluted earnings per share (cents per share)		-	(12.2)	-	
Net cash inflow from operating activities		-	3,140	-	1,898
Net cash inflow / (outflow) from investing activities including net consideration from sale of Streetwear Division as per Note 7(d)		-	35,815	-	34,618
Net cash (outflow) from financing activities		-	627	-	-
Net increase in cash generated by the division		-	39,582	-	36,516

NOTE 7. DISCONTINUED OPERATIONS (CONT'D)

(c) Carrying amounts of assets and liabilities

The carrying amounts of assets and liabilities as at the date of sale are detailed below:

	CONSOLIDATED 31 DECEMBER 2006 $'000	THE COMPANY 31 DECEMBER 2006 $'000
Trade receivables	16,599	9,925
Inventories	7,721	7,682
Property, plant and equipment	4,395	4,395
Intangible assets and Investments	20,721	20,721
Total Assets	49,436	42,723
Trade creditors	5,437	3,944
Borrowings	4,260	668
Current tax liabilities	64	-
Provision for employee benefits	533	533
Total Liabilities	10,294	5,145
TOTAL NET ASSETS OF DISCONTINUED OPERATION	39,142	37,578
Minority interest in Net Assets	(367)	-
PARENT ENTITY'S SHARE OF NET ASSETS SOLD	**38,775**	**37,578**

(d) Details of the sale of Streetwear

The following profit / (loss) on sale was recognised in the financial year ended 30 June 2007:

	NOTES	CONSOLIDATED $'000	THE COMPANY $'000
Consideration received		41,214	40,017
Less transaction costs		(4,235)	(4,235)
Net consideration received		36,979	35,782
Carrying amount of net assets sold	7(c)	(38,775)	(37,578)
Profit / (loss) on sale of Streetwear, before related income tax expense		**(1,796)**	**(1,796)**
Income tax expense	8(a)	(4,779)	(4,779)
Profit / (loss) on sale of Streetwear after income tax expense	7(b)	**(6,575)**	**(6,575)**

NOTE 8. INCOME TAX EXPENSE

	NOTES	CONSOLIDATED		THE COMPANY	
(a) Income tax expense recognised in the income statement		**2008 $'000**	**2007 $'000**	**2008 $'000**	**2007 $'000**
Prior year under / (over)		206	90	(759)	90
Current tax		2,357	4,655	2,022	(640)
Deferred tax		1,092	(3,694)	90	(1,782)
Total income tax expense / (benefit)		3,655	1,051	1,354	(2,332)
The deferred income tax (benefit) / expense included in income tax expense relates to the reversal of temporary differences.					
Income tax expense / (benefit) from continuing operations		3,655	(4,382)	1,354	(7,451)
Income tax expense from discontinued operations	7(b)	-	654	-	340
Income tax expense on sale of discontinued operations	7(d)	-	4,779	-	4,779
Total income tax expense / (benefit)		3,655	1,051	1,354	(2,332)
(b) Numerical reconciliation between tax expense and pre-tax profit					
Profit / (loss) from continuing operations before income tax		(20,942)	(2,428)	(27,365)	(4,661)
Profit / (loss) from discontinued operations before income tax	7	-	397	-	(570)
Total profit before income tax expense		(20,942)	(2,031)	(27,365)	(5,231)
Income tax expense / (benefit) calculated at 30%		(6,283)	(609)	(8,210)	(1,569)
Increase / (decrease) in tax due to:					
Prior year under / (over)		206	90	(759)	90
Impairment of goodwill		6,182	809	-	-
Impairment of investment in subsidiary		-	-	5,779	-
Provision for potential tax liabilities associated with on-going tax audits		800	-	-	-
Non-deductible / (non-assessable) foreign currency translation		-	-	(453)	(526)
Non-allowable expenditures		93	67	8	4
Difference in book and taxable profit on sale of Streetwear		-	5,318	-	5,318
Difference in book and taxable profit on sale of trademarks		-	263	-	-
Capital losses not recognised / (recognised)		-	(5,786)	-	(5,786)
Revenue losses and temporary differences derecognised		2,000	-	5,000	-
Expiry of foreign income tax credits		212	-	-	-
Differences in tax on overseas income		445	899	-	-
Other		-	-	(11)	137
Income tax expense / (benefit)		3,655	1,051	1,354	(2,332)
c) Deferred tax recognised directly in equity					
Relating to cash flow hedges		(38)	(39)	(36)	(44)
		(38)	(39)	(36)	(44)

NOTE 8. INCOME TAX EXPENSE (CONT'D)

(d) Tax consolidation legislation

Globe International Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 1 July 2003. The accounting policy in relation to this legislation is set out in Note 1(c).

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly-owned entities in the case of a default by the head entity, Globe International Limited.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Globe International Limited for any current tax payable assumed and are compensated by Globe International Limited for any current tax receivable and deferred taxes relating to unused tax losses or unused tax credits that are transferred to Globe International Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

(e) Franking Account

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Franking account balance at 30% tax rate	6,691	6,854	6,691	6,854

NOTE 9. CASH AND CASH EQUIVALENTS

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Cash at bank	5,420	8,472	1,151	6,038
Short dated bills of exchange	1,926	14,162	-	-
	7,346	22,634	1,151	6,038
(a) Reconciliation of Cash				
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows:				
Cash	7,346	22,634	1,151	6,038

(b) Credit risk and interest rate risk

The consolidated entity's general exposure and management of credit risk and interest rate risk is discussed in Note 2 *Financial and Capital Risk Management*. The detailed exposure to these risks as at the current balance date is disclosed in Note 27 *Financial Instruments*.

NOTE 10. TRADE AND OTHER RECEIVABLES

	NOTES	CONSOLIDATED		THE COMPANY	
		2008 $'000	2007 $'000	2008 $'000	2007 $'000
Current					
Trade receivables		23,473	25,245	4,176	4,732
Less: Provision for doubtful receivables		(2,787)	(3,871)	(357)	(1,178)
		20,686	21,374	3,819	3,554
Other receivables		472	933	51	337
Trade deposits		179	121	77	71
	27	21,337	22,428	3,947	3,962
Non Current					
Amounts receivable from subsidiaries		-	-	82,631	77,590
Provision for receivable from subsidiary	33	-	-	(46,642)	(36,642)
Net receivable from subsidiaries		-	-	35,989	40,948

(a) **Fair Value**

The consolidated entity's financial assets are carried in the balance sheet at amounts that approximate fair value.

(c) **Credit risk and interest rate risk**

The consolidated entity's general exposure and management of credit risk and interest rate risk is discussed in Note 2 *Financial and Capital Risk Management*. The detailed exposure to these risks as at the current balance date is disclosed in Note 27 *Financial Instruments*.

NOTE 11. INVENTORIES

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Raw materials – at cost	340	126	-	-
Work in progress – at cost	43	23	-	-
Finished goods – at cost	10,975	10,415	2,320	3,505
Raw materials – at net realisable value	-	57	-	-
Finished goods – at net realisable value	3,903	3,865	2,570	2,151
	15,261	14,486	4,890	5,656

NOTE 12. DERIVATIVE FINANCIAL INSTRUMENTS

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Forward exchange contracts – cash flow hedge asset / (liability)	(124)	(87)	(120)	(106)

(a) Forward exchange contracts

The consolidated entity enters into forward exchange contracts, in the normal course of business, to hedge certain foreign exchange exposures, as discussed in Note 2 *Financial and Capital Risk Management*. These contracts are hedging highly probable forecasted purchases for the ensuing seasons, and are timed to mature when payments for major shipments for each season are due. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the consolidated entity effectively adjusts the initial measurement of the inventory recognised in the balance sheet by the related amount deferred in equity. For details of the hedging instruments outstanding as at balance date, refer to Note 27 *Financial Instruments*.

NOTE 13. PROPERTY, PLANT AND EQUIPMENT

Reconciliations of the carrying values of each class of property, plant and equipment at the beginning and end of the current and previous financial years, for the consolidated entity and the company, are as follows:

CONSOLIDATED ENTITY - 2007	LEASEHOLD IMP'MENTS	LEASED ASSETS	MOTOR VEHICLES	PLANT & EQUIPMENT	OFFICE EQUIPMENT, FURNITURE & FITTINGS	TOTAL GROUP
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at the start of the year	3,644	1,001	79	1,100	1,928	7,752
Disposal of business	(2,515)	(707)	-	(174)	(999)	(4,395)
Additions	1,414	394	-	1	1,211	3,020
Depreciation	(1,019)	(108)	(76)	(558)	(1,135)	(2,896)
Reclassifications between classes	25			(261)	236	-
Disposals and write-offs	(267)	-	-	(13)	(98)	(378)
Impairment charge (1)	(176)	(326)	-	-	-	(502)
Foreign currency translation gain / (loss) on fixed assets of overseas subsidiaries	(164)	-	(3)	(25)	57	(135)
Carrying value at the reporting date	**942**	**254**	**-**	**70**	**1,200**	**2,466**

(1) The impairment loss relates to retail fixtures and fittings which are not likely to realise their carrying value through future use. The recoverable amount of the assets was determined by management based on discounted future cash flow analysis.

