GLOBE

GLOBE INTERNATIONAL.
ANNUAL REPORT 2011.

ABN 65007066033

FRONT COVER: GLOBE TEAM RIDER DION AGIUS
GLOBE TEAM RIDER MARK APPLEYARD

GLOBE TEAM RIDER DAMIEN HOBGOOD

CONTENTS

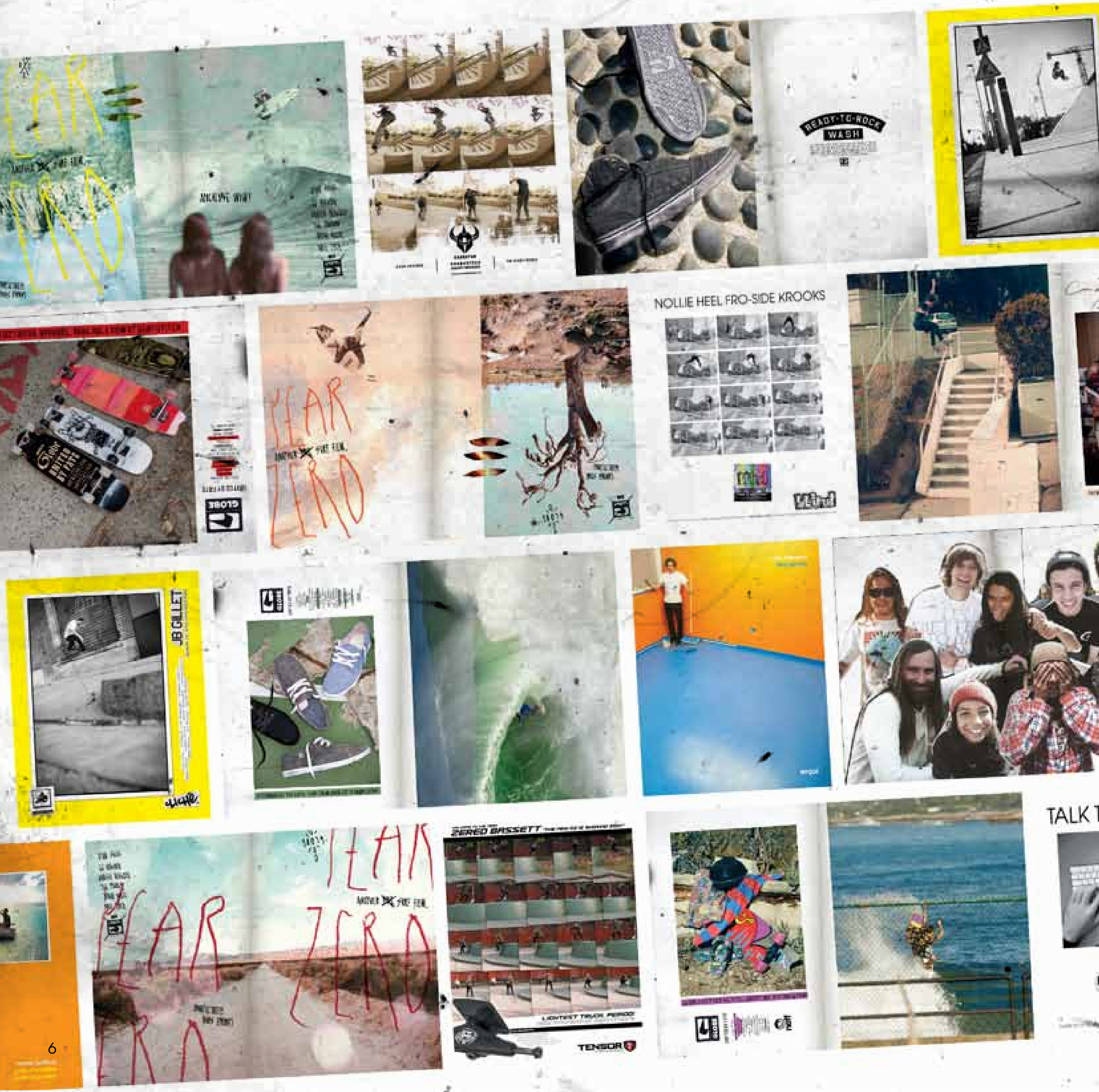
GLOBE INTERNATIONAL LIMITED
ANNUAL REPORT 2011

(1) These financial statements cover the consolidated financial statements of 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 1 Fennell Street, Port Melbourne, Victoria 3207. The financial statements are presented in Australian currency and were authorised for issue by the directors on 18 August 2011. The company has the power to amend and re - issue these financial statements.

Globe International is a multi branded boardsports and youth apparel, footwear and hardgoods company. Rooted in board sports and youth street culture, for 25 years Globe International has been at the forefront of the skateboard industry and today produces leading edge skateboard, surfwear and streetwear products, designed, marketed and sold worldwide in just under 100 countries.

Globe's branded portfolio strategically targets the many facets of the boardsports and youth footwear, apparel and hardgoods markets. Brands have distinctly different commercial reasons for existence, and are directed to distinct demographics. Each brand's creative identity, products, marketing and distribution strategy is customised to ensure minimal cannibalisation between brands. Each brand is strategically aligned to take full advantage of the significant growth potential in the boardsports, youth culture and streetwear markets.



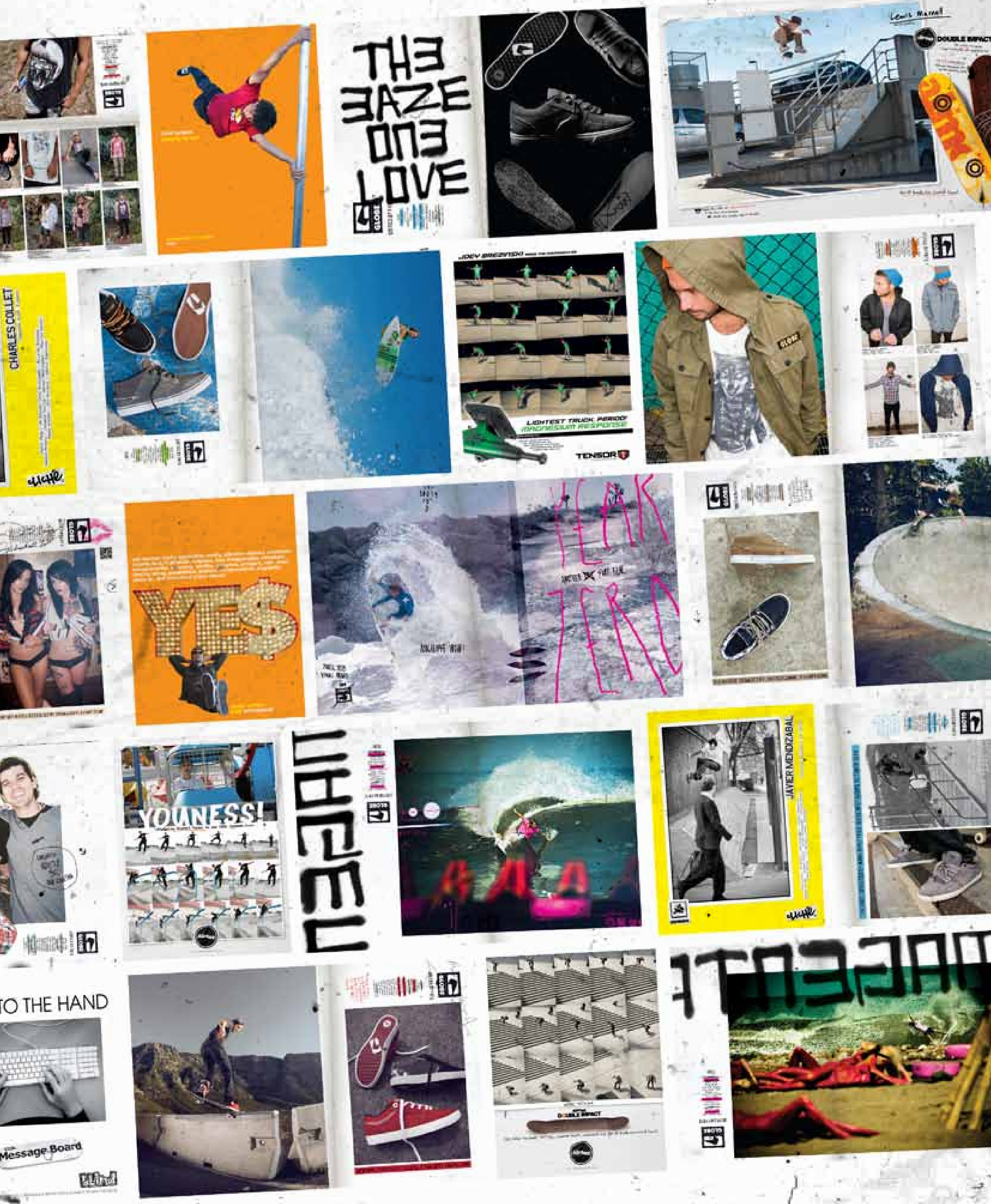
enjoi

SPEED DEMONS

SUPERIOR skateboards

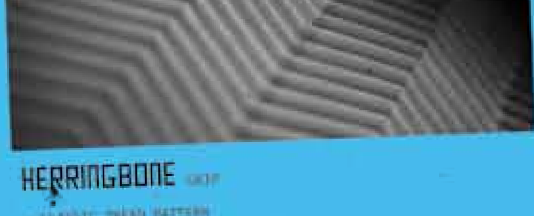
TENSOR

BRANDS



S-TRAC GRIP

- TRACTION LUGS DESIGNED FOR MAXIMUM SHOCK ABSORPTION THROUGH ENERGY TRANSFER
- UNMATCHED COMBINATION OF GRIP AND FLEXIBILITY

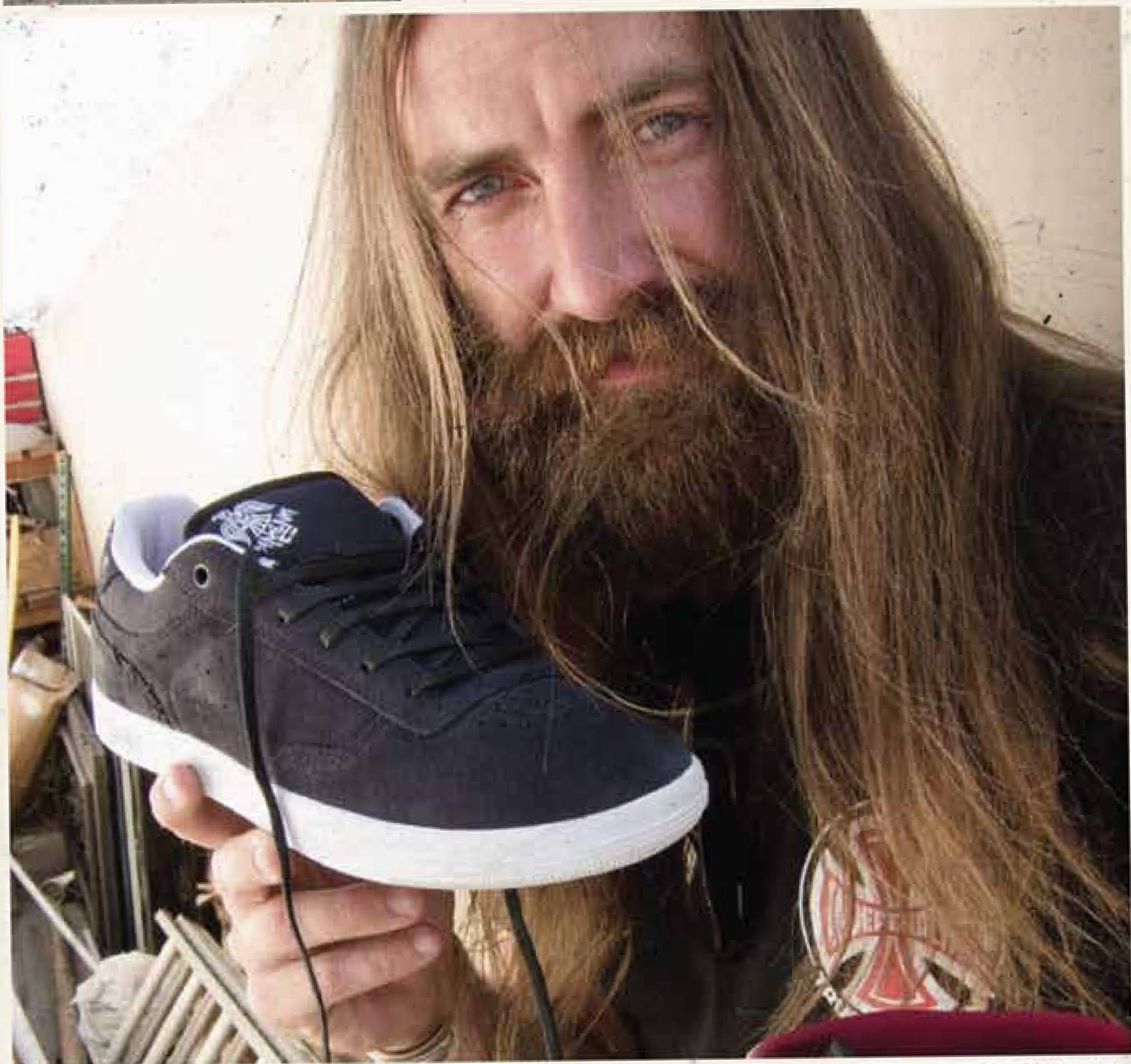


HERRINGBONE GRIP

- CLASSIC TREAD PATTERN
- OPTIMAL COMBO OF GRIP AND FLEXIBILITY

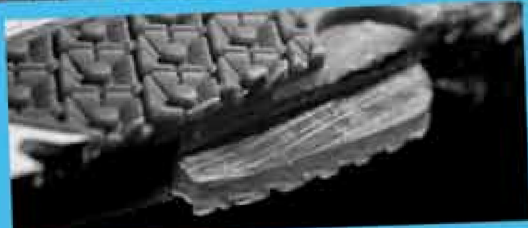
DCELL IMPACT CONTROL SYSTEM

- UNIQUE PADDING SOLUTION FOR A TRULY VULCANIZED SHOE
- TWO LAYERS OF PORON®
- BOTTOM LAYER DENSITY SET FOR SHOCK
- TOP LAYER DENSITY SET FOR REBOUND