NOTE 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

CONSOLIDATED ENTITY - 2008	LEASEHOLD IMP'MENTS	LEASED ASSETS	MOTOR VEHICLES	PLANT & EQUIPMENT	OFFICE EQUIPMENT, FURNITURE & FITTINGS	TOTAL GROUP
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at the start of the year	942	254	-	70	1,200	2,466
Additions	83	-	-	36	599	718
Depreciation	(456)	(134)	-	(67)	(719)	(1,376)
Impairment charges	-	(31)	-	-	-	(31)
Foreign currency translation gain / (loss) on fixed assets of overseas subsidiaries	(13)	-	-	(3)	1	(15)
Carrying value at the reporting date	**556**	**89**	**-**	**36**	**1,081**	**1,762**

THE COMPANY - 2007	LEASEHOLD IMP'MENTS	LEASED ASSETS	MOTOR VEHICLES	PLANT & EQUIPMENT	OFFICE EQUIPMENT, FURNITURE & FITTINGS	TOTAL COMPANY
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at the start of the year	2,280	313	64	483	1,381	4,521
Disposal of business	(2,515)	(707)	-	(174)	(999)	(4,395)
Additions	1,119	394	-	-	973	2,486
Disposals and write-offs	(166)	-	-	-	-	(166)
Depreciation	(306)	-	(64)	(309)	(694)	(1,373)
Carrying value at the reporting date	**412**	**-**	**-**	**-**	**661**	**1,073**

THE COMPANY - 2008	LEASEHOLD IMP'MENTS	LEASED ASSETS	MOTOR VEHICLES	PLANT & EQUIPMENT	OFFICE EQUIPMENT, FURNITURE & FITTINGS	TOTAL COMPANY
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at the start of the year	412	-	-	-	661	1,073
Additions	-	-	-	-	324	324
Depreciation	(161)	-	-	-	(452)	(613)
Carrying value at the reporting date	**251**	**-**	**-**	**-**	**533**	**784**

NOTE 14. OTHER FINANCIAL ASSETS

	NOTES	CONSOLIDATED		THE COMPANY	
		2008 $'000	2007 $'000	2008 $'000	2007 $'000
Shares in subsidiaries	34	-	-	36,181	64,042
Investments in other entities		680	768	-	-
		680	768	36,181	64,042

NOTE 15. INTANGIBLE ASSETS

CONSOLIDATED	GOODWILL	TRADEMARKS – INDEFINITE LIFE	TRADEMARKS – FINITE LIFE	LICENSES	TOTAL
	$'000	$'000	$'000	$'000	$'000
At 1 July 2006					
Cost	80,634	25,541	27,763	4,583	138,521
Accumulated amortisation and impairment	(40,868)	(6,033)	(17,936)	(2,343)	(67,180)
Net book amount	39,766	19,508	9,827	2,240	71,341
Year ended 30 June 2007					
Opening net book amount	39,766	19,508	9,827	2,240	71,341
Additions	-	-	1,496	-	1,496
Disposals	(16,512)	-	(4,979)	(2,046)	(23,537)
Transfer to finite life	-	(1,327)	1,327	-	-
Amortisation charge (1)	-	-	(2,441)	(194)	(2,635)
Impairments (2)	(2,646)	-	(663)	-	(3,309)
Closing net book amount	20,608	18,181	4,567	-	43,356
At 30 June 2007					
Cost	65,345	23,160	17,129	-	105,634
Accumulated amortisation and impairment	(44,737)	(4,979)	(12,562)	-	(62,278)
Net book amount	20,608	18,181	4,567	-	43,356

(1) Amortisation charges include accelerated amortisation of certain trademarks in the current period.
(2) Impairment charges have been made in relation to cash generating units for which there was a deficit between the present value of future cash flows and the carrying value of goodwill and intangible assets. Future cash flow calculations are based on current trading conditions with conservative profitability projections.

NOTE 15. INTANGIBLE ASSETS (CONT'D)

CONSOLIDATED	GOODWILL	TRADEMARKS – INDEFINITE LIFE	TRADEMARKS – FINITE LIFE	OTHER INTANGIBLE ASSETS – FINITE LIFE	TOTAL
	$'000	$'000	$'000	$'000	$'000
Year ended 30 June 2008					
Opening net book amount	20,608	18,181	4,567	-	43,356
Additions	-	-	104	527	631
Amortisation charge	-	-	(311)	(17)	(328)
Effects of foreign currency	-	-	(160)	-	(160)
Impairment charge	(20,608)	-	-	-	(20,608)
Closing net book amount	-	18,181	4,200	510	22,891
At 30 June 2008					
Cost	65,345	23,160	17,073	527	106,105
Accumulated amortisation and impairment	(65,345)	(4,979)	(12,873)	(17)	(83,214)
Net book amount	-	18,181	4,200	510	22,891

THE COMPANY	TRADEMARKS – FINITE LIFE	LICENSES	TOTAL
	$'000	$'000	$'000
At 1 July 2006			
Cost	276	3,267	3,543
Accumulated amortisation and impairment	(60)	-	(60)
Net book amount	216	3,267	3,483
Year ended 30 June 2007			
Opening net book amount	216	3,267	3,483
Assets sold		(3,267)	(3,267)
Amortisation charge	(216)	-	(217)
Closing net book amount	-	-	-
At 30 June 2007			
Cost	276	-	276
Accumulated amortisation and impairment	(216)	-	(216)
Net book amount	-	-	-
Year ended 30 June 2008			
Opening net book amount	-	-	-
Assets sold	-	-	-
Amortisation charge	-	-	-
Closing net book amount	-	-	-
At 30 June 2008			
Cost	-	-	-
Accumulated amortisation and impairment	-	-	-
Net book amount	-	-	-

NOTE 15. INTANGIBLE ASSETS (CONT'D)

(a) Impairment tests for indefinite life intangible assets

Goodwill

Goodwill is allocated to the consolidated entity's cash-generating units (CGUs), which are determined based on specific businesses / acquisitions. The most significant business is the business that existed at the time of the Initial Public Offering (IPO) in 2001, which was made up of two CGUs - Globe and Streetwear. The Streetwear portion of this goodwill was sold as part of the sale of the Streetwear business to Pacific Brands on 2 January 2007. Post the IPO, all acquisitions have either been territorial or brand specific and the acquired business becomes the CGU going forward.

The recoverable amount of these CGUs is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets, to the extent these are available. Projections beyond budgeted periods use conservative assumptions for up to five years, and take into account the historic performance of the business. A pre-tax rate in the range of 10% - 14% (2007: 8% – 12%) has been used to discount future cash flows to present value.

As a result of this year's annual impairment calculation, the consolidated entity has made a provision for impairment against the full carrying value of goodwill. This includes the goodwill in the Globe business that was acquired at the time of the IPO ($19.3 million), as well as the other individual amounts across multiple cash generating units ($1.3 million). The recognition of this impairment loss in the current financial year is driven predominantly by:

- the historic performance of net sales and profitability of the business since the IPO, which impacts the assumptions on future cash flows for the purposes of the impairment testing; and
- an increase in the discount factor used for impairment testing, mainly due to the increased cost of capital in the current economic environment.

Following these impairment provisions, the carrying value of goodwill is as follows:

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
IPO business – Globe	-	19,262	-	-
Multiple individual units without significant goodwill	-	1,346	-	-
	-	20,608	-	-

NOTE 15. INTANGIBLE ASSETS (CONT'D)

(a) Impairment tests for indefinite life intangible assets (cont'd)

Trademarks with indefinite useful lives

The Globe and Gallaz trademarks are both considered to have indefinite lives. Globe, the consolidated entity's flagship brand, established in 1993, is a well recognised action sports brand worldwide, with a complete offering of footwear, apparel and accessories. Gallaz complements the Globe brand with an authentic product for girls. Together, these brands have been positioned as truly international brands. For these reasons, these trademarks are not considered to have a foreseeable brand maturity date, and have accordingly been assessed as having an indefinite useful life.

A summary of the written down value of trademarks with indefinite lives is presented below:

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Globe	16,701	16,701	-	-
Gallaz	1,480	1,480	-	-
Total	18,181	18,181	-	-

The recoverable amount of these trademarks is determined based on fair value less costs to sell. The fair value is determined based on future cash flow projections using the "royalty relief" method of valuing trademarks. Future cash flow projections use sales forecasts based on financial budgets, to the extent that these are available, and conservative growth assumptions for up to 5 years where budgets are not available. An average royalty rate of 6% is applied to these trademarks. A pre-tax discount factor in the range of 10% to 14% (2007: 8% – 12%) has been applied to the future cash flows.