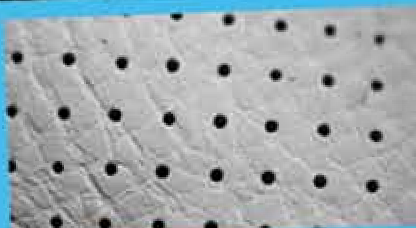
SHOCKBED IMPACT CONTROL SYSTEM

- SOFT POLYURETHANE FOOTBED
- LONG LASTING ANATOMICAL SHAPE
- GEL HEEL INSERT



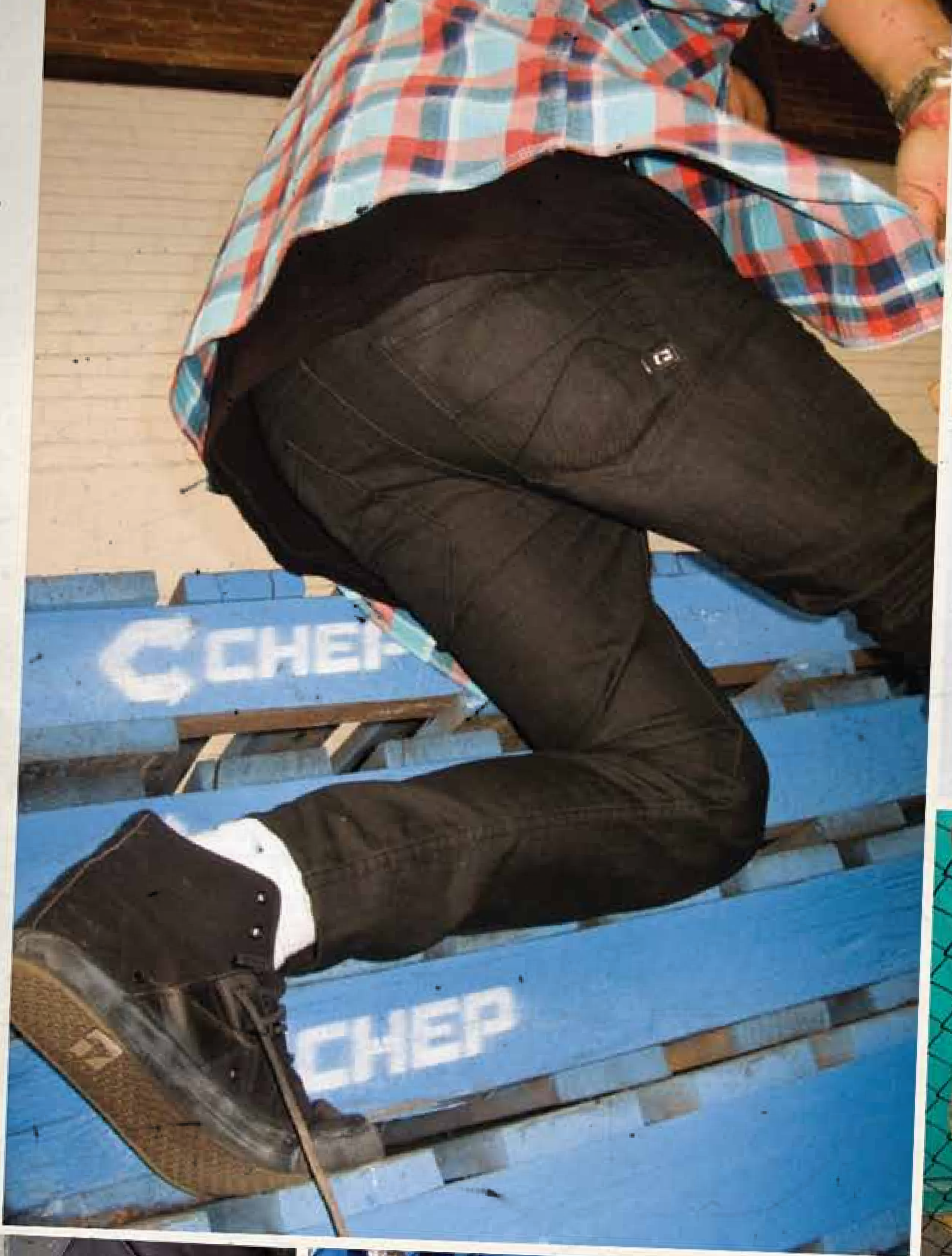
HELLA·GEL IMPACT CONTROL SYSTEM

- 100 GEL MATERIAL INTERNAL HEEL CUSHIONING PAD
- TRIANGLE PATTERN LATTICE DISPERSES LANDING IMPACTS
- VISIBLE THROUGH A CLEAR WINDOW IN THE SOLE LAST BOARD
- THE HELLA-GEL PAD IS SURROUNDED BY A SUPPORTIVE SHEET OF EVA

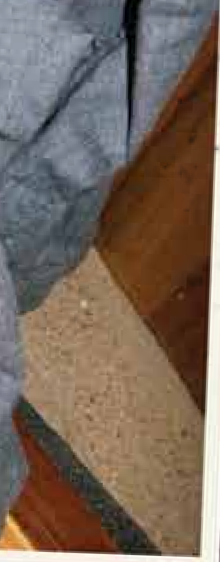


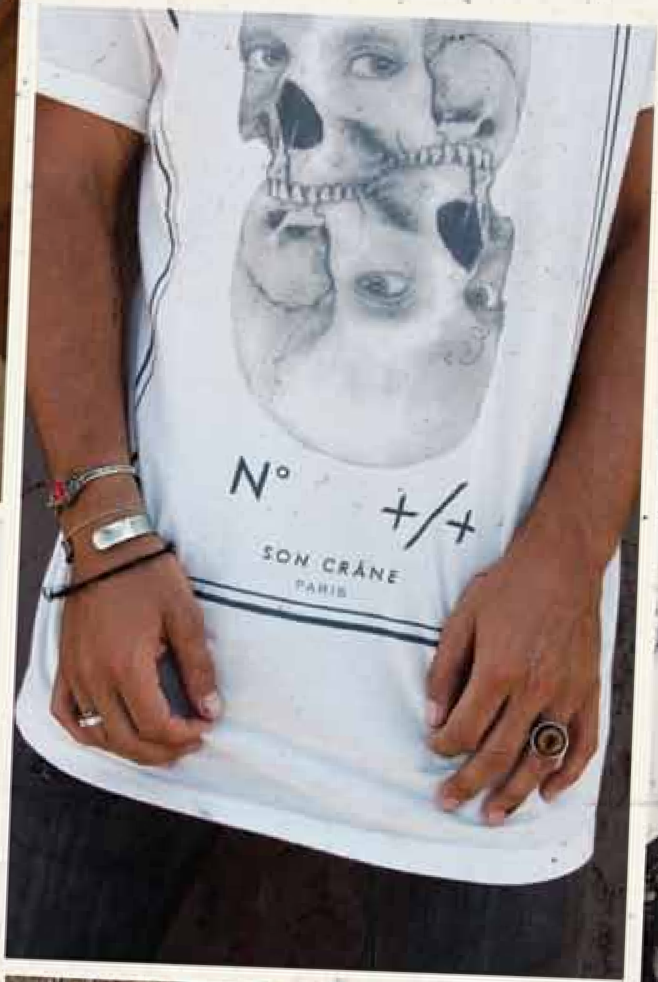
MICROP BREATHABILITY

- PROVIDES MAXIMUM BREATHABILITY
- SIZED AND ARRANGED ACCORDING TO PANEL SIZE
- DOES NOT SACRIFICE PANEL STABILITY


CHEP
CHEP


GLOBE




N° +/+
SON CRÂNE
PARIS


GLOBE


HYBRID
52


GLOBE
LOW LEVEL HELL


BLIND


Almost skateboards®
DOUBLE IMPACT
FULL CARBON TOP SHEET
BOTTOM DIE-CUT CARBON DISCS
45 DAY GUARANTEE AGAINST BREAKAGE
IMPACT SUPPORT almost
The special composite Carbon Fiber reinforced discs are not only super strong but ultra light and embodied within the bottom layer for impact dampening and resistance.
30 DAY GUARANTEE AGAINST BREAKAGE
almost über
ÜBER LIGHT
The internal carbon fiber foam deck is ultra light and nearly as stiff as metal. It also vastly improves the lateral rigidity. It's lighter and has a supernatural pop that lasts far longer than normal decks.
30 DAY GUARANTEE AGAINST BREAKAGE
cliché ©
KEYSTONE
CARBONLIGHT CONSTRUCTION
KEY AREAS REINFORCED WITH CARBONLIGHT TOP PLY INSERT
LIGHTER MORE POP LASTS LONGER
45 DAY GUARANTEE AGAINST BREAKAGE
CARBONLIGHT
3 PREMIUM MAPLE PLIES
CARBONFIBER CENTRAL PLY
3 PREMIUM MAPLE PLIES
CARBONLIGHT construction features an internal carbon fiber ply. Carbon fiber is a light material that can endure twice the weight of a regular Canadian maple deck.
30 DAY GUARANTEE


cliche
ZAP

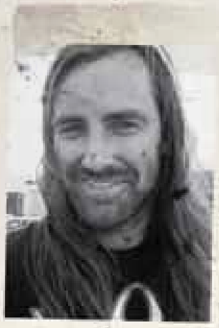

DARKSTAR


enjoi
seventeenten


TENSOR

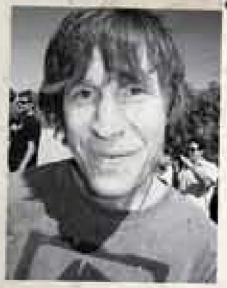

JAKE
BROWN
blind

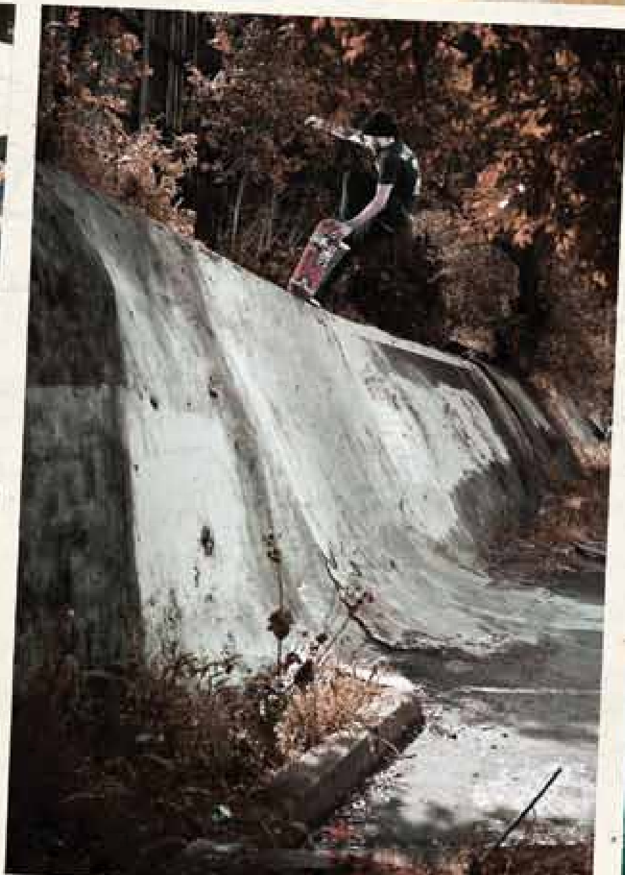

RKSTAR
GAME
ANGER
THE FASTEST!
LIGHT & SMOOTH
THE SMOOTHEST!
blind
Eternal Life 2 decks are stronger, lighter, and poppier than standard 7-ply boards. They are pressed with 6-plies of 100% North American Hardrock Maple, a triaxial epoxy glass top sheet, and super bonding resin adhesive.
90-DAY BREAK-FREE GUARANTEE
TENSOR
MAGNESIUM
RESPONSE 2
• Hollow kingpin and axle
• New geometry for best response and control
• Gravity casted for extra strength
RESPONSE
• Redesigned bushing seat for responsive turning
• Lower pivot cup for sharper turning
• Lower kingpin to prevent snagging



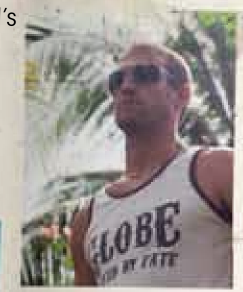


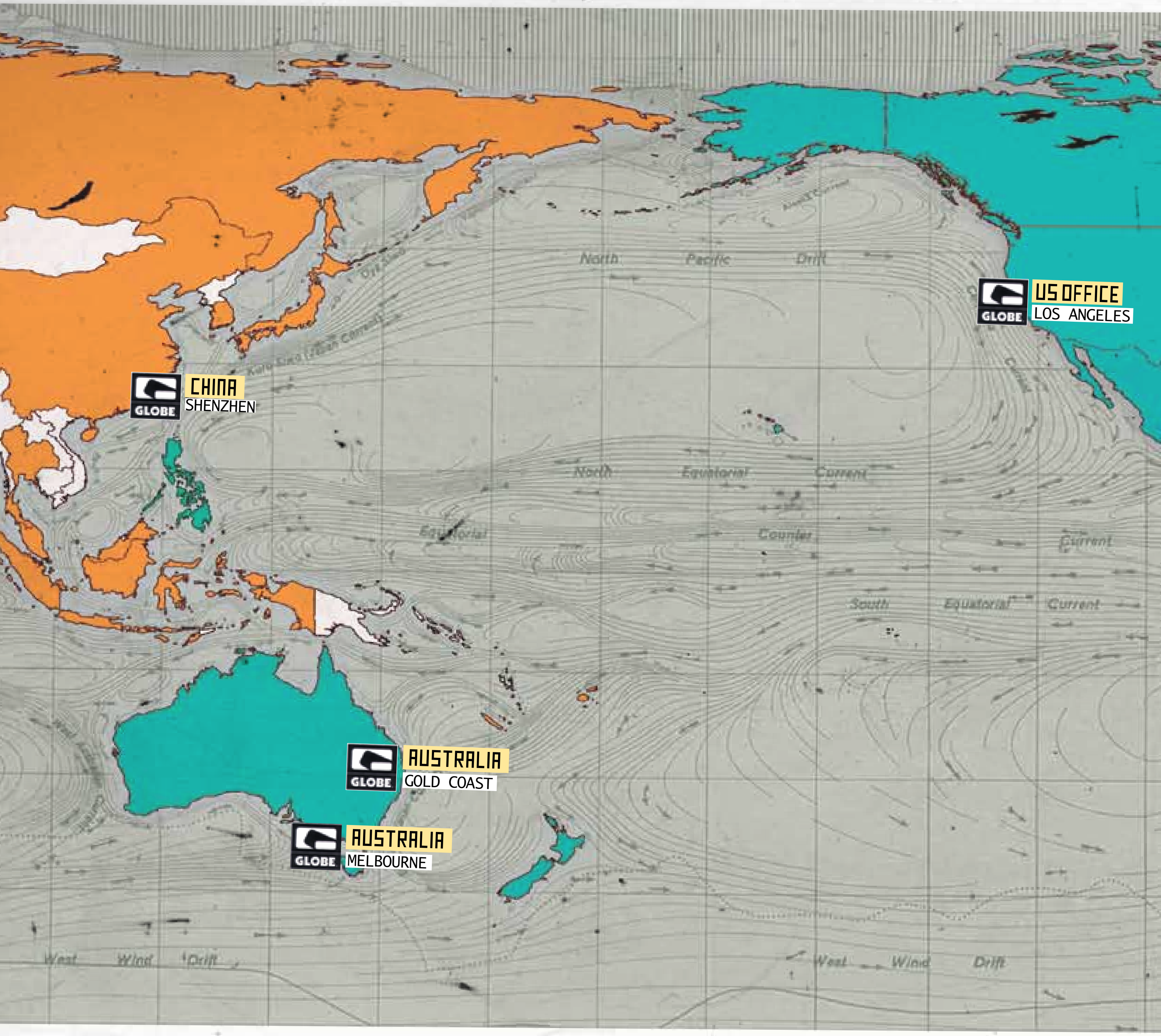

SKATE TEAM:
MARK APPLEYARD
CHRIS HASLAM
JAKE DUNCOMBE
DAVID GONZALEZ
RODNEY MULLEN
RYAN DECENZO
LUAN OLIVEIRA
LOUIE LOPEZ

A key part of the identity and marketing of many of Globe International's brands is the endorsement of leading athletes. Team riders help define the brands image via their endorsement and also through involvement in product design, development and testing. Globe's team riders are leading athletes in skate, surf and snow from both a competitive and image standpoint.



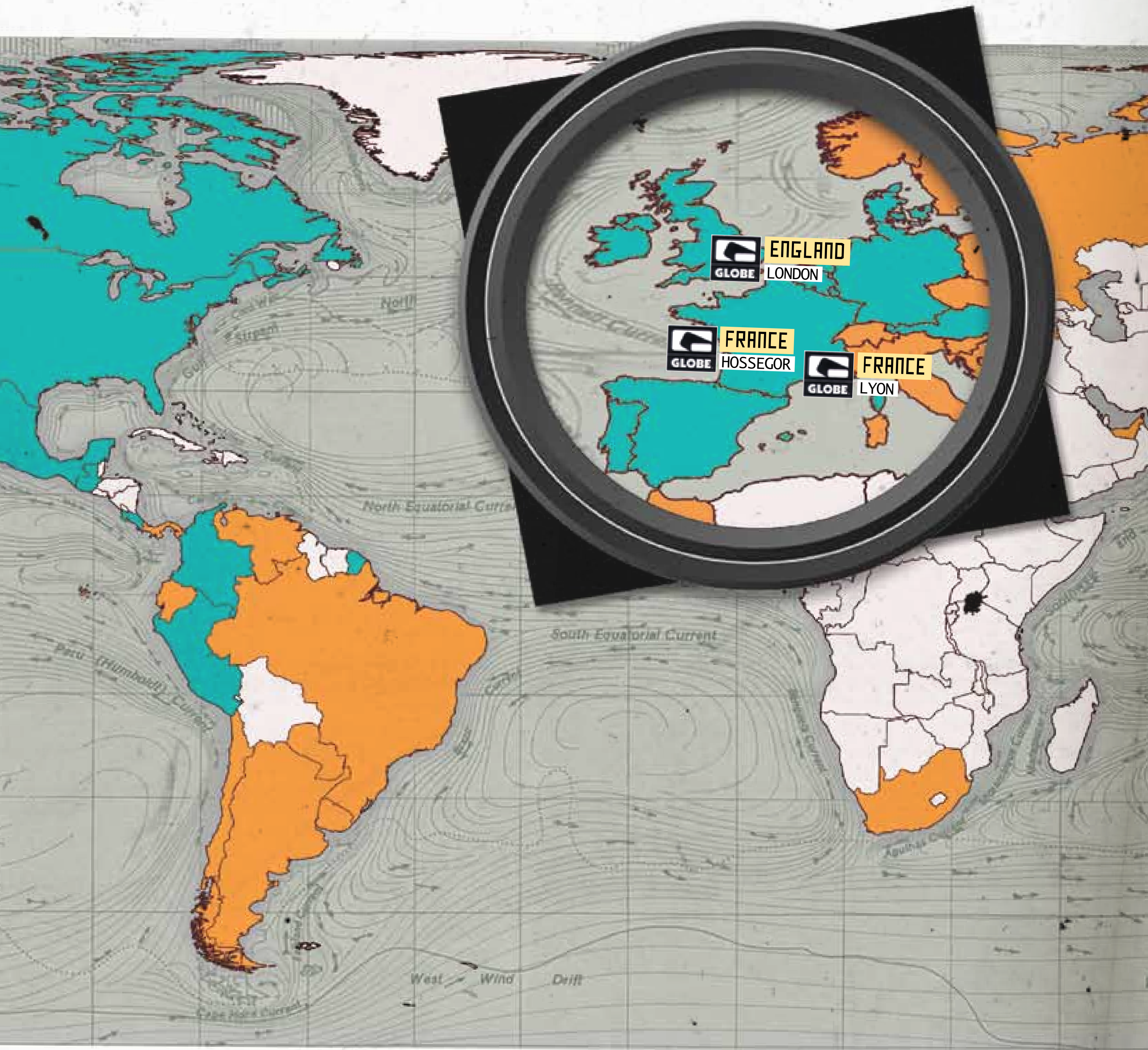
SURF TEAM:
DION AGIUS
FOOTWEAR RIDERS:
TAJ BURROW
CJ HOBGOOD
DAMIEN HOBGOOD
YADIN NICOL
NATE TYLER
MARK OCCHILUPO
PANCHO SULLIVAN

SNOW TEAM:
'DCP' DAVID CARRIER PORCHERON
JP SOLBERG
ROMAIN DE MARCHI



Globe International maintains major sales, marketing, design and distribution offices in key industry locations including Los Angeles, Melbourne, London, the Gold Coast, Hossegor and Lyon France. In addition it has manufacturing facilities in China. Globe sells its wholesale products direct to retailers in over 18 countries and sells its brands via third party distributors around the world. In total, Globe International products can be found in just under 100 countries worldwide. Globe also maintains a limited number of flagship branded retail stores in key influential markets around the world.

WORLD WIDE LOCATIONS



OFFICES

PORT MELBOURNE, VIC, AUSTRALIA
LOS ANGELES, CA, USA
GOLD COAST, QLD, AUSTRALIA
LONDON, UK
HOSSEGOR, FRANCE
LYON, FRANCE
SHENZHEN, CHINA

DIRECT MARKETS

USA, CANADA, AUSTRALIA, NEW ZEALAND, UNITED KINGDOM, FRANCE, GERMANY, IRELAND, NETHERLANDS, BELGIUM, AUSTRIA, SPAIN, PORTUGAL, COSTA RICA, LUXEMBOURG, ANDORRE, DOMTOM, AUSTRIA, DENMARK, COLOMBIA, EGYPT, GUATEMALA, PERU, MEXICO, PHILIPPINES.

DISTRIBUTION

GLOBE TEAM RIDERS RODNEY MULLEN & DAVID GONZALES

Dear Shareholders,

The 2011 financial year was another year full of economic challenges worldwide. Markets that Globe International operates in continued to be depressed, an appreciating Australian dollar reduced reported financial results and we continued to face upward pressure on the cost of our goods out of China. However, despite this backdrop, based on the strategies and restructuring implemented over the past few years, Globe grew revenues in local currency terms, saw the cornerstone Globe brand performance improve and maintained a stable financial position with solid cash reserves and no debt.

In 2009, we radically restructured our business. We rationalised operations and removed ourselves from significant and potentially crippling long term non-negotiable fixed overhead commitments. In addition, we moved to stockpile cash and ensure we were financially self-reliant and carried no debt. With these changes made, we felt we could control our own destiny and be insulated somewhat from the forces of external variables in an erratic operating environment. In 2010 we saw the first benefits of this program with a return to profitability and a return to issuing dividends.