NOTE 16. TAX ASSETS

	NOTES	CONSOLIDATED		THE COMPANY	
		2008 $'000	2007 $'000	2008 $'000	2007 $'000
Current tax assts	(i)	289	812	-	246
Deferred tax assets attributable to temporary differences	(ii)	3,705	4,196	2,975	2,919
Deferred tax assets attributable to tax losses	(iii)	3,069	2,236	2,714	2,236
Total deferred tax assets		6,774	6,432	5,689	5,155

(i) Current tax assets are tax refunds due on current or prior year period taxes paid

(ii) Deferred taxes attributable to temporary differences
This balance comprises of temporary differences attributable to:

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Amounts recognised in profit or loss:				
Trade and other receivables (1)	1,437	1,999	2,451	2,326
Inventories	257	444	183	139
Property, plant and equipment	862	527	-	133
Intangible assets	244	159	-	-
Employee benefits (provisions and payables)	394	554	275	258
Accruals	365	89	30	7
Provisions	79	153	-	-
Other	29	244	-	24
	3,667	4,169	2,939	2,887
Amounts recognised directly in equity:				
Cash flow hedges	38	27	36	32
Total temporary differences	3,705	4,196	2,975	2,919

(1) Includes provisions for receivables and unrealised foreign exchange losses on loans from subsidiaries.

There are no unrecognised deferred tax assets relating to temporary differences in the consolidated entity. The Company has $3.0 million (2007: nil) of deferred tax assets related to a provision against receivables from subsidiaries that has not been recognised.

(iii) Deferred taxes attributable to tax losses
This balance comprises of net operating tax losses that are expected to be utilised in the next two to ten years. The utilisation of these losses will occur after sufficient profits have been generated to reverse existing taxable temporary differences in the relevant regions. The carrying value of these tax losses is supported by future taxable profit forecasts which indicate that it is probable that these losses will be utilised within the specified time frame.

The consolidated entity has $2.0 million (2007: nil) of deferred tax assets relating to revenue losses that have been derecognised during the financial year. These tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in relation to these items because current taxable profit forecasts do not indicate that it is probable that these benefits will be utilised in the foreseeable future.

In addition, the consolidated entity has $3.6 million (2007: $3.6 million) of deferred tax assets relating to capital tax losses that have not been recognised. These tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in relation to these items because it is not probable that future taxable capital gains will be available to utilise these benefits.

NOTE 17. TRADE AND OTHER PAYABLES

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Current payables				
Trade creditors	7,063	5,639	1,439	1,972
Other creditors and accruals	4,646	4,779	1,590	1,439
Deferred purchase consideration	397	-	-	-
	12,106	10,418	3,029	3,411
Non-current payables				
Deferred purchase consideration	-	464	-	-
	-	464	-	-

NOTE 18. BORROWINGS

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Current - Secured				
Bank loans	-	1,555	-	-
Finance leases	70	386	-	-
	70	1,941	-	-
Non current - Secured				
Bank loans	-	-	-	-
Finance leases	142	211	-	-
	142	211	-	-

(a) Assets pledged as security

The bank loans have been secured by a floating charge over the assets of certain controlled entities, the details of which are included in Note 27 *Financial Instruments*. The finance leases are secured by the leased assets, the details of which are included in Note 32(b) *Commitments.*

(b) Fair values

The consolidated entity's financial liabilities are carried in the balance sheet at amounts that approximate fair value.

(c) Liquidity risk and interest rate risk

The consolidated entity's general exposure and management of liquidity risk and interest rate risk is discussed in Note 2 *Financial and Capital Risk Management*. The detailed exposure to these risks as at the current balance date is disclosed in Note 27 *Financial Instruments*.

NOTE 19. TAX LIABILITIES

	NOTES	CONSOLIDATED		THE COMPANY	
		2008 $'000	2007 $'000	2008 $'000	2007 $'000
Current					
Provision for income tax	(i)	1,157	1,690	-	-
Non current					
Deferred Tax Liability	(ii)	4,045	3,443	262	116

(i) This balance includes provisions of $0.8 million (2007: nil) for potential tax liabilities associated with on-going tax audits.

(ii) This balance consists of temporary differences attributable to:

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Amounts recognised in profit or loss:				
Cash and cash equivalents	-	23	-	23
Trade and other receivables	200	-	-	-
Prepayments	262	5	262	5
Inventory	-	88	-	88
Intangible assets	3,583	3,327	-	-
Total temporary differences	4,045	3,443	262	116

NOTE 20. PROVISIONS

	NOTES	CONSOLIDATED		THE COMPANY	
		2008 $'000	2007 $'000	2008 $'000	2007 $'000
Current					
Employee entitlements	(a)	1,126	1,070	566	480
Restructuring provision	(b)	261	511	-	-
		1,387	1,581	566	480
Non-Current					
Employee entitlements	(a)	352	313	352	313

	CONSOLIDATED		THE COMPANY	
(a) Employee entitlements	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Aggregate employee benefits	1,478	1,383	918	793

NOTE 20. PROVISIONS (CONT'D)

Annual leave and long service leave provisions

The provision for employee entitlements comprises amounts for annual leave and long service leave. The following assumptions were used in measuring the long service leave provision for the year ended 30 June 2008:

Expected increase in wages and salaries	3% - 4%	(2007: 3% - 4%)
Expected wages and salary on-costs	7% - 16 %	(2007: 7% - 16%)

Accrued labour costs are included in trade and other payables (Note 17).

Superannuation

The Company and its controlled entities contribute to various industry superannuation fund plans. The plans operate on an accumulation basis and provide lump sum benefits for members on retirement in addition to death and disablement insurance. The contributions of the Company and its controlled entities are based on negotiated agreements with employees or employee consolidated entities. Accrued superannuation contributions, along with other accrued labour costs, are included in trade and other payables (Note 17).

(b) Restructuring provision

The restructuring provision covers the planned closure of certain retail stores. Actual payments may vary from amounts provided where alternative terms of surrender are negotiated, or the costs of closure vary from current estimates.

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Movement in provision				
Balance at the start of year	511	-	-	-
Provisions made	-	511	-	-
Provisions utilised	(234)	-	-	-
Provisions released	(16)	-	-	-
Balance at end of year	261	511	-	-

NOTE 21. OTHER LIABILITIES

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Deferred Income – lease incentives	90	135	-	18
Fixed rent escalation accruals	105	126	-	-
Provisions utilised	195	261	-	18

NOTE 22. CONTRIBUTED EQUITY

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Paid-up Capital:				
41,463,818 (2007: 41,463,818) fully paid ordinary shares (a)	143,768	152,368	143,768	152,368

		CONSOLIDATED		THE COMPANY	
	NO. OF SHARES	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Movements in contributed equity for the year					
Balance at beginning of year (b)	41,463,818	152,368	184,378	152,368	184,378
Capital Returns (c)	-	(8,600)	(32,010)	(8,600)	(32,010)
Balance at the reporting date	41,463,818	143,768	152,368	143,768	152,368

(a) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(b) Ordinary shares

The number of shares at 1 July 2007 reflects the 1 for 10 share consolidation that was completed on 18 June 2007.

(c) Capital Returns

Financial Year ended 30 June 2008
During the financial year, the Company received a return of capital of $8.6 million from a related subsidiary.

On 14 February 2008, the Company returned $8.6 million or 20.7 cents per share to all shareholders. This was approved by the shareholders at an Extraordinary General Meeting held on 23 January 2008.

Financial Year ended 30 June 2007
On 18 June 2008, the Company returned $32.0 million or 77.2 cents per share (on a post consolidation basis) to all shareholders. This was approved by the shareholders at an Extraordinary General Meeting held on 1 June 2008.

NOTE 23. RESERVES

	NOTES	CONSOLIDATED		THE COMPANY	
		2008 $'000	2007 $'000	2008 $'000	2007 $'000
Foreign currency translation reserve	(a)	(6,849)	(4,609)	-	-
Restructuring provision	(b)	(87)	(61)	(84)	(74)
Share based payments reserve	(c)	323	323	323	323
		(6,613)	(4,347)	239	249

NOTE 23. RESERVES (CONT'D)

	CONSOLIDATED		THE COMPANY	
(a) FOREIGN CURRENCY TRANSLATION RESERVE	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Balance at 1 July	(4,609)	(2,230)	-	-
Currency translation differences arising during the year	(2,240)	(2,379)	-	-
Balance at 30 June	(6,849)	(4,609)	-	-

Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve, as described in Note 1(d). The reserve is recognised in profit and loss when the net investment is disposed of.

	CONSOLIDATED		THE COMPANY	
(b) HEDGING RESERVE – CASH FLOW HEDGES	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Balance at 1 July	(61)	30	(74)	30
Revaluation – gross	786	1,275	(414)	783
Deferred tax	(236)	(383)	124	(235)
Transfer to inventory	(823)	(1,405)	400	(931)
Deferred tax	247	422	(120)	279
Balance at 30 June	(87)	(61)	(84)	(74)

The hedging reserve is used to record gains or losses on hedging instruments that are designated as cash flow hedges and are therefore recognised directly in equity, as described in Note 1(s). Amounts are recognised in profit and loss when the associated hedged transaction affects profit and loss.

	CONSOLIDATED		THE COMPANY	
(c) SHARE BASED PAYMENTS RESERVE	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Balance at 1 July	323	282	323	282
Share based payments expense	-	87	-	87
Deferred tax	-	(46)	-	(46)
Balance at 30 June	323	323	323	323

The share based payments reserve is used to recognise the fair value of performance rights issued but not vested, as described in Note 1(x).

NOTE 24. RETAINED PROFITS / (LOSSES)

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Balance at 1 July	(53,666)	(50,441)	(29,491)	(26,592)
Net profit for the year (attributable to the members of the Company)	(24,597)	(3,225)	(28,719)	(2,899)
Retained profits / (losses) at the reporting date	(78,263)	(53,666)	(58,210)	(29,491)

NOTE 25. MINORITY INTEREST

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Interest in retained profits – opening	-	481	-	-
Share of profit	-	143	-	-
Dividends paid	-	(257)	-	-
Sale of entity with minority interests	-	(367)	-	-
Interest in retained profits – closing	-	-	-	-

NOTE 26. DIVIDENDS

There were no dividends paid or provided in the current financial year (2007: nil).

NOTE 27. FINANCIAL INSTRUMENTS

The consolidated entity's and the Company's financial risk management and measurement policies are disclosed in Note 2 *Financial Risk Management*. The following Note outlines the quantitative details of the consolidated entity and the Company's financial instruments as at balance date.

(a) Credit risk

The carrying amounts of the consolidated entity's and the Company's financial assets, which represents the maximum credit exposure as at the reporting date, was:

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Trade receivables (net of provision)	20,686	21,374	3,819	3,554
Other receivables	472	933	51	337
Trade deposits	179	121	77	71
Total trade and other receivables	21,337	22,428	3,947	3,962
Net amounts receivable from subsidiaries (1)	-	-	35,989	40,948
Other financial assets (2)	680	768	36,181	64,042
Cash and cash equivalents	7,346	22,634	1,151	6,038
	29,363	45,830	77,268	114,990

(1) Net amounts receivable from subsidiaries primarily represent long term receivables from two wholly owned Australian subsidiaries, which are used as vehicles for further investment into wholly owned overseas subsidiaries. These receivables are eliminated on consolidation and are tested annually for impairment based on the future profitability of those subsidiaries. During the year the Company provided for an amount of $10.0 million (2007: $4.6 million) for impairment of these receivables.

(2) Other financial assets in the consolidated entity represent investments in other entities at cost. In the Company, these other financial assets are investments in wholly owned subsidiaries which are carried at cost less impairment write-downs. During the year the Company provided for an amount of $19.2 million (2007: nil) as impairment of these investments based on the future profitability of these subsidiaries.

NOTE 27. FINANCIAL INSTRUMENTS (CONT'D)

The consolidated entity's and the Company's maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Australasia	3,954	4,309	3,819	3,554
North America	12,750	12,107	-	-
Europe	3,982	4,958	-	-
	20,686	21,374	3,819	3,554

The aging of the consolidated entity's and the Company's trade receivables considered past due but not impaired as at the reporting date was:

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Past due 0 - 30 days	3,107	3,482	685	590
Past due 31 - 60 days	1,392	790	381	416
Past due 61 - 90 days	851	1,613	172	202
Past due greater than 91 days	936	3,005	85	436
	6,286	8,890	1,323	1,644

As at the reporting date, the value of trade receivables that were past due and impaired and the related impairment allowance was:

	CONSOLIDATED ENTITY		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Trade receivables – past due and impaired	3,055	4,127	419	1,388
Impairment allowances	(2,787)	(3,871)	(357)	(1,178)
	268	256	62	210

The movement in the impairment allowance for trade receivables during the year was:

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Balance at 1 July	3,871	1,854	1,178	643
Impairment loss / (write-backs) recognised during the year – continuing operations	827	2,129	(63)	171
Impairment loss charged against profit / loss on disposal of street wear division	-	425	-	386
Impairment loss written off against receivables	(1,911)	(537)	(758)	(22)
Balance at 30 June	2,787	3,871	357	1,178

NOTE 27. FINANCIAL INSTRUMENTS (CONT'D)

(a) Credit risk (cont'd)

Based on historic default rates, management believes that no impairment allowance is necessary in respect of trade receivables not past due or past due up to 30 days. The remainder of the trade receivables, except for those trade receivables that have been impaired, relate to customers that have a good credit history and accordingly based on historical default rates management believe no impairment is required.

The impairment allowance at the reporting date relates to specific customers, or specific groups of customers, where management has made an assessment that the chance of recovery is low. Although the goods sold to these customers were subject to retention of title clauses in some instances, management has no indication that the customer is still in possession of the goods, or alternatively, that the goods even if repossessed are of any significant value.

When management is satisfied that no further recovery of the receivable is possible, the amount of the impairment allowance relating to that receivable is written off against the financial asset directly.

(b) Market Risk

(i) Foreign Exchange Risk

The consolidated entity's exposure to foreign exchange risk as at the reporting date was as follows:

	2008		2007	
	USD 000'S	GBP 000'S	USD 000'S	GBP 000'S
Trade receivables and other receivables	-	616	-	328
Other financial assets	680	-	768	-
Trade payables	(458)	(31)	(321)	(4)
Forward exchange contracts – Buy foreign currency	3,300	-	4,300	-
	3,522	585	4,747	324

The carrying amounts of the Company's financial assets and liabilities are denominated in Australian dollars except as set out below:

	2008	2007
	USD 000'S	USD 000'S
Trade payables	(96)	(150)
Forward exchange contracts – Buy foreign currency	2,500	2,000
	2,404	1,850

Consolidated entity sensitivity analysis:

	2008			2007		
	FX RISK AUD VS USD -10%/+10% $'000	FX RISK EUR VS USD -10%/+10% $'000	FX RISK EUR VS GBP -10%/+10% $'000	FX RISK AUD VS USD -10%/+10% $'000	FX RISK EUR VS USD -10%/+10% $'000	FX RISK EUR VS GBP -10%/+10% $'000
Impact on profit after tax (1)	(8) / 6	(27) / 12	95 / (78)	(13) / 11	(14) / 12	58 / (47)
Impact on equity (2)	302 / (247)	90 / (73)	-	274 / (224)	194 / (100)	-

(1) Arises on the translation of USD denominated financial instruments other than forward exchange contracts.
(2) Arises on the translation of forward exchange contracts.

NOTE 27. FINANCIAL INSTRUMENTS (CONT'D)

Company sensitivity analysis:

	2008	2007
	FX RISK AUD VS USD -10%/+10% $'000	FX RISK AUD VS USD -10%/+10% $'000
Impact on profit after tax (1)	(8) / 6	(13) / 11
Impact on equity (2)	302 / (247)	274 / (224)

(1) Arises on the translation of USD denominated financial instruments other than forward exchange contracts.
(2) Arises on the translation of forward exchange contracts.