In 2011 this progress was maintained. We remained profitable in 2011 (although, disappointingly, profit was down on the prior year, due to lower margins) and for the first time in a number of years revenues increased in constant currency terms. Our North American and European divisions posted solid growth given market conditions. Our Australian division, which faced arguably the toughest downward pressures, was only down 2% in revenue, a much better outcome than many competitors operating in the same space, due to the introduction of complementary categories and brands. In addition, with positive cash generation and solid cash reserves, the company was once again able to issue a dividend of 5.0 cents per share.

In 2010 it was pleasing to return to profitability, but at the time I acknowledged that this was largely due to cost rationalisation, and that it would be important for us going forward to show revenue growth. As such, it was critical in 2011 that we did indeed post revenue growth. Furthermore, it was very satisfying to see that revenue growth come largely from the Globe brand. Globe as a brand is the engine room of the company and the future to significant revenue and profit growth. If Globe fires, the whole company fires. There is still a long way to go, but Globe as a brand posted revenue growth in all regions, and most importantly posted growth globally in its key category - footwear. This is a positive sign for the future health of the company.

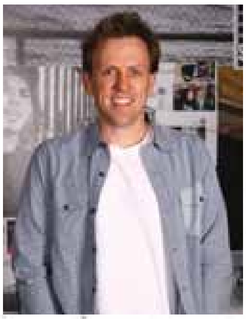
Other branded highlights included the addition of a new fashion apparel division in Australia distributing third party international brands such as Obey, Neff, and WeSC. This is an exciting development for the company and provides alternative distribution channels in the Australian and New Zealand markets. Enjoi apparel continued to be well received around the world, and in particular with large multi-door key accounts in the USA.

With regard to the current financial year, we continue to manage the business cautiously. Our brands continue to be well received based on current range releases, and seem to be ahead of our competitors with on point design and marketing. However, we must acknowledge the fact that macro economic conditions are very volatile and there are components of our world we do not control. As such, we expect 2012 performance to be largely consistent with last year, assuming current trading conditions are maintained. Our goal is to meet the challenges of the markets worldwide by continuing to improve our products, marketing and branded messages while maintaining financial diligence and holding onto the stable financial position we have achieved. The longer term game is what is critical to Globe right now. As long as we maintain financial stability, continue to put out market leading brands and sustain a consistent flow of returns to shareholders, we will be well placed in years to come.

As always I would like to thank my board of directors for their commitment to the company and personal support, as well as our tireless employees who are more committed than ever to Globe International and our brands. In the end great brands come from the personal commitment of the people working on them and the current growth in our key brands despite adverse trading conditions is a testament to that commitment.

Matt Hill

Matt Hill
Chief Executive Officer



GLOBE FOOTWEAR TEAM RIDER YADIN NICOL

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, the Board considers that its corporate governance policies and practices comply with the specific recommendations of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Second Edition released in August 2007) ("Principles"), which applied during the reporting period.

A description of the Company's main corporate governance policies is set out below. A copy of this Corporate Governance Statement is available on the Globe corporate website www.globecorporate.com.

1. LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1 Board functions

The composition of the Board is determined in accordance with the Company's Constitution and Board Charter.

The Board operates in accordance with the principles set out in its charter, which establishes the functions reserved for the Board. The Board Charter is published on the Globe corporate website www.globecorporate.com.

A summary of the Board's 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.
- Considering, approving and monitoring risk management strategies and policies.
- Ensuring the Company meets its social and ethical responsibilities.
- Performing the functions otherwise performed by an Audit and Risk Committee, Nomination Committee and Remuneration Committee.

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.

1.2 Senior Executive functions

Other than those responsibilities specifically reserved for the Board, responsibility for the management of the Company's business activities is delegated to the CEO, who is accountable to the Board. Sub-delegation occurs as follows:

- Senior executives are required to conduct the day-to-day operations of the Company as specified in their Contract of Employment and related job description.
- Operations are to be conducted within the framework of approved programs and budgets.
- Senior executives are authorised to conduct activities to the extent of their delegated authority.
- No executive is allowed to approve their personally incurred expenditure.

1.3 Process for evaluating Senior Executive performance

Senior Executive performance is annually reviewed against a mix of both qualitative and quantitative measures. This includes a comparison of actual achievements during the year against specific performance measures established for each year. These measures are set individually for each Senior Executive depending on the accountabilities of their roles. Quantitative measures are based on the Senior Executive's relevant business unit performance levels. During the year such a review occurred in accordance with the process disclosed above.

2. STRUCTURE THE BOARD TO ADD VALUE

2.1 Composition

The Board currently comprises three directors, one of whom is a Non-Executive Director (Paul Isherwood) and two are Executive Directors (Peter Hill and Stephen Hill). Details of the qualifications and experience of the directors and each director's term in office are set out in the Directors' Report.

Recommendation 2.1 of the Principles states that a majority of the Board should be comprised of independent directors. The Company's Board composition throughout the year did not meet this recommendation as only Paul Isherwood is considered by the Board to be independent, as he alone satisfies the Board's criteria for director independence outlined below. The Company believes that the composition of the Board is 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.

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; and

- 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 director's 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.

Consistent with these principles, Peter Hill and Stephen Hill are not regarded as independent directors, as they are substantial shareholders of the Company. However, the Board believes those directors bring a wealth of relevant industry experience to the Company, particularly as they were also founders of the Company. Furthermore, as substantial shareholders they have a strong incentive to ensure their judgement is not clouded in Board deliberations, as the outcome (indirectly) impacts on them as much as, or more than, most other shareholders.

The two non-independent directors generally do not undertake activities personally that would be in conflict with, or substantially the same as, those of the Company. The Board distinguishes between the concept of independence and the issues of conflict of interest or material personal interests that may arise from time to time. Whenever there is an actual or potential conflict of interest or material personal interest, the Board's policies and procedures ensure that:

- The interest is fully disclosed and the disclosure is recorded in the Board minutes.
- The relevant director is excluded from all consideration of the matter by the Board.
- If considered warranted, the Board may obtain independent professional advice regarding such matters at the Company's expense.

The Company does not have a formal policy in relation to the selection, nomination and appointment and reappointment of directors due to the size and operations of the Company and the small size of the Board. As and when the need arises for the appointment of a director, the Board takes into account various criteria such as the relevant skills, qualifications and experience of the incumbent directors and the needs of the Board. Nomination for reappointment is not automatic. Prior to making a decision to nominate a director for re-appointment, the skills, qualifications, experience and contribution of incumbent directors are assessed in light of the needs of the Company.

2.2 Chairman

The Chairman of the Board, Paul Isherwood, is an independent director. 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.

2.3 Roles of the Chairman and CEO

The role of CEO is held by Matt Hill. The roles of the Chairman and the CEO are not exercised by the same individual.

The Chairman is responsible for leading the Board, ensuring directors are properly briefed in all matters relevant to their roles and responsibilities, facilitating Board discussions, and managing the Board's relationship with the Company's senior management.

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

2.4 Nomination Committee

The Company does not have a Nomination Committee. The Board considers that the size and level of operations of the Company and the small size of the Board is not sufficient to warrant such a separate Committee.

In the absence of a Nomination Committee, the full Board conduct the functions and consider the issues that would otherwise be considered by a Nomination Committee, such as the appointment and re-election of directors and Board succession matters.

2.5 Process for evaluating the performance of the Board and individual Directors

There is no independent review of the conduct and performance of each director. As the Board no longer has any Board Committees, there are also no annual reviews of Committee performance.

The Board undertakes an annual assessment of its collective performance and the performance of the Chairman. The results and action plans, if any, are included in the Board minutes. The last Board self assessment was conducted in October 2010 in accordance with the process discussed above.

3. PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

3.1 Code of conduct

The Company has adopted a code of conduct to guide the Company as to the following:

- Practices necessary to maintain confidence in the Company's integrity;
- Practices necessary to take into account the legal obligations of the Company and the expectations of stakeholders; and
- Responsibility and accountability of individuals for reporting and investigating reports of unethical conduct.

The Code of Conduct requires everyone who works for the Company and acts on its behalf to observe the highest standard of conduct and ethical behavior. The Code of Conduct is reviewed annually and updated as required. A copy of the corporate code of conduct can be viewed on the Globe corporate website www.globecorporate.com.

3.2 Policy concerning trading in Company securities

The Company has in place a formal policy that reinforces to all directors, senior executives and employees of Globe, the prohibition against insider trading and imposes limitations upon dealings in Globe securities. The policy is reviewed regularly to ensure compliance with regulations and updated as required. A copy of the policy can be found on the Globe corporate website at www.globecorporate.com.

4. SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

4.1 Audit Committee

The Company currently has no Audit Committee.

In the absence of an Audit Committee, all members of the Board participate in the oversight of corporate reporting. All Board members are considered financially literate and where necessary are provided with appropriate technical financial and industry advice.

4. SAFEGUARD INTEGRITY IN FINANCIAL REPORTING (CONT'D)

4.1 Audit Committee (cont'd)

As part of the half yearly and annual accounts the CFO reviews with the directors, all issues of relevance in preparing the accounts including the impact of changes in accounting standards and carrying value of assets.

On an annual basis, directors review management responses to a questionnaire designed to ensure they are informed of all aspects of the financial statements.

Consistent with Recommendation 7 of the Principles, the Company's financial report preparation and approval process, for the financial year ended 30 June 2010, involved both the CEO and CFO giving sign-offs. They have certified to the Board that:

- 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 as required by the Corporations Act; and
- The above statement is founded on a system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

4.1.1 External auditors

The Company's 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 28 to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the Board.

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 Board reviews the performance of the external auditors on an annual basis and if necessary meet separately with the auditors to discuss any matters raised by them in relation to the management of the Company.

The Company's current audit engagement partner was appointed in 2008. Consistent with the Corporations Act 2001, the Company requires the rotation of the audit engagement partner every five years or less.

4.2 Structure of Audit Committee

In February 2009 the Company formally dissolved its Audit Committee. Therefore, all matters that might properly be dealt with by an Audit Committee are currently dealt with by the Board as outlined in 4.1 above.

4.3 Audit Committee Charter

The Company currently does not have an Audit Committee Charter as there is no Audit Committee.

4.4 Audit Committee meetings

As the Company did not have an Audit Committee during the year there were no Audit Committee meetings held.

5. MAKE TIMELY AND BALANCED DISCLOSURE

5.1 Continuous disclosure policy

The Company has adopted a comprehensive policy covering continuous disclosure that prescribes practices to ensure compliance with ASX Listing Rules, and particularly continuous disclosure, prevention of selective disclosure and the conduct of external briefings. The policy requires accountability at a senior level for such compliance. The policy is reviewed annually and updated as required. A copy of the continuous disclosure policy 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.

6. RESPECT THE RIGHTS OF SHAREHOLDERS

6.1 Communications policy with shareholders

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

As the Company's policy relating to communications with shareholders is already covered under its continuous disclosure policy, the Company does not have a separate formal written policy relating to 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.

6.1.1 Electronic Communication

The Company continually reviews opportunities to utilise electronic communication technology to communicate with its shareholders. Shareholders are regularly encouraged to move to paperless communication, particularly in relation to the distribution of the annual report and notices of general meeting.

6.1.2 Meetings

The Company usually holds one general meeting of shareholders each year, to apprise shareholders of its operations, financial results and future plans. Shareholders are provided with the opportunity to ask questions of the directors and senior management at the general meeting.

6.1.3 Website

The Company's corporate website is available for access at all times at www.globecorporate.com. The website includes the Corporate Governance Statement and all relevant Company policies and procedures.

7. RECOGNISE AND MANAGE RISK

7.1 Policy for the oversight and management of material business risks

Consistent with Recommendation 7 of the Principles, the Company is committed to the identification, oversight, monitoring and management of material business risks associated with its business activities and has established various policies to embed in its management and reporting systems a number of risk management controls. These include:

- A comprehensive annual insurance program;
- Policies and procedures for the management of financial risk and treasury operations including exposures to foreign currency movements (see Note 2 of the Financial Statements);
- 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.

This summary of the company's risk management policies is also available on the Globe corporate website: www.globecorporate.com

Management is ultimately responsible to the Board for the group's system of internal control and risk management.

7. RECOGNISE AND MANAGE RISK (CONT'D)

7.2 Management and reporting of material business risks

7.2.1 Risk Management and Internal Control System

The Company has in place a risk management and internal control system. As required by the Board, management has reported to the Board, that the Company's material business risks have been managed effectively.

In relation to its responsibilities, the Board's consideration of the Company's risk management and internal controls includes the following:

- Reviewing risk management and internal control systems required by the Board to be designed and implemented by management to manage the Company's material business risks and making recommendations for enhancements if necessary.
- Monitoring compliance with the Corporations Act 2001, ASX, ASIC and ATO requirements.
- Improving the quality of management and accounting information.
- Overseeing the follow up and rectification by management of deficiencies or breakdown in risk management or internal controls, where necessary.