(ii) Interest rate risk

The consolidated entity's exposure to interest rate risk, and the effective weighted average interest rates on classes of financial assets and liabilities on hand at the end of the year, is detailed below:

	WEIGHTED AVERAGE INTEREST RATE (%)	FLOATING INTEREST RATE $'000	FIXED INTEREST RATE $'000	NON-INTEREST BEARING $'000	TOTAL $'000
2008					
Financial assets:					
Cash and cash equivalents	4.9%	1,151	1,925	4,269	7,346
Trade and other receivables	-	-	-	21,337	21,337
Other financial assets		-	-	680	680
		1,151	1,925	26,286	29,363
Financial liabilities:					
Finance lease liabilities	8.4%	-	212	-	212
Trade and other payables	-	-	-	12,106	12,106
		-	212	12,106	12,318
2007					
Financial assets:					
Cash and cash equivalents	5.6%	8,472	14,162	-	22,634
Trade and other receivables	-	-	-	22,428	22,428
Other financial assets	-	-	-	768	768
		8,472	14,162	23,196	45,830
Financial liabilities:					
Secured bank loans	7.7%	1,555	-	-	1,555
Finance lease liabilities	8.4%	-	597	-	597
Trade and other payables	-	-	-	10,882	10,882
		1,555	597	10,882	13,034

NOTE 27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Market Risk (cont'd)

(ii) Interest rate risk (cont'd)

The Company's exposure to interest rate risk, and the effective weighted average interest rates on classes of financial assets on hand at the end of the year, is detailed below:

	WEIGHTED AVERAGE INTEREST RATE (%)	FLOATING INTEREST RATE $'000	FIXED INTEREST RATE $'000	NON-INTEREST BEARING $'000	TOTAL $'000
2008					
Financial assets:					
Cash and cash equivalents	6.6%	1,151	-	-	1,151
Trade and other receivables	-	-	-	39,936	39,936
Other financial assets	-	-	-	36,181	36,181
	-	1,151	-	76,117	77,268
Financial liabilities:					
Trade and other payables	-	-	-	3,029	3,029
	-	-	-	3,029	3,029
2007					
Financial assets:					
Cash and cash equivalents	6.3%	6,038	-	-	6,038
Trade and other receivables	-	-	-	44,910	44,910
Other financial assets	-	-	-	64,042	64,042
	-	6,038	-	108,952	114,990
Financial liabilities:					
Trade and other payables	-	-	-	3,411	3,411

NOTE 27. FINANCIAL INSTRUMENTS (CONT'D)

(c) Liquidity Risk

(i) Financial liabilities

The following are the contractual maturities of the financial liabilities of the consolidated entity, including estimated interest payments and excluding the impact of netting agreements:

	CARRYING AMOUNT	CONTRACTUAL CASH FLOW	6 MONTHS OR LESS	6 TO 12 MONTHS	1 TO 5 YEARS
2008 ($'000)					
Financial lease liabilities	212	238	43	42	153
Trade and other payables	12,106	12,106	12,106	-	-
Forward exchange contracts used for hedging:					
Inflow (Gross)	(3,428)	(3,428)	(3,428)	-	-
Outflow (Gross)	3,552	3,552	3,552	-	-
	12,442	12,468	12,273	42	153
2007 ($'000)					
Secured bank loans	1,555	1,587	1,587	-	-
Financial lease liabilities	597	657	206	206	245
Trade and other payables	10,882	10,882	10,418	-	464
Forward exchange contracts used for hedging:					
Inflow (Gross)	(4,119)	(4,119)	(4,119)	-	-
Outflow (Gross)	4,206	4,206	4,206	-	-
	13,121	13,213	12,298	206	709

NOTE 27. FINANCIAL INSTRUMENTS (CONT'D)

(c) Liquidity Risk (cont'd)

(i) Financial liabilities (cont'd)

The following are the contractual maturities of the financial liabilities of the Company, including estimated interest payments and excluding the impact of netting agreements:

	CARRYING AMOUNT	CONTRACTUAL CASH FLOW	6 MONTHS OR LESS
2008 ($'000)			
Trade and other payables	3,029	3,029	3,029
Forward exchange contracts used for hedging:			
Inflow (Gross)	(2,597)	(2,597)	(2,597)
Outflow (Gross)	2,717	2,717	2,717
	3,149	3,149	3,149
2007 ($'000)			
Trade and other payables	3,411	3,411	3,411
Forward exchange contracts used for hedging:			
Inflow (Gross)	(2,356)	(2,356)	(2,356)
Outflow (Gross)	2,462	2,462	2,462
	3,517	3,517	3,517

(ii) Borrowing facilities

The consolidated entity and the Company had access to the following borrowing facilities at the reporting date, which can be used as short-term funding to meet the contractual maturities of the financial liabilities noted above:

	NOTES	CONSOLIDATED		THE COMPANY	
		2008 $'000	2007 $'000	2008 $'000	2007 $'000
Secured multi-option borrowing facilities					
- amount used		-	1,555	-	-
- amount unused		14,456	14,249	10,000	10,000
	(i)	14,456	15,804	10,000	10,000
Bank guarantee facilities					
- amount used		1,159	1,080	278	294
- amount unused		1,117	520	672	506
	(i)	2,276	1,600	950	800
Letters of credit					
- amount used		3,635	4,123	3,635	4,123
- amount unused		3,444	4,964	3,451	4,877
	(i)	7,079	9,087	7,000	9,000

(i) These facilities can be drawn at any time and are predominantly secured against the receivables, inventory and fixed assets of the Company, as shown in the balance sheet. All the above facilities are subject to an annual review and mature within a period of 12 months. Other than the above borrowing facilities, the consolidated entity and the Company also use finance leases to fund the purchase of some fixed assets. Details of finance leases are provided above in Note 27 (c) (i) and in Note 32 (b).

NOTE 28. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONT'D)

Directors

The names of the directors who have held office at any time during the financial year are:

Chairman – non-executive director
Paul Isherwood

Executive directors
Peter Hill
Stephen Hill

Non-executive directors
Richard Alcock

Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly during the year:

NAME	POSITION	EMPLOYER
Matthew Hill	Chief Executive Officer	Osata Enterprises Inc.
Jessica Hogan	Chief Financial Officer	Globe International Limited
Gerhard Correa	Company Secretary	Globe International Limited
Gary Valentine	President North America	Osata Enterprises Inc.
Matthew Wong	President Europe	Globe Europe SAS
Frank Dammenhayn	President Australia	Globe International Limited
Steve Douglas	President Australia	Globe International Limited
Bod Boyle	President Dwindle	Osata Enterprises Inc.

Key management personnel compensation

	CONSOLIDATED		THE COMPANY	
	2008 $	2007 $	2008 $	2007 $
Short-term employee benefits	2,917,687	3,112,594	764,000	1,159,000
Post-employment benefits	149,311	161,489	51,087	79,740
Other benefits – French social security (1)	65,579	45,291	-	-
Share based payments	-	66,751	-	17,999
	3,132,577	3,386,125	815,087	1,256,739

(1) Represents compulsory contributions imposed by the French Government to cover other social benefits for a French employee which are mainly in the nature of unemployment, health and life insurances.

Equity instrument disclosures relating to key management personnel

Executive Long Term Incentive Plan (LTIP)
Details of Performance Rights provided as remuneration to key management personnel under the LTIP, together with the terms and conditions of the LTIP, can be found in Section D of the Remuneration Report contained in the Directors' Report on pages 29 to 43.

NOTE 28. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONT'D)

Performance Rights holdings under the LTIP

The number of Performance Rights over ordinary shares in the Company held during the financial year by each of the key management personnel of the consolidated entity, including their personally related entities, is set out below:

2008 NAME	BALANCE AT THE START OF THE YEAR	GRANTED DURING THE YEAR AS REMUNERATION	VESTED DURING THE YEAR	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
Matthew Hill	750,000	-	-	-	750,000
Jessica Hogan	50,000	-	-	-	50,000
Gerhard Correa	50,000	-	-	-	50,000
Gary Valentine	100,000	-	-	-	100,000
Matthew Wong	100,000	-	-	-	100,000
Frank Dammenhayn	100,000	-	-	-	100,000
Steve Douglas	100,000	-	-	-	100,000
Bod Boyle	50,000	-	-	-	50.000

2007 NAME	BALANCE AT THE START OF THE YEAR	GRANTED DURING THE YEAR AS REMUNERATION	VESTED DURING THE YEAR	OTHER CHANGES DURING THE YEAR	1:10 SHARE CONSOLIDATION COMPLETED ON 18 JUNE 2008	BALANCE AT THE END OF THE YEAR
Michael Sonand (1)	2,000,000	-	-	-	-	N/A
Matthew Hill	5,200,000	2,500,000	-	(200,000)	(6,750,000)	750,000
Jessica Hogan (2)	-	500,000	-	-	(450,000)	50,000
Gerhard Correa (2)	150,000	350,000	-	-	(450,000)	50,000
Gary Valentine	1,200,000	-	-	(200,000)	(900,000)	100,000
Matthew Wong	1,200,000	-	-	(200,000)	(900,000)	100,000
Frank Dammenhayn (2)	400,000	600,000	-	-	(900,000)	100,000
Steve Douglas (2)	200,000	800,000	-	-	(900,000)	100,000

(1) Michael Sonand's employment with the consolidated entity ceased on 2 January 2008.
(2) Key management personnel from 2 January 2008.