7.2.2 Internal Audit Function

The Company does not have an internal audit function. The Board believes that the Company's risk management and internal control System is adequate for the Company's current size and operations.

7.2.3 Risk Management Committee

The Company does not have a Risk Management Committee. The functions that would otherwise be performed by a Risk Management Committee are conducted by the Board as a whole.

8. REMUNERATE FAIRLY AND RESPONSIBLY

8.1 Remuneration Committee

The Company does not have a Remuneration Committee. Due to the Company's current size and operations the Board believes that this function can be performed by the Board as a whole. Accordingly, the Board performs this function by following the remuneration policies and practices outlined in the Company's Remuneration Report contained in the Directors' Report (pages 31 to 37).

This Remuneration Report contains full details of the Company's remuneration policies and practices, including the structure and actual remuneration paid to Non-Executive Directors and key management personnel and other information required by the Principles.

The Company does not have a policy in relation to employees limiting their exposure to unvested entitlements under the Company's equity based remuneration schemes. As the vesting conditions of these entitlements are not subject to market based conditions, it is not necessary for the Company to formulate a policy in this regard.

8.2 Clearly distinguish Non-Executive Directors' Remuneration from Executive Directors and Senior Executives

As required by the Principles Non-Executive Directors' Remuneration is clearly disclosed separately from that of Executive Directors and Senior Executives. Further information is provided in the Remuneration Report contained in the Directors' Report (pages 31 to 37).

The Company does not provide its directors with any retirement schemes other than contributions to statutory superannuation.

GLOBE TEAM RIDER MARK APPLEYARD

GLOBE TEAM RIDER NATE TYLER

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 2011.

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:

Paul Isherwood
AO FCA, Independent Non-Executive Chairman
568,127 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. He was also a director of St.George Bank Limited between October 1997 and December 2008. Paul is currently a director and deputy Chairman of the Australand Property Group.

Stephen Hill
Executive Director
11,986,281 shares

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

Peter Hill
Executive Director
11,986,281 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 and motorsports.

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. 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, marketing and distribution of youth fashion apparel, footwear and skateboard hardgoods for the board sports and youth markets under predominantly proprietary brands.

CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the consolidated entity during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There are no reportable matters that have occurred subsequent to the end of the financial year.

DIVIDENDS

In respect of the financial year ended 30 June 2010, as detailed in the directors' report for that financial year, a fully franked final dividend of 5 cents per share was paid to the holders of fully paid ordinary shares on 14 October 2010.

In respect of the financial year ended 30 June 2011, since the end of the financial year the directors have determined that a fully franked final dividend of 5 cents per share will be payable on 30 September 2011.

REVIEW OF OPERATIONS

Financial performance

The consolidated entity reported a net profit after tax (NPAT) of $1.1 million for the financial year ended 30 June 2011, compared with the net profit of $1.3 million reported in the previous financial year. The reduction in profit is largely a result of reduced gross margins and foreign currency impacts, offset by an increase in net sales (in constant currency) and a reduction in income tax expense recognised.

Total revenues for the year were $88.5 million, 3.5% below the $91.7 million reported in the prior year. This decline in reported revenues was mainly due to the strengthening in the Australian dollar over the 12 months to 30 June 2011. In constant currency terms, net sales were 5% above the prior year, driven by sales growth in North America and Europe – predominantly in the Globe brand.

The consolidated entity generated $2.9 million of earnings before interest, tax, depreciation and amortisation (EBITDA), compared to $5.5 million in the prior year. Increasing prices out of China and foreign currency impacts were the most significant factors that led to the reduction in profitability in the current period. On a regional basis, all operating segments reported a profit for the year.

Financial position

The consolidated entity continues to maintain a strong financial position. During the year $1.1 million of cash was generated from operations (2010: $6.0 million). As at 30 June 2011, the Group had cash of $12.3m and no debt. Compared to $14.9 million at the end of the prior financial year, the reduction in cash reflects the dividend paid in October 2010.

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 attendances by directors at Board meetings during the financial year were as follows:

	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED
Paul Isherwood	5	5
Peter Hill	5	5
Stephen Hill	5	5

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

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

Overriding principles of remuneration

The objective of the Company's executive remuneration framework is to attract and retain directors and executives capable of managing the consolidated entity's diverse operations in Australasia, North America and Europe. As the Company does not have a Remuneration Committee, executive remuneration is reviewed on an annual basis by the Board, having regard to personal performance, Company performance and relevant comparative external information.

Remuneration for directors comprises a fixed component only. Remuneration for other senior executives comprises both fixed compensation and an "at risk" component. The "at risk" component comprises both short and long term incentives. The short term incentive is based on a combination of the Company's results and individual performance levels. Incentive targets are set at the beginning of each year and assessed on an annual basis by the CEO, and the Board in the case of the CEO. The long term incentive component is based solely on Company performance, as set out in the Executive Long Term Incentive Plan (LTIP).

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

- It attracts and retains high calibre executives, as it:
  - remunerates capability and experience
  - is competitive
  - rewards executives for contributing to the achievement of Company and business unit targets
  - provides a clear structure for earning remuneration

REMUNERATION REPORT (AUDITED)(CONT'D)

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

- remuneration is linked to certain financial performance measures. Globe International Limited's net profit after tax (NPAT) and earnings before interest, tax, depreciation and amortisation (EBITDA) have been the central performance measures for the Company's executives in recent years. Other financial measures taken into consideration include revenue growth, net operating cash flows and other business objectives.

As the results of the Company have been largely below target over recent years the total short term incentive payments have been significantly below total maximum payments, and all long term incentives have lapsed as the financial targets have not been met.

Based on these over-riding principles, the executive remuneration framework satisfies the following criteria for good remuneration governance practices:

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

Directors

Remuneration and fees paid to directors reflect the demands which are made on, and the responsibilities of, the directors in their capacity as board members and/or executive directors, as the case may be. Directors' remuneration and fees are reviewed annually by the Board, both in total and by individual director. Directors do not participate in any incentive schemes.

<u>Non-executive directors</u>

Fees

The current base remuneration was last reviewed with effect from 1 October 2008, which at that time resulted in a reduction in the fees paid to the non-executive director. There have been no changes the fees since this point. As there are no sub-committees of the Board, this is an all inclusive annual fee.

Retirement allowances

There are no retirement allowances for the non-executive director. The director may, however, elect to have a portion of his remuneration paid into his personal superannuation plans.

<u>Executive directors</u>

Remuneration

For the past 9 years, the founding directors who are full time executive directors had elected not to receive any remuneration for their services. The financial year ended 30 June 2011 will be the first year since 2001 in which the executive directors are being remunerated in accordance with their positions in the Company.

The executive directors' remuneration is fixed, and consists of base pay and superannuation. The base pay is determined by the Chairman, and is considered to be reasonable in that it is below market remuneration for similar positions in the industry, and below the remuneration of other senior executives in the Company. There are no guaranteed base pay increases included in the executive directors' employment contracts and no entitlements to participate in the Company's short or long term incentive plans.

Termination benefits

Executive directors are not entitled to termination benefits other than the minimum requirements set under the National Employment Standards.

Retirement allowances

The only retirement allowances for the executive directors are superannuation payments to a nominated contribution scheme, which are made in accordance with statutory obligations in Australia.

REMUNERATION REPORT (AUDITED) (CONT'D)

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

Executives

The executive remuneration framework has three components that, combined, represent total remuneration:

- fixed compensation
- short-term incentives
- long-term incentives.

Fixed compensation

The terms of employment for all executive management include a fixed compensation component, which is expressed in local currency. This fixed component is set in accordance with the market rate for a comparable role by reference to appropriate external information and having regard to the individual's responsibility, qualifications, experience and location. Executive compensation is also reviewed on promotion and at the expiration of service agreements.

Fixed compensation includes contributions to superannuation in accordance with relevant legislation, where applicable. Fixed compensation 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. There are no guaranteed fixed remuneration increases included in any senior executive's contracts.

Short term incentives ("STI")

The STI is a cash-based plan that involves linking specific targets, both quantitative and qualitative, with the opportunity to earn incentives based on a percentage of fixed compensation. Each executive has an opportunity to earn up to 75% of their base pay as an STI, with the exception of the CEO who can earn up to 100% of base pay as an STI. Both quantitative and qualitative targets are set by the Board and the CEO at the start of each financial year. The targeted quantitative performance levels include a mix of both individual performance levels and total Company 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 Company performance. Qualitative targets make up a smaller portion of the total potential incentive payment. Such targets are more subjective and therefore payment is largely subject to the discretion of the board.

Short term incentives are awarded either in the year of measurement, or the year following. Payment in the following year allows the Board of Directors to give due consideration to the audited performance of the Company prior to determining the amount to be paid. A number of payments were made to executives in relation to the year-ended 30 June 2010 due to the turn around in performance of the Company, some of which have been recognised in the 30 June 2011 financial year. All of these payments were substantially less than the maximum possible incentive payment.

Long term incentive plan ("LTIP")

The objective of the LTIP is to remunerate senior executives in a manner that aligns their remuneration with the creation of shareholder wealth. LTIP grants are delivered in the form of performance rights, and are only made to senior executives. These performance rights are linked to predetermined earnings per share (EPS) targets and growth. The Board believes this to be the most relevant performance measure as it aligns closely with the creation of wealth for shareholders.

During the current financial year, all of the remaining performance rights under the LTIP lapsed. These performance rights were issued in November 2007. In total, 1,520,000 rights were issued over 3 tranches, with vesting dates from 30 August 2008 through to 30 August 2010. As the EPS hurdles were not achieved in each financial year, none of the performance rights issued under this plan vested.

As at the date of this report, the Board have not yet issued any further performance rights under this Plan.

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 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) Matthew Hill, and those executives that report directly to the CEO, including:

- Gary Valentine – Chief Operating Officer (since 18 March 2011)
- Jessica Moelands – Chief Financial Officer
- Matthew Wong – President Global Product
- Jon Moses – President Australasia (since 1 February 2010)
- Gerhard Correa – Company Secretary
- Scott Lewis – President International (ceased employment effective 30 June 2010).

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

	2011			2010		
NAME	CASH SALARY $	SUPERANNUATION $	TOTAL $	CASH SALARY $	SUPERANNUATION $	TOTAL $
Non-executive directors						
Paul Isherwood	115,000	-	115,000	115,000	-	115,000
Sub-total	**115,000**	**-**	**115,000**	**115,000**	**-**	**115,000**
Executive Directors						
Peter Hill (1)	190,000	15,199	205,199	-	-	-
Stephen Hill (1)	190,000	15,199	205,199	-	-	-
Sub-total	**380,000**	**30,398**	**410,398**	**-**	**-**	**-**
Total Directors Remuneration	**495,000**	**30,398**	**525,398**	**115,000**	**-**	**115,000**

(1) This is the first year in which the executive directors have been paid for their services since 2001.

REMUNERATION REPORT (AUDITED) (CONT'D)

B. Details of remuneration (cont'd)

KEY MANAGEMENT PERSONNEL (KMP) AND TOP 5 REMUNERATED EXECUTIVES

2011	SHORT TERM BENEFITS				
NAME	CASH SALARY $	NON-MONETARY BENEFITS $	CASH BONUS $	SUPERANNUATION $	TOTAL $
Key Management Personnel					
Matthew Hill (1)	677,083	37,023	156,250 (3)	-	870,356
Jessica Moelands	200,000	-	60,000 (3)	15,199	275,199
Matthew Wong	200,000	-	50,000 (3)	15,199	265,199
Gary Valentine (1)	243,490	6,060	-	-	249,550
Jon Moses	200,000	-	-	15,199	215,199
Gerhard Correa	130,000	-	5,000	12,150	147,150
Other executives included in Top 5 remunerated executives					
John Sherwood (1) (2)	230,449	10,230	2,604	-	243,283

(1) US based executive
(2) John Sherwood is the Vice President – North American Sales.
(3) Bonuses paid are in relation to the year ended 30 June 2010.