Employee Share Option Plan (ESOP)

There are no options affecting remuneration in this or future reporting periods. The remaining participant ceased employment with the consolidated entity on 2 January 2008 and as a result the last of these options was forfeited, as set out below. Accordingly, there have been no options outstanding since that date. No further issues of options are expected to be made under this plan. Details of option holdings and movements are as follows:

2008 Nil

2007 NAME	BALANCE AT THE START OF THE YEAR	GRANTED DURING THE YEAR AS REMUNERATION	EXERCISED DURING THE YEAR	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR	VESTED AND EXERCISABLE AT THE END OF THE YEAR
Michael Sonand	500,000	-	-	(500,000)	-	-

NOTE 28. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONT'D)

Other transactions with directors and key management personnel

Shareholdings on a post consolidation basis
The number of shares in the Company held during the financial year by each director of the Company and each of the key management personnel of the consolidated entity, including their personally related entities, are set out below:

2008 NAME	BALANCE AT THE START OF THE YEAR	RECEIVED DURING THE YEAR ON THE EXERCISE OF PERFORMANCE RIGHTS AND/OR OPTIONS	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
Directors of Globe International Limited Ordinary Shares				
Paul Isherwood	150,000	-	50,000	200,000
Richard Alcock	20,000	-	40,000	60,000
Peter Hill	12,131,281	-	(250,000)	11,881,281
Stephen Hill	12,131,281	-	(250,000)	11,881,281
Key management personnel of the consolidated entity Ordinary Shares				
Matthew Hill	1,276,219	-	500,000	1,776,219
Jessica Hogan	1,000	-	-	1,000
Gerhard Correa	204	-	-	204
Gary Valentine	100,000	-	-	100,000
Matthew Wong	117,500	-	-	117,500
Frank Dammenhayn	286,236	-	-	286,236
Steve Douglas	5,750	-	-	5,750

2007 (POST CONSOLIDATION BASIS)	BALANCE AT THE START OF THE YEAR	RECEIVED DURING THE YEAR ON THE EXERCISE OF PERFORMANCE RIGHTS AND/OR OPTIONS	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
Directors of Globe International Limited Ordinary Shares				
Paul Isherwood	120,000	-	30,000	150,000
Richard Alcock	-	-	20,000	20,000
Peter Hill	12,131,281	-	-	12,131,281
Stephen Hill	12,131,281	-	-	12,131,281
Norman O'Bryan (1)	140,675	-	-	N/A
Philip Brass (1)	180,000	-	-	N/A
(1) Directorship ceased during the year.				
Key management personnel of the consolidated entity Ordinary Shares				
Matthew Hill	1,276,219	-	-	1,276,219
Michael Sonand (1)	71,100	-	-	71,100
Gary Valentine	100,000	-	-	100,000
Matthew Wong	117,500	-	-	117,500
Frank Dammenhayn	286,236	-	-	286,236
Steve Douglas	5,750	-	-	5,750
Jessica Hogan	1,000	-	-	1,000
Gerhard Correa	204	-	-	204

(1) Employment ceased during the year.

NOTE 28. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONT'D)

Related party transactions with directors and key management personnel

Peter Hill and Stephen Hill were directors of the Company and Matthew Hill was the CEO throughout the financial period, and were involved with the following related party transactions:

(i) Peter and Stephen Hill are directors of Osaka Enterprises Pty Ltd. The Company rented one property from this entity during the financial year ended 30 June 2008 (2007: two properties) on normal commercial terms. The Company paid rent to the entity of $275,000 (2007: $220,930). Rent is normally paid one month in advance, the amount that was prepaid at the end of June 2008 was $nil (2007: $22,917)

(ii) Peter Hill is a director of Gleaner Developments Pty Ltd. The Company rented one property from this entity on commercial terms during the financial year ended 30 June 2008 (2007: one property). The Company paid rent to the entity of $65,000 (2007: $50,987). Rent is normally paid one month in advance, the amount prepaid as at 30 June 2008 was $nil (2007: $5,416).

(iii) Peter Hill, Stephen Hill and Matthew Hill are shareholders of Whyte House Productions International Pty Ltd. During the financial year ended 30 June 2008, the consolidated entity paid $624,456 (2007: $512,253) for production and promotion services provided by Whyte House Productions International Pty Ltd on reasonable, arms length terms and, of this, the Company paid $146,135 (2007: $197,944). The payment terms for these services are 30 days from invoice date. The amount owing to Whyte House Productions as at 30 June 2008 by the consolidated entity was $53,745 (2007: $33,535) and the Company was $31,670 (2007: $5,887).

NOTE 29. SHARE BASED PAYMENTS

(a) **Executive Long Term Incentive Plan (LTIP)**
The terms of the LTIP, and the rights awarded under the plan, are detailed in the Remuneration Report contained in the Directors' Report on pages 29 to 43.

(b) **Employee Share Option Plan (ESOP)**
The terms of the employee share option plan are detailed in Note 28. None of the options under this plan have vested, and there are no further options outstanding at 30 June 2008 (2007: nil). No further issues are expected to be made under this ESOP.

(c) **Employee Share Scheme**
A scheme under which shares may be issued by the Company to employees for no cash consideration was implemented by the Company during the 2004 financial year. All Australian resident permanent employees (excluding directors and executives participating in the LTIP) who have been continuously employed by the consolidated entity for a period of at least one year as at 31 December each year, are eligible to participate in the scheme. Employees may elect not to participate. At the Board's discretion, eligible employees may be offered up to $1,000 worth of fully paid ordinary shares per year in Globe International Limited for no cash consideration.

The number of shares issued to participants in the scheme is the offer amount divided by the weighted average price at which the Company's shares traded on the Australian Stock Exchange during the five days immediately before the date of offer.

Shares issued under the scheme may not be sold until the earlier of three years after issue or cessation of employment by the consolidated entity. In all other respects the shares rank equally with other fully-paid ordinary shares on issue.

There were no shares issued under this plan in the current or prior period. The last issue of shares was on 27 February 2004 when each participant was issued with a parcel of 2,040 worth $1,000 based on the weighted average market price of $0.49. In total, 259,080 shares were issued.

NOTE 30. AUDITORS' REMUNERATION

	CONSOLIDATED		THE COMPANY	
	2008 $	2007 $	2008 $	2007 $
(a) Audit services				
PricewaterhouseCoopers Australia:				
Audit and review of financial reports	335,100	318,104	79,900	185,899
Overseas PricewaterhouseCoopers firms:				
Audit and review of financial reports	41,004	40,870	-	-
Other regulatory services	10,107	20,801	-	-
	386,211	379,775	79,900	185,899
(b) Non-audit services				
PricewaterhouseCoopers Australia:				
Taxation services	240,238	337,114	240,238	337,114
Other assurance services	-	87,468	-	87,468
Other advisory services	62,500	197,000	62,500	197,000
Overseas PricewaterhouseCoopers firms:				
Taxation services	68,423	-	-	-
Other assurance services	-	195,478	-	-
	371,161	817,060	302,738	621,582

NOTE 31. CONTINGENCIES

UK litigation

On 25 January 2008, the consolidated entity received a judgement in relation to a court case that was held in December 2007. The UK High Court of Justice (the Court) found that subsidiaries of Globe International Limited (the Company) had infringed certain of the claimant's UK and Community trademarks, and passed off their shoes as being those of the claimant, in relation to certain models of footwear. The infringement is in relation to visual aspects of the design and not in relation to the Globe trademark. The Court has awarded the claimant the right to an inquiry into damages in relation to the sales of the infringing shoes. No provision for damages has been recognised as no claim for damages has been received, thus it is not possible to estimate the extent of damages that may be incurred.

The subsidiary is defending these claims and has been granted leave to appeal this decision in the UK Court of Appeal. The appeal date has been set for October 2008.

All legal costs have been expensed as incurred as at the balance date (2008: A$2.0 million), including a portion of the claimants legal costs from the original hearing.

NOTE 32. COMMITMENTS

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
(a) Operating lease commitments:				
Non-cancellable operating leases contracted for but not capitalised in the financial statements:				
- Not later than one year	3,022	3,152	569	526
- Later than one year but not later than five years	3,524	6,272	280	674
- Later than five years	180	259	-	-
	6,726	9,683	849	1,200

The consolidated entity leases various offices, retail outlets and warehouses under non-cancellable operating leases expiring within 1 to 8 years. These leases have varying terms, escalation clauses and renewal rights. On renewal, terms of the leases will be renegotiated. Not included in the above commitments are contingent rental payments that may arise on a small number of retail stores, based on the turn-over generated by those stores. The contingent rentals vary for each relevant store, but are generally between 1% and 5% of sales above a specified cap. The consolidated entity also has miscellaneous operating leases on various pieces of office equipment and warehouse machinery.

	NOTES	CONSOLIDATED		THE COMPANY	
		2008 $'000	2007 $'000	2008 $'000	2007 $'000
(b) Finance lease commitments:					
Commitments in relation to finance leases are payable as follows:					
- Within one year		85	412	-	-
- Later than one year but not later than five years		153	245	-	-
Minimum lease payments		238	657	-	-
- Future finance charges		(26)	(60)	-	-
Recognised as a liability		212	597	-	-
Representing lease liabilities:					
Current	18	70	386	-	-
Non-current	18	142	211	-	-
		212	597	-	-

The consolidated entity has various fixtures and fittings with a carrying value, excluding impairment provisions, of $0.2 million (2007: $0.6 million) under finance leases expiring within 1 to 5 years. Under the terms of the leases, the consolidated entity will acquire the leased asset for a value agreed upon at the time of entering into the lease agreement.