KEY MANAGEMENT PERSONNEL (KMP) AND TOP 5 REMUNERATED EXECUTIVES

2010	SHORT TERM BENEFITS				
NAME	CASH SALARY $	NON-MONETARY BENEFITS $	CASH BONUS $	SUPERANNUATION $	TOTAL $
Key Management Personnel					
Matthew Hill (1)	488,506	43,704	44,604 (7)	-	576,814
Gary Valentine (1)	268,678	6,155	57,472	-	332,305
Matthew Wong	200,000	-	-	14,461	214,461
Jessica Moelands	200,000	-	-	14,461	214,461
Scott Lewis (2)	200,000	-	-	14,461	214,461
Gerhard Correa	130,000	-	-	11,700	141,700
Jon Moses (3)	83,333	-	-	7,500	90,833
Other executives included in Top 5 remunerated executives					
Bod Boyle (1) (4)	226,293	13,354	40,230	-	279,877
John Sherwood (1) (5)	250,869	13,398	11,494	-	275,761
Steve Douglas (1) (6)	215,849	18,894	31,609	-	266,352

(1) US based executive
(2) Scott Lewis' employment with the Company ceased effective 30 June 2010.
(3) Jon Moses' employment with the Company commenced on 1 February 2010.
(4) Bod Boyle is the President – Dwindle.
(5) John Sherwood is the Vice President – North American Sales.
(6) Steve Douglas is the Vice President – Dwindle.
(7) Bonus paid is in relation to the year ended 30 June 2009.

REMUNERATION REPORT (AUDITED) (CONT'D)

C. Service agreements

Remuneration and other terms of employment of the Chief Executive Officer (CEO) are formalised in a service agreement. The initial 6 year service agreement has expired and, as such, a new agreement has been entered into on similar terms to the original agreement. This new agreement includes the provision of performance-related cash bonuses and participation in the long term incentive plan. The major provisions of the agreement relating to remuneration are set out below:

- 5 year term, commencing from 1 July 2010
- fixed remuneration to be reviewed annually by the Board of Directors
- twelve months' notice of termination by either party until the end of the contract
- termination payment is capped at the maximum limit allowed under the *Corporations Act 2001*
- cash bonus up to a maximum of 100% 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
- 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.

There has been a series of Rights awarded under this plan since 23 January 2007, none of which have vested, and all of which have since lapsed, been cancelled, or been replaced, the most recent of which lapsed on 30 August 2010 as the EPS hurdles that they were based on were not met.

As at the date of reporting, the Board of Directors has elected not to issue any further rights under the LTIP at this stage.

E. Additional information

During the 2011 financial year, the share price of the Company has remained stable with market capitalisation of less than $20 million. Over the past five financial years as a whole, there has been no increase in shareholder wealth.

REMUNERATION REPORT (AUDITED) (CONT'D)

E. Additional information (con'd)

As a contribution to shareholder wealth, the Company has returned $42.7 million to shareholders during this period, by way of:

- $32.0 million return of capital paid during 2007;
- $8.6 million return of capital paid during 2008;
- $2.1 million fully franked final dividend paid in October 2010 (5 cents per share).

INSURANCE OF OFFICERS

During the financial year, Globe International Limited paid premiums to insure the directors, secretary and senior management of the Company and its subsidiaries. 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 and its related parties received, or are due to receive, $20,350 (2010: $114,763) from the consolidated entity for non-audit services rendered during the financial year, predominantly in relation to capital restructuring and taxation compliance and advice, including assistance with correspondence with tax authorities in relation to tax audits that were underway through the year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 38.

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 18th August 2011

Paul Isherwood
Chairman

PRICEWATERHOUSECOOPERS

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Globe International Limited for the year ended 30 June 2011, 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;
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 year.

Lisa Harker

Lisa Harker
Partner
PricewaterhouseCoopers

Melbourne
18th August 2011


GLOBE
LOW LEVEL HELL
G
GLOBE

GLOBE TEAM RIDER JAKE DUNCOMBE

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2011

GLOBE INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

INCOME STATEMENT	NOTES	2011 $'000	2010 $'000
Revenue from continuing operations	4	**88,497**	**91,732**
Other income		243	50
Changes in inventories of finished goods and work in progress		1,439	(2,619)
Inventories purchased		(49,307)	(45,549)
Employee benefits expense		(14,136)	(13,006)
Depreciation and amortisation expense	5	(1,163)	(1,350)
Impairment of intangible assets	5	(199)	(831)
Finance costs	5	(14)	(138)
Selling and administrative expenses		(23,584)	(25,056)
Profit / (loss) before related income tax expense		**1,776**	**3,233**
Income tax (expense) / benefit	8(a)	(687)	(1,919)
Profit / (loss) attributable to members of Globe International Limited	24	**1,089**	**1,314**
Earnings per share attributable to members of the Company (EPS):			
Basic EPS (cents per share)	35	2.63	3.17
Diluted EPS (cents per share)	35	2.63	3.17

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

STATEMENT OF COMPREHENSIVE INCOME	2011 $'000	2010 $'000
Profit / (loss) for the year	**1,089**	**1,314**
Other comprehensive income / (expense)		
Changes in fair value of cash flow hedges	(269)	572
Exchange differences on translation of foreign operations	(3,727)	(3,052)
Income tax relating to components of other comprehensive income	779	421
Other comprehensive income / (expense) for the year, net of tax	(3,217)	(2,059)
Total comprehensive income / (expense) for the year	**(2,128)**	**(745)**

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

	NOTES	2011 $'000	2010 $'000
ASSETS			
Current assets			
Cash and cash equivalents	9	12,320	14,860
Trade and other receivables	10	12,208	14,035
Inventories	11	12,587	11,164
Prepayments		676	886
Derivative financial instruments	12	-	109
Current tax assets	16	440	651
Total current assets		38,231	41,705
Non current assets			
Property, plant and equipment	13	1,832	2,249
Other financial assets	14	1,280	1,612
Intangible assets	15	18,848	19,954
Deferred tax assets	16	3,314	3,137
Total non current assets		25,274	26,952
Total assets		**63,505**	**68,657**
LIABILITIES			
Current liabilities			
Trade and other payables	17	11,455	12,336
Derivative financial instruments	12	160	-
Current tax liabilities	18	-	96
Provisions	19	959	1,056
Total current liabilities		12,574	13,488
Non-current liabilities			
Deferred tax liabilities	18	3,444	3,532
Provisions	19	414	406
Other	20	176	133
Total non-current liabilities		4,034	4,071
Total liabilities		**16,608**	**17,559**
NET ASSETS		**46,897**	**51,098**
Equity			
Contributed equity	21	144,223	144,223
Treasury Shares	22	(487)	(487)
Reserves	23	(10,038)	(6,821)
Retained profits/(losses)	24	(86,801)	(85,817)
TOTAL EQUITY		**46,897**	**51,098**

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

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2011

GLOBE INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

	CONTRIBUTED EQUITY	TREASURY SHARES	SHARE BASED PAYMENT RESERVE	CASH-FLOW HEDGE RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	RETAINED PROFITS / (LOSSES)	TOTAL EQUITY
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2009	144,223	(455)	323	(324)	(4,761)	(87,131)	**51,875**
Profit for the year	-	-	-	-	-	1,314	**1,314**
Other comprehensive income	-	-	-	401	(2,460)	-	**(2,059)**
Total comprehensive income / (expense) for the year	-	-	-	401	(2,460)	1,314	**(745)**
Transactions with owners in their capacity as owners:							
Movement in shares held by the Employee Share Trust, net of tax	-	(32)	-	-	-	-	**(32)**
Balance at 30 June 2010	144,223	(487)	323	77	(7,221)	(85,817)	**51,098**

	CONTRIBUTED EQUITY	TREASURY SHARES	SHARE BASED PAYMENT RESERVE	CASH-FLOW HEDGE RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	RETAINED PROFITS / (LOSSES)	TOTAL EQUITY
Balance at 1 July 2010	144,223	(487)	323	77	(7,221)	(85,817)	**51,098**
Profit for the year	-	-	-	-	-	1,089	**1,089**
Other comprehensive income	-	-	-	(188)	(3,029)	-	**(3,217)**
Total comprehensive income / (expense) for the year	-	-	-	(188)	(3,029)	1,089	**(2,128)**
Transactions with owners in their capacity as owners:							
Dividends paid	-	-	-	-	-	(2,073)	**(2,073)**
Balance at 30 June 2011	144,223	(487)	323	(111)	(10,250)	(86,801)	**46,897**

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

	NOTES	2011 $'000	2010 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		90,165	93,381
Payments to suppliers and employees (inclusive of goods and services tax)		(89,162)	(86,171)
Interest received	4	222	81
Interest and other costs of finance paid	5	(14)	(138)
Income taxes received / (paid)		(72)	(1,188)
Net cash provided by/ (used in) operating activities	7	1,139	5,965
Cash flows from investing activities			
Payments for property, plant and equipment	13	(388)	(1,525)
Payments for trademarks and other intangibles	15	-	(76)
Payments for investments	14	-	(207)
Net cash provided by / (used in) investing activities		(388)	(1,808)
Cash flows from financing activities			
Cash removed from / (placed on) restricted deposit with banks as security	10	139	250
Payment of dividend		(2,073)	-
Net cash provided by/ (used in) financing activities		(1,934)	250
Net increase/ (decrease) in cash and cash equivalents		**(1,183)**	**4,407**
Cash and cash equivalents at beginning of the financial year		14,860	11,285
Effect of exchange rates on cash holdings in foreign currencies		(1,357)	(832)
Cash and cash equivalents at the end of the financial year	**9**	**12,320**	**14,860**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for 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
The consolidated financial statements of Globe International Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Adoption of standards
The consolidated entity has applied all new standards and amendments that are mandatory for the first time for the financial year beginning 1 July 2010, but has not elected to early adopt any relevant accounting standards and amendments that have been published but that are not mandatory for 30 June 2011 reporting periods. The consolidated entity's assessment of the impact of these new standards and interpretations is set out in Note 1(af).

Historical cost convention
These financial statements have been prepared under the historical cost convention, 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 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement 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(ag), along with details of any changes to such estimates during the current financial year.

(b) Principles of consolidation

(i) Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Globe International Limited as at 30 June 2011 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 acquisition method of accounting is used to account for the acquisition of subsidiaries by the consolidated entity after 1 January 2009 (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.

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

(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 Treasury 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)

(d) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of each entity of the group 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 is 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 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.

(f) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer ("CEO").

(g) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred and include interest on bank overdrafts, receivables financing facilities and any other short or long term borrowings.

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

(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 asset 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.

(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 determined based on either fair value less costs to sell or 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 have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(l) Business combinations

Business combinations that occurred before 1 January 2009

The purchase method of accounting was used for all business combinations regardless of whether equity instruments or other assets were acquired. Cost was 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 were issued in an acquisition, the value of the instruments was their market price as at the acquisition date. Transaction costs arising on the issue of equity instruments were recognised directly in equity.

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

(l) Business combinations (cont'd)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination were 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 was recorded as goodwill. If the cost of acquisition was less than the fair value of the net assets of the subsidiary acquired, the difference was 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 was deferred, the amounts payable in the future were discounted to their present value as at the date of exchange. The discount rate used was 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.

Business combinations that occurred after 1 January 2009

There have been no business combinations since 1 January 2009, so the accounting principles of the Revised AASB 3 Business Combinations have not yet been applied. Full disclosure of the revised accounting policies will be provided as and when it is applicable for the consolidated entity.

(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 asset's carrying amount and the present value of estimated future cash flows, 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 comprised of amounts receivable under a factoring arrangement and amounts due as a result of transactions outside the normal course of business. A provision for doubtful other 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 other receivable.

(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 of 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.

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

(p) Investments and other financial assets

Classification
The consolidated entity classifies its financial assets in the following categories: all receivables are classified as "loans and receivables"; investments are classified as "available-for-sale assets"; and derivatives are classified as "derivative financial instruments". The consolidated entity does not hold any "financial assets at fair value through profit and loss", as derivatives qualify for hedge accounting, nor does it hold 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 cannot 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

Trademarks and other intangible assets 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 other intangible assets over their estimated useful lives, which vary from 1 to 15 years.

Trademarks 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 objectives 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 exposures associated with these instruments is discussed in Note 2.

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.

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.

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

(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 onerous leases, 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 31 to 37 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') and the Executive Long Term Incentive Plan (`LTIP'). Information relating to these plans is included in Note 27 Key Management Personnel Disclosures and in the Remuneration Report which is set out on pages 31 to 37 of the Directors' Report.

(i) 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 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.

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

(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.

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 from 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.

(ac) Rounding of amounts

The Company has applied relief available under ASIC Class Order 98/100 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.

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

(ae) Parent entity financial information

The financial information for the parent entity, Globe International Limited, disclosed in Note 32 has been prepared on the same basis as the consolidated financial statements, except as set out below:

(i) Investments in subsidiaries
Investments in subsidiaries are accounted for at cost.

(ii) 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.

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.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. 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. 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.

(af) New accounting standards and UIG interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The consolidated entity's assessment of the impact of these new standards and interpretations which are relevant to the consolidated entity is set out below.