NOTE 32. COMMITMENTS (CONT'D)

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
(c) Sponsorship commitments:				
Minimum event and rider sponsorship commitments contracted for but not capitalised in the financial statements:				
- Not later than one year	3,558	3,782	766	570
- Later than one year but not later than five years	2,122	4,515	766	1,710
	5,680	8,297	1,532	2,280
(d) Sponsorship commitments:				
Commitments in relation to employee service agreements are payable as follows:				
- Not later than one year	555	630	-	-

NOTE 33. RELATED PARTY DISCLOSURES

(a) **Parent entity**
The ultimate parent entity of the consolidated group is Globe International Limited.

(b) **Subsidiaries**
Interests in subsidiaries are set out in Note 34.

(c) **Key Management Personnel**
Disclosures relating to directors and key management personnel are set out in Note 28.

(d) **Transactions with related parties**
(excluding director related entities which are set out in Note 28).

The following transactions occurred with related parties:

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Purchase of goods				
Purchases of inventory from other related parties	12,485,168	9,255,994	466,280	487,052
Tax Consolidation legislation				
Current tax losses / (payables) assumed from wholly-owned tax consolidated entities	-	-	408,321	1,758,780

NOTE 33. RELATED PARTY DISCLOSURES (CONT'D)

(e) Outstanding balances arising from transactions with related parties

(excluding director related entities which are set out in Note 28).

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Current payables (purchases of goods and services)				
Other related parties	1,865	-	986,940	-
Payables (tax funding agreement)				
Wholly-owned tax consolidated entities	-	-	5,880,551	5,472,320

(f) Loans to / from related parties

	CONSOLIDATED		THE COMPANY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Loans to subsidiaries (net of tax related amounts in Note 32(e))				
Beginning of the year	-	-	46,419,515	48,920,335
Loans advanced	-	-	14,989,032	16,628,363
Loan repayments received or off-set	-	-	(9,817,712)	(14,224,460)
Impact of foreign exchange translation	-	-	279,755	(263,334)
Provision for impairment (1)	-	-	(10,000,000)	(4,641,389)
End of the year	-	-	41,870,590	46,419,515

(1) The provision for impairment relates to loans made to wholly-owned Australian subsidiaries to fund the acquisition of wholly-owned subsidiaries in Australia and overseas in 2002, 2004 and 2006, and to fund the subsequent operations of those subsidiaries. These provisions do not impact the results of the consolidated entity.

Except for the provision for impairment noted above, no provisions for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

(g) Terms and conditions

Purchases of inventory from other related parties are based on normal terms and conditions. Payables are due within 30 days of receipt of inventory.

Transactions relating to dividends are on the same terms and conditions that applied to other shareholders.

The terms and conditions of the tax funding agreement are set out in Note 1(c).

The loans to subsidiaries are made on interest-free terms, and have no fixed maturity date. The balances outstanding are unsecured and payable in cash.

NOTE 34. SUBSIDIARIES

NAME	COUNTRY	OWNERSHIP INTEREST	
		2008 %	2007 %
The Company			
Globe International Limited	Australia		
Entities under the control of Globe International Ltd			
Hardcore Enterprises Pty Ltd	Australia	100	100
Entities under the control of Hardcore Enterprises Pty Ltd*			
WINT Enterprises Pty Ltd*	Australia	100	100
KIDD Consolidated Pty Ltd*	Australia	100	100
Globe International Nominees Pty Ltd*	Australia	100	100
Globe International (NZ) Ltd	New Zealand	100	100
PSC Skateboarding Pty Ltd*	Australia	100	100
Globe Europe ApS	Denmark	100	100
Osata Enterprises, Inc.	United States	100	100
Entities under the control of PSC Skateboarding Pty Ltd			
CASE Enterprises Pty Ltd*	Australia	100	100
Entities under the control of Globe Europe ApS			
Globe Europe BV	Netherlands	100	100
Globe Europe SAS	France	100	100
Entities under the control of Globe Europe SAS			
Globe GB Limited	UK	100	100
Globe Europe succursal en Espana	Spain	100	100
Entities under the control of Osata Enterprises, Inc.			
Diaxis LLC	United States	100	100
Chomp Inc (formerly Skateboard World Industries, Inc.)	United States	100	100
Dwindle, Inc.	United States	100	100
Entities under the control of Globe International Nominees Pty Ltd			
Globe International (Asia) Limited	Hong Kong	100	100
Entities merged into direct parent entity during the year			
Grind Distribution SARL	France		

(*) Party to Deed of Cross Guarantee dated 29 June 2001 – relief from preparing financial statements obtained under ASIC Class Order 98/1418.

NOTE 35. DEED OF CROSS GUARANTEE

A deed of cross guarantee between Hardcore Enterprises Pty Ltd, WINT Enterprises Pty Ltd, Globe International Nominees Pty Ltd, CASE Enterprises Pty Ltd, KIDD Consolidated Pty Ltd, PSC Skateboarding Pty Ltd ("the subsidiaries") and Globe International Limited was entered into on 29 June 2001 and relief was obtained from preparing financial statements for the subsidiaries under ASIC Class Order 98/1418. Under the deed each entity guarantees to support the liabilities and obligations of the others. The income statement for the year ended 30 June 2008 and Balance sheet as at 30 June 2008 for the closed consolidated entity, which is also the extended closed consolidated entity, comprising Globe International Limited and the subsidiaries is as follows:

INCOME STATEMENT	2008 $'000	2007 $'000
Revenue from operations	**39,588**	**78,175**
Other income	-	546
Changes in inventories of finished goods and work in progress	(1,147)	(215)
Materials and consumables used	(14,295)	(31,997)
Employee benefits expense	(6,972)	(11,042)
Depreciation, amortisation and impairment expense	(9,202)	(5,777)
Finance costs	(61)	(170)
Selling, general and administrative expenses	(21,671)	(26,760)
Provision for impairment of investment in subsidiary	(21,130)	(457)
Profit / (loss) before income tax	**(34,890)**	**(2,000)**
Income tax (expense) / benefit	(364)	2,258
Profit / (loss) from operations	**(35,254)**	**258**

NOTE 35. DEED OF CROSS GUARANTEE (CONT'D)

BALANCE SHEET	2008 $'000	2007 $'000
Current assets		
Cash and cash equivalents	1,613	8,700
Trade and other receivables	3,544	3,769
Inventories	6,157	7,305
Prepayments	1,495	491
Current tax assets	-	246
Total current assets	12,809	20,511
Current assets		
Trade and other receivables	11,530	9,531
Property, plant and equipment	960	1,499
Other financial assets	22,768	52,588
Intangible assets	17,889	26,268
Deferred tax assets	4,887	4,493
Total non current assets	58,034	94,379
Total assets	**70,843**	**114,890**
LIABILITIES		
Current liabilities		
Trade and other payables	3,716	3,893
Borrowings	70	386
Derivative financial instruments	119	87
Provisions	846	1,053
Total current liabilities	4,751	5,419
Non current liabilities		
Trade and other payables	-	464
Borrowings	142	211
Deferred tax liabilities	4,348	3,823
Provisions	352	313
Other	195	261
Total non current liabilities	5,037	5,072
Total liabilities	**9,788**	**10,491**
Net assets	**61,055**	**104,399**
Equity		
Contributed equity	143,768	152,368
Reserves	(4,436)	(4,946)
Retained profits / (losses)	(78,277)	(43,023)
Total equity	**61,055**	**104,399**

NOTE 36. BUSINESS COMBINATIONS

No business combinations occurred during the current or previous financial years.

NOTE 37. NOTES TO THE STATEMENT OF CASH FLOWS

	NOTES	CONSOLIDATED		THE COMPANY	
		2008 $'000	2007 $'000	2008 $'000	2007 $'000
(a) Reconciliation of net cash provided by operating activities to profit / (loss) from ordinary activities after income tax					
Operating profit / (loss) after taxation		(24,597)	(3,082)	(28,719)	(2,899)
Impairment of intangible assets	5	20,608	3,309	-	-
Impairment of fixed assets	5	31	502	-	-
Depreciation and amortisation - continuing operations	5	1,704	4,376	613	693
Depreciation and amortisation - discontinuing operations	7	-	1,153	-	895
Loss / (gain) on disposal of Streetwear Division	7	-	1,796	-	1,796
Loss / (gain) on disposal of trademarks and other intangibles	4	-	(5,909)	-	-
Fixed Assets written off		-	377	-	166
Provision for impairment of investment in subsidiary	5	-	-	19,262	-
Provision for receivable from subsidiary	5	-	-	10,000	4,642
Net exchange differences		(1,565)	(2,553)	-	-
Changes in net asset and liabilities adjusted for effects of operations sold during the year:					
(Increase) / Decrease in current receivables		265	4,649	(264)	(562)
(Increase) / Decrease in inventories		(776)	6,694	766	1,001
(Increase) / Decrease in other assets		(343)	2,388	(765)	1,168
Increase / (Decrease) in other creditors / provisions / accruals		1,461	(2,252)	(271)	422
Increase/(Decrease) in net taxes payable		252	1,937	1,600	(1,332)
Net cash provided by / (used in) operating activities (1)		(2,960)	13,385	2,222	5,990
(b) Non-cash financing and investing activities					
Acquisition of assets by way of finance lease		-	394	-	394

(1) Net cash provided by operating activities relates to the results of both the continuing and discontinued operations. For details of net operating cash flows from the discontinued operation refer to Note 7(b).