AASB 9 *Financial Instruments and* AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* (effective from 1 January 2013). AASB 9 Financial Instruments addresses the classification and measurement of financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The consolidated entity is yet to assess its full impact of the revised standard, but it is not expected to have a significant impact on the consolidated entity's financial statements. The consolidated entity has not yet decided when to adopt AASB 9.

Revised AASB 124 *Related Party Disclosures and* AASB 2009-12 *Amendments to Australian Accounting Standards* (effective from 1 January 2011). In December 2009 the AASB issued a revised AASB 124 *Related Party Disclosures.* It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively.

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

(af) New accounting standards and UIG interpretations (cont'd)

The amendment clarifies and simplifies the definition of a related party and therefore will not have any affect on the consolidated entity's balance sheet or income statement, but it may have an impact on disclosures. The consolidated entity will apply the amended standard from 1 July 2011, but is yet to put systems into place to capture the necessary information. It is therefore not possible to disclose the impact, if any, of the amendment on the related party disclosures.

AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* (effective for annual reporting periods beginning on or after 1 July 2011). Amendments made to AASB 7 *Financial Instruments: Disclosures* in November 2010 introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties. As the consolidated entity does have factoring arrangements for some of its accounts receivable, there may be additional disclosures required once the amendment is adopted. The consolidated entity intends to apply the amendment from 1 July 2011.

(ag) 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. Included below is the following:

(1) Details of 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; and
(2) Details of the changes in critical accounting estimates that impact both current and future periods.

(1) Estimates and assumptions with potentially material impacts on the financial statements in future periods.

(i) Estimated Impairment of Intangible Assets
The consolidated entity tests whether intangible assets have suffered any impairment in accordance with the accounting policy stated in Note 1(k). The recoverable amounts of these intangible assets are determined based on fair value less costs to sell. These calculations require the use of assumptions which are outlined in Note 15 Intangible Assets.

(ii) Fair value estimates
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.

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

(ag) Critical accounting estimates (cont'd)

(2) Changes in accounting estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

During the current financial year, management has revised it's assumption about the useful life of one of the consolidated entity's trademarks. This trademark was previously assumed to be an intangible asset with a remaining life of 23 years, but management now estimates that the brand has a remaining life of 8 years. This change in assumption is due to certain changes in the international distribution strategy for the brand, which will result in an initial increase in sales, but which may ultimately shorten the expected longevity of the brand. As a result of the revision to this accounting estimate, this intangible asset will be amortised over its remaining useful life, beginning from 1 July 2010. The revised amortisation charge is $169,000 per annum. Prior to the change in assumption, the annual amortisation charge was $60,000 per annum.

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 monitoring the financial performance of counter parties, ageing analysis for trade and other receivables credit exposures and sensitivity analysis for foreign exchange and interest rate risk.

The Board of Directors has the ultimate responsibility for the establishment and oversight of the risk management framework. The Board works with the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") to establish the overall risk and control framework. The CEO and CFO 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 the CEO and CFO to reflect changes in market conditions and the consolidated entity's activities. The CEO and CFO report to the Board on a regular basis in relation to the risk and control framework. The consolidated entity has written policies in place, covering specific areas such as foreign exchange risk and credit risk.

NOTE 2. FINANCIAL RISK MANAGEMENT (CONT'D)

The consolidated entity holds the following financial instruments as at the reporting date:

	NOTES	2011 $'000	2010 $'000
Financial assets			
Cash and cash equivalents	9	12,320	14,860
Trade and other receivables	10	12,208	14,035
Derivative financial instruments	12	-	109
Other financial assets	14	1,280	1,612
Total financial assets		**25,808**	**30,616**
Financial liabilities			
Trade and other payables	17	11,455	12,336
Derivative financial instruments	12	160	-
Total financial liabilities		**11,615**	**12,336**

(a) Credit risk

Whilst overall credit risk management is overseen by the Board, the day to day management of credit risk is conducted at a regional level by CEO, CFO and regional management teams. Credit risk arises from cash and cash equivalents, forward exchange contracts, deposits with banks as well as credit exposures to trade and other receivables.

Cash, cash equivalents and deposits are placed with reputable international banks. The counterparties to forward exchange contracts are also reputable international banks and financial institutions. The consolidated entity has a policy in place to assess any new relationships with financial institutions, and to annually monitor existing relationships.

There are no significant concentrations of credit risk in relation to trade receivables in the consolidated entity as there are a large number of customers that are internationally dispersed. To minimise exposure to credit risk, the consolidated entity has 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 uncreditworthy no credit is granted and payment is secured either by a letter of credit or prepayment for the goods. 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 may have a secured claim in certain circumstances. In some instances personal guarantees are obtained from customers. No collateral is required for trade receivables.

Other receivables include sundry receivables and amounts due from factors. The exposure to credit risk on amounts due from factors is monitored through the financial institution monitoring policy noted above, which includes regular review of financial performance and updates provided by ratings agencies and the counter-party itself.

Other financial assets represent available-for-sale investments in other entities.

Note 26 (a) contains quantitative details of the consolidated entity's exposure to credit risk.

NOTE 2. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Market risk

(i) Foreign exchange risk
The consolidated entity operates internationally and is 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, or the functional currency of one of its subsidiaries. The risk is measured using sensitivity analysis and projections of future commercial transactions. Forward contracts are used to manage foreign exchange risk associated with inventory purchases.

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 does 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 26 (b)(i) contains quantitative details and sensitivity analysis of the consolidated entity's exposure to foreign exchange risk.

(ii) Interest rate risk
The consolidated entity's main interest rate risk during the financial year resulted from movements in interest rates 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. The consolidated entity also operates receivables financing agreements, as discussed in Note 26(c). Under the terms of the agreements, the consolidated entity is exposed to interest rate risk, to the extent that the available facilities are utilised.

Note 26 (b)(ii) contains quantitative details of the consolidated entity's exposure to interest rate risk.

(c) Liquidity risk

The consolidated entity finances its operations by a combination of net cash from operating activities, the reinvestment of surplus cash and the use of short-term funding from the sale of certain receivables to factoring institutions. Liquidity risk is the risk that the consolidated entity 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. In many cases trade receivables are financially incentivised to pay on time; and credit terms with both customers and suppliers of goods and services are negotiated to minimise the gap between payment and collection.

Due to the seasonal nature of the cash flows and the requirement for working capital funding at times throughout the year, receivables factoring arrangements are maintained with reputable banks and financial institutions. Management regularly reviews the forecast levels of available facilities in line with cash flow requirements. In addition, management maintains relationships with key financial institutions that may be able to provide alternate sources of funding.

Note 26 (c) contains quantitative details of the consolidated entity's exposure to liquidity risk.

NOTE 3. SEGMENT REPORT

(a) Description of segments

Operating segments are determined in accordance with AASB 108 *Operating Segments*. To identify the operating segments of the business, management has considered the business from both a product and geographic perspective, as well as considering the way information is reported internally to management and the Board of Directors. As the business deals in predominantly one business segment – the sale of goods in the Action Sports market, management has determined that there are three operating segments based on the geographical location of each of the Divisional offices, each of which is headed by a Divisional President. These operating segments are Australasia, North America and Europe. Management and the Board monitor the performance of each of these segments separately.

Segment revenues, expenses and results may include transfers between segments. Such transfers are priced on an arms-length basis and are eliminated on consolidation.

Segment revenue includes all sales of goods and receipts from licensing income, but excludes interest income.

Segment result is after the allocation of all operating expenses, which are considered to be all expenses included in Earnings Before Interest Tax Depreciation and Amortisation (EBITDA), with the exception of Corporate expenses which do not relate to any single segment and are treated as unallocated.

Total Segment Result is after deducting non-operating expenses from the segment result, including depreciation, amortisation and impairment charges.

(b) Reportable segment information

The segment information provided to the CEO for the reportable segments is as follows:

2011	NOTES	AUSTRALASIA $'000	NORTH AMERICA $'000	EUROPE $'000	UNALLOCATED $'000	TOTAL $'000
Segment Revenue						
Total Segment Revenue	(c)(i)	23,963	49,362	15,027	-	88,352
Internal Segment revenue		-	(77)	-	-	(77)
External Segment Revenue		**23,963**	**49,285**	**15,027**	**-**	**88,275**
Segment Profit / (Loss)						
Segment EBITDA	(c)(ii)	**2,246**	**3,400**	**216**	**(2,932)**	**2,930**
Depreciation and amortisation	5	(471)	(448)	(96)	(148)	(1,163)
Impairment of intangible assets	5	-	(104)	-	(95)	(199)
Interest revenue	4	215	-	7	-	222
Finance costs	5	(3)	(9)	(2)	-	(14)
Other material non-cash items						
Impairment of receivables	5	(70)	(61)	(199)	-	(330)
Impairment of inventories	5	(90)	(141)	(10)	-	(241)

NOTE 3. SEGMENT REPORT (CONT'D)

(b) Reportable segment information (cont'd)

2011	NOTES	AUSTRALASIA $'000	NORTH AMERICA $'000	EUROPE $'000	TOTAL $'000
Segment Assets and Liabilities					
Reportable segment assets	(c)(iii)	26,744	19,305	8,141	54,190
Reportable segment liabilities	(c)(iv)	4,548	13,621	6,393	24,562
Acquisition of non-current assets		211	109	68	388

2010	NOTES	AUSTRALASIA $'000	NORTH AMERICA $'000	EUROPE $'000	UNALLOCATED $'000	TOTAL $'000
Segment Revenue						
Total Segment Revenue	(c)(i)	24,389	51,120	16,496	-	92,005
Internal Segment revenue		-	(354)	-	-	(354)
External Segment Revenue		**24,389**	**50,766**	**16,496**	**-**	**91,651**
Segment Profit / (Loss)						
Segment EBITDA	**(c)(ii)**	**1,796**	**4,968**	**904**	**(2,197)**	**5,471**
Depreciation and amortisation	5	(316)	(739)	(147)	(148)	(1,350)
Impairment of intangible assets	5	-	-	-	(831)	(831)
Interest revenue	4	81	-	-	-	81
Finance costs	5	-	(138)	-	-	(138)
Other material non-cash items						
Impairment of receivables	5	122	(82)	(144)	-	(104)
Impairment of inventories	5	(158)	(57)	(86)	-	(301)

	NOTES	AUSTRALASIA $'000	NORTH AMERICA $'000	EUROPE $'000	TOTAL $'000
Segment assets and liabilities					
Reportable segment assets	(c)(iii)	28,577	23,560	8,682	60,819
Reportable segment liabilities	(c)(iv)	3,396	16,829	6,858	27,083
Acquisition of non-current assets		1,319	266	16	1,601
Investments in other financial assets		-	207	-	207

NOTE 3. SEGMENT REPORT (CONT'D)

(c) Reconciliations

(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:

	NOTES	2011 $'000	2010 $'000
Total segment revenue		88,352	92,005
Elimination of intersegment revenue		(77)	(354)
Interest revenue		222	81
Total revenue	**4**	**88,497**	**91,732**

(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 EBITDA. 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	2011 $'000	2010 $'000
Total segment EBITDA		5,862	7,668
Unallocated corporate expenses		(2,932)	(2,197)
EBITDA		**2,930**	**5,471**
Depreciation and amortisation	5	(1,163)	(1,350)
Impairment of assets	5	(199)	(831)
Interest revenue	4	222	81
Finance costs	5	(14)	(138)
		(1,154)	**(2,238)**
Profit / (loss) before tax		**1,776**	**3,233**

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 that are unallocated. Current and deferred tax assets are not considered to be segment assets. Reportable segment assets are reconciled to total assets as follows:

	NOTES	2011 $'000	2010 $'000
Total segment assets		54,190	60,819
Elimination of intersegment loans		(11,398)	(13,152)
Unallocated Intangible assets	15	16,959	17,202
Current and deferred tax assets	16	3,754	3,788
Total assets		**63,505**	**68,657**

(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:

	NOTES	2011 $'000	2010 $'000
Total segment liabilities		24,562	27,083
Elimination of intersegment loans		(11,398)	(13,152)
Current and deferred tax liabilities	18	3,444	3,628
Total liabilities		**16,608**	**17,559**

(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	
	2011 $000	2010 $000	2011 $000	2010 $000
Australia	21,171	20,603	1,370	1,630
United States	31,609	34,032	3,028	4,316
Other foreign countries	35,495	37,016	604	667
Unallocated deferred taxes	-	-	16,958	3,137
Unallocated intangible assets	-	-	3,314	17,202
Total	**88,275**	**91,651**	**25,274**	**26,952**

NOTE 4. REVENUE

	2011 $'000	2010 $'000
Sale of goods	87,724	90,476
Royalty income	551	1,175
Finance income	222	81
	88,497	91,732