NOTE 38. EARNINGS PER SHARE

	NOTES	CONSOLIDATED	
		2008	2007 (2)
Earning per share from continuing operations (1)			
Basic EPS			
Earnings from continuing operations used in calculation of basic earnings per share ($'000)		(24,597)	1,954
The weighted average number of shares on issue during the year used in calculation of basic earnings per share	22	41,463,818	41,463,818
Basic earnings per share (cents per share)		(59.32)	4.71
Diluted EPS			
Earnings from continuing operations used in calculation of diluted earnings per share ($'000)		(24,597)	1,954
The weighted average number of shares on issue during the year used in calculation of diluted earnings per share	22	41,463,818	41,463,818
Diluted earnings per share (cents per share)		(59.32)	4.71

(1) Refer to Note 7 *Discontinued Operations* for details of earnings per share from discontinued operations.
(2) Current and previous period weighted average shares on issue has been restated for the impact of the share consolidation (refer Note 22(b)).

In the Directors' opinion:

(a) the financial statements and notes, as set out on pages 44 to 105, and remuneration disclosures on pages 32 to 41, are in accordance with the *Corporations Act 2001*, including;

(i) complying with Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2008, and of their performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(c) the audited remuneration disclosures set out on pages 32 to 41 of the Directors' Report comply with Accounting Standards AASB 124 Related Parties and the *Corporations Regulations 2001*; and

(d) at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed consolidated entity identified in Note 34 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 35.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial reporting period ending 30 June 2008.

This declaration is made in accordance with a resolution of the Board of Directors.

Melbourne
Dated 27th August 2008

Paul Isherwood
Chairman

PricewaterhouseCoopers
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Independent auditor's report to the members of Globe International Limited

Report on the financial report

We have audited the accompanying financial report of Globe International Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both Globe International Limited (the company) and the Globe International Group (the consolidated entity). The consolidated entity comprises of the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

PRICEWATERHOUSECOOPERS

Independent auditor's report to the members of Globe International Limited (cont'd)

Auditor's responsibility (cont'd)

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

For further explanation of an audit, visit our website http://www.pwc.com/au/financialstatementaudit

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of Globe International Limited is in accordance with the *Corporations Act 2001*, including:

    (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and

    (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a).

PRICEWATERHOUSECOOPERS

Independent auditor's report to the members of Globe International Limited (cont'd)

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 32 to 41 of the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the Remuneration Report of Globe International Limited for the period ended 30 June 2008, complies with section 300A of the *Corporations Act 2001*.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report and remuneration report of Globe International Limited (the company) for the year ended 30 June 2008 included on Globe International Limited web site. The company's directors are responsible for the integrity of the Globe International Limited web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report and remuneration report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or the remuneration report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report and remuneration report to confirm the information included in the audited financial report and remuneration report presented on this web site.

PricewaterhouseCoopers

PricewaterhouseCoopers

Chris Dodd

Chris Dodd
Partner

Melbourne
27 August 2008

THE SHAREHOLDER INFORMATION SET OUT BELOW WAS APPLICABLE AS AT 29 AUGUST 2008

TOP 20 SHAREHOLDERS	NUMBER OF FULLY PAID ORDINARY SHARES	PERCENTAGE OF ISSUED SHARES
Peter John Hill	11,881,281	28.65%
Stephen David Hill	11,881,281	28.65%
Poly Town Pty Limited	2,436,022	5.88%
J P Morgan Nominees Australia Limited	1,898,827	4.58%
Matthew Patrick Hill	1,776,219	4.28%
Moggs Creek Pty Limited	960,000	2.32%
Queensland Investment Corporation	959,553	2.31%
Bannaby Investments Pty Limited	515,000	1.24%
Bow Lane Nominees Pty Limited	503,736	1.21%
Citicorp Nominees Pty Limited	502,266	1.21%
National Nominees Limited	356,061	0.86%
Douglas Zappelli and Leslie Zappelli and Kaylin Zappelli	333,644	0.80%
Brides Pty Limited	300,000	0.72%
Norman O'Bryan	246,408	0.59%
Philip Brass	234,284	0.57%
Michael Sonand	229,653	0.55%
Paul Isherwood	200,000	0.48%
Pacific Securities Inc	150,000	0.36%
Chemical Trustee Limited	125,000	0.30%
CPU Share Plans Pty Limited	115,000	0.28%
TOTAL	**35,604,235**	**85.87%**
TOTAL ISSUED CAPITAL	**41,463,818**	**100.00%**
Substantial Shareholders		
Peter John Hill	11,881,281	28.65%
Stephen David Hill	11,881,281	28.65%
Poly Town Pty Ltd	2,436,022	5.88%
Distribution of Shareholders	Number of Holders	Number of Shares
1 - 1,000 shares	1,771	653,663
1,001 - 5,000 shares	517	1,292,376
5,001 - 10,000 shares	93	736,034
10,001 - 100,000 shares	105	2,859,424
100,001 - and over shares	25	35,922,321
TOTAL	**2,511**	**41,463,818**

The number of security holders holding less than a marketable parcel is 1,553 and they hold 435,912 securities.

UNQUOTED EQUITY SECURITIES

The Company has no unquoted securities at the date of this report.

ANNUAL REPORT

Due to the recent changes in legislation, the Company has elected to distribute its Annual Report online, by making it available on its website: www.globecorporate.com. Hardcopies of the Annual Report will only be sent to those shareholders who have elected to receive one.

YOU CAN DO SO MUCH MORE ONLINE

Did you know that you can access – and even update – information about your holdings in Globe International Limited via the Internet?

You can access your information securely online via our share registry website: www.linkmarketservices.com.au using your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as well as your surname (or company name) and postcode (must be the postcode recorded on your holding record).

It's fast and it's easy. You can:

- Check your current and previous holding balances
- Choose your preferred annual report option
- Update your address details
- Update your bank details
- Confirm whether you have lodged your Tax File Number (TFN), Australian Business Number (ABN) or exemption
- Enter your email address and update your communications preferences
- Subscribe to email announcements
- Check transaction and dividend history
- Check the share prices and graphs
- Download a variety of instruction forms

Don't miss out on your dividends

Dividend cheques that are not banked are required to be handed over to the State Trustee under the Unclaimed Monies Act, so you are reminded to bank cheques immediately.

Better still, why not have us bank your dividend payments for you

How would you like to have immediate access to your dividend payments? Your dividend payments can be credited directly into any nominated bank, building society or credit union account in Australia. Not only can we do your banking for you, dividends paid by direct credit can reach your account as cleared funds, allowing you to access them on the payment date.

Contact Information

You can contact the Share Registry by phone, email, in person, or in writing:

Link Market Services Limited
GPO Box 1736
Melbourne VIC 3001

Hand deliveries to:
Level 1, 333 Collins Street Melbourne VIC 3000

Telephone (within Australia): 1300 55 44 74
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GLOBE TEAM RIDERS PAUL MACHNAU AND GREG LUTZKA
BACK COVER: GLOBE TEAM RIDER DAMIEN HOBGOOD

DIRECTORS

Paul Isherwood	Non-Executive Chairman
Richard Alcock	Non-Executive Director
Stephen Hill	Executive Director and Founder
Peter Hill	Executive Director and Founder

SENIOR MANAGEMENT

Matt Hill	Chief Executive Officer
Jessica Hogan	Chief Financial Officer
Scott Lewis	President International
Gary Valentine	President North America
Matt Wong	President Global Product
Bod Boyle	President Dwindle

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WEBSITES

Corporate Website: www.globecorporate.com
Feedback Website: www.globefeedback.com

STOCK EXCHANGE LISTINGS

Globe International Ltd shares are listed on the Australian Stock Exchange. Ticker: GLB

GLOBE INTERNATIONAL LIMITED

ABN 65 007 066 033

CORPORATE WEBSITE: WWW.GLOBECORPORATE.COM