NOTE 5. EXPENSES

	2011 $'000	2010 $'000
Profit / (loss) from ordinary activities of the continuing operations, before income tax, includes the following specific expenses:		
Cost of sales	47,868	48,168
Bad and doubtful debts	330	104
Write down of inventory to net realisable value	241	301
Borrowing costs		
Interest & finance charges paid	14	138
Operating lease expenses		
Rent for premises	1,660	1,777
Depreciation		
Leasehold improvements	214	113
Plant & equipment	82	28
Office equipment, furniture and fittings	412	534
Motor Vehicles	15	5
Total Depreciation	723	680
Amortisation		
Amortisation of Trademarks	425	653
Amortisation of other intangibles	15	17
Total Amortisation	440	670
Total depreciation and amortisation	**1,163**	**1,350**
Impairment of intangible assets	**199**	**831**

NOTE 6. SIGNIFICANT ITEMS

	NOTES	2011 $'000	2010 $'000
Profit (loss) for the year includes the following or items for which disclosure is relevant in explaining the financial performance from operating activities due to their significance in either size or nature:			
Write-down in recoverable amount of intangible assets	15	(199)	(831)
Total significant items		**(199)**	**(831)**
Income tax (expense) / benefit associated with items above		60	249
Derecognition of deferred tax assets relating to unutilised tax losses		-	(315)
Total significant income tax (expense) / benefit		**60**	**(66)**
Net significant items		**139**	**(897)**

NOTE 7. NOTES TO THE STATEMENT OF CASH FLOWS

	NOTES	2011 $'000	2010 $'000
(a) Reconciliation of net cash provided by operating activities to profit / (loss) from ordinary activities after income tax			
Operating profit / (loss) after taxation		1,089	1,314
Impairment of intangible assets	5	199	831
Depreciation and amortisation	5	1,163	1,350
Derecognition of deferred tax assets (tax losses)	8(b)	-	315
Net exchange gains / (losses) on net assets		(927)	186
Changes in operating asset and liabilities as reported:			
(Increase)/Decrease in trade receivables		(68)	3,149
(Increase)/Decrease in other receivables and prepayments		2,024	(2,496)
(Increase)/Decrease in inventories		(1,422)	2,713
Increase/(Decrease) in other payables/provisions/accruals		(768)	(648)
Increase/(Decrease) in net taxes payable (recognised and unrecognised amounts)		(151)	(749)
Net cash provided by/(used in) operating activities		**1,139**	**5,965**

NOTE 8. INCOME TAX EXPENSE

	2011 $'000	2010 $'000
(a) Income tax expense recognised in the income statement		
Prior year under / (over) provision	20	58
Current tax (net of tax losses not recognised)	413	1,666
Deferred tax relating to temporary differences	254	195
Total income tax expense / (benefit)	**687**	**1,919**
The deferred income tax (benefit) / expense included in income tax expense relates to the reversal of temporary differences.		
(b) Numerical reconciliation between tax expense and pretax profit		
Profit / (loss) from continuing operations before income tax	1,776	(3,233)
Income tax expense / (benefit) calculated at 30%	533	(970)
Increase / (decrease) in tax due to:		
Prior year under / (over)	20	58
Revenue losses and temporary differences derecognised	-	315
Non allowable / (assessable) amounts	(15)	67
Expiry of foreign income tax credits	66	180
Differences in tax on overseas income	83	297
Other	-	32
Income tax expense / (benefit)	**687**	**1,919**
(c) Deferred tax recognised directly in other comprehensive income		
Cash flow hedge reserve	(81)	172
Foreign currency translation reserve	(681)	(593)
Deferred tax expense / (benefit)	**(762)**	**(421)**
(d) Franking account		
Franking account balance at 30% tax rate	**5,802**	**6,691**

NOTE 9. CASH AND CASH EQUIVALENTS

	NOTES	2011 $'000	2010 $'000
Cash at bank		8,645	9,932
Short term deposits		3,675	4,928
	(a)	12,320	14,860

(a) *Reconciliation of cash and cash and cash equivalents to the statement of cash flow*
Cash at the end of the financial year as shown in the statement of cash flows is consistent with items in the balance sheet.

(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 Risk Management. The detailed exposure to these risks as at the current balance date is disclosed in Note 26 Financial Instruments.

NOTE 10. TRADE AND OTHER RECEIVABLES

	NOTES	2011 $'000	2010 $'000
Current			
Trade receivables		9,880	10,152
Less: Provision for doubtful receivables		(1,453)	(1,793)
		8,427	8,359
Other receivables	(c)	3,192	5,078
Restricted cash on deposit	26	306	496
Trade deposits		283	102
	26	12,208	14,035

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

(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 Risk Management. The detailed exposure to these risks as at the current balance date is disclosed in Note 26 Financial Instruments.

(c) *Other receivables*
This amount includes $2.7 million (2010: $4.5 million) relating to amounts recoverable under trade receivables factoring arrangements – refer to Note 26 for further information. Other amounts generally arise from transactions outside the usual operating activities of the consolidated entity. Collateral is not normally obtained.

NOTE 11. INVENTORIES

	2011 $'000	2010 $'000
Raw materials – at cost	433	472
Work in progress – at cost	52	5
Finished goods – at cost	10,640	9,654
Raw materials - at net realisable value	60	-
Finished goods – at net realisable value	1,402	1,033
	12,587	11,164

NOTE 12. DERIVATIVE FINANCIAL INSTRUMENTS

	2011 $'000	2010 $'000
Forward exchange contracts – cash flow hedge asset / (liability)	(160)	109

(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 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 26 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, are as follows:

2011	LEASEHOLD IMP'MENTS	MOTOR VEHICLES	PLANT & EQUIPMENT	OFFICE EQUIP-MENT, FURNI-TURE & FITTINGS	TOTAL
	$'000	$'000	$'000	$'000	$'000
Cost as at 1 July 2010	*3,580*	*133*	*843*	*3,471*	*8,027*
Accumulated depreciation at 1 July 2010	*(2,628)*	*(62)*	*(413)*	*(2,675)*	*(5,778)*
Carrying value at 1 July 2010	952	71	430	796	2,249
Additions	80	17	28	263	388
Depreciation	(214)	(15)	(82)	(412)	(723)
Reclassification between classes	67	-	-	(67)	-
Foreign currency translation gain / (loss) on fixed assets of overseas subsidiaries	(14)	(16)	(9)	(43)	(82)
Carrying value at 30 June 2011	**871**	**57**	**367**	**537**	**1,832**
Consists of: *Cost as at 30 June 2011*	*3,411*	*120*	*779*	*3,128*	*7,438*
Accumulated depreciation at 30 June 2011	*(2,540)*	*(63)*	*(412)*	*(2,591)*	*(5,606)*

2010	LEASEHOLD IMP'MENTS	MOTOR VEHICLES	PLANT & EQUIPMENT	OFFICE EQUIP-MENT, FURNI-TURE & FITTINGS	TOTAL
	$'000	$'000	$'000	$'000	$'000
Cost as at 1 July 2009	*2,847*	*58*	*458*	*3,183*	*6,546*
Accumulated depreciation at 1 July 2009	*(2,499)*	*(58)*	*(384)*	*(2,113)*	*(5,054)*
Carrying value at 1 July 2009	348	-	74	1,070	1,492
Additions	750	75	388	312	1,525
Depreciation	(113)	(5)	(28)	(534)	(680)
Foreign currency translation gain / (loss) on fixed assets of overseas subsidiaries	(33)	1	(4)	(52)	(88)
Carrying value at 30 June 2010	**952**	**71**	**430**	**796**	**2,249**
Consists of: *Cost as at 30 June 2010*	*3,580*	*133*	*843*	*3,471*	*8,027*
Accumulated depreciation at 30 June 2010	*(2,628)*	*(62)*	*(413)*	*(2,675)*	*(5,778)*

NOTE 14. OTHER FINANCIAL ASSETS

	2011 $'000	2010 $'000
Investments in other entities (available for sale)	1,280	1,612

NOTE 15. INTANGIBLE ASSETS

	GOODWILL $'000	TRADEMARKS INDEFINITE LIFE $'000	TRADEMARKS FINITE LIFE $'000	OTHER INTANGIBLE ASSETS – FINITE LIFE $'000	TOTAL $'000
At 30 June 2009					
Cost	65,345	23,160	17,301	527	106,333
Accumulated amortisation and impairment	(65,345)	(4,979)	(13,303)	(36)	(83,663)
Net book amount	-	**18,181**	**3,998**	**491**	**22,670**
Year ended 30 June 2010					
Opening net book amount	-	18,181	3,998	491	22,670
Additions	-	-	76	-	76
Transfer between asset categories	-	(1,480)	1,480	-	-
Amortisation charge	-	-	(653)	(17)	(670)
Impairment charge	-	-	(831)	-	(831)
Foreign exchange translation impacts	-	-	(1,219)	(72)	(1,291)
Closing net book amount	-	**16,701**	**2,851**	**402**	**19,954**
At 30 June 2010					
Cost	65,345	21,410	17,532	444	104,731
Accumulated amortisation and impairment	(65,345)	(4,709)	(14,681)	(42)	(84,777)
Net book amount	-	**16,701**	**2,851**	**402**	**19,954**
Year ended 30 June 2011					
Opening net book amount	-	16,701	2,851	402	19,954
Amortisation charge	-	-	(425)	(15)	(440)
Impairment charge	-	-	(199)	-	(199)
Foreign exchange translation impacts	-	-	(450)	(17)	(467)
Closing net book amount	-	**16,701**	**1,777**	**370**	**18,848**
At 30 June 2011					
Cost	65,345	21,410	14,275	418	101,448
Accumulated amortisation and impairment	(65,345)	(4,709)	(12,498)	(48)	(82,600)
Net book amount	-	**16,701**	**1,777**	**370**	**18,848**

NOTE 15. INTANGIBLE ASSETS (CONT'D)

(a) Impairment tests for indefinite life intangible assets

Goodwill
Goodwill was allocated to the consolidated entity's cash-generating units (CGUs) which were determined based on specific businesses/acquisitions. The consolidated entity has carried a provision for impairment against the full cost value of goodwill since before the beginning of the current financial year. In accordance with the accounting policy in Note 1(k), this provision will never be reversed.

Trademarks with indefinite useful lives
The Globe trademark is considered to have an indefinite life. Established in 1993, Globe is the consolidated entity's flagship brand, and is a well recognised action sports brand worldwide, with a broad offering of footwear, apparel and accessories sold predominantly in North America, Europe and Australasia. The brand is not considered to have a foreseeable brand maturity date, and has accordingly been assessed as having an indefinite useful life. The carrying value of the Globe trademark as at the end of the current financial year is $16,701,000 (2010: $16,701,000).

The recoverable amount of the Globe trademark 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 and conservative growth assumptions for up to 5 years. The cumulative level of growth applied to future sales forecasts is within the range of 2% to 5%. These growth assumptions are applied based on management's assessment of the realistic short-term sales expectations of the brand based on actual sales, marketing, product and distribution initiatives that are expected to have an effect during the period. These assessments are applied after taking into account recent sales trends and general macro economic conditions. An average royalty rate of 6% is applied to these trademarks. A pre-tax discount factor in the range of 15% to 17% (2009: 15%– 17%) has been applied to the future cash flows.

NOTE 16. TAX ASSETS

	NOTES	2011 $'000	2010 $'000
Current tax assets	(i)	440	651
Deferred tax assets attributable to temporary differences	(ii)	3,046	2,705
Deferred tax assets attributable to tax losses	(iii)	268	432
Total deferred tax assets		3,314	3,137
Total tax assets		**3,754**	**3,788**

(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 temporary differences attributable to:

	2011 $'000	2010 $'000
Amounts recognised in profit or loss:		
Trade and other receivables	327	429
Inventories	305	333
Property, plant and equipment	553	669
Intangible assets	14	55
Employee benefits (provisions and payables)	399	406
Accruals	84	119
Provisions	-	12
Other	13	61
	1,695	2,084
Amounts recognised directly in equity:		
Hedging reserve	49	-
Foreign currency translation reserve	1,302	621
Total temporary differences	3,046	2,705

There are no unrecognised deferred tax assets relating to temporary differences.

NOTE 16. TAX ASSETS (CONT'D)

(iii) Deferred taxes attributable to tax losses

This balance comprises of net operating tax losses that are expected to be utilised in the next three to four 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 foreseeable future.

The consolidated entity has $7.1 million (2010: $7.1m) of deferred tax assets relating to revenue losses that have not been recognised. These tax losses do not expire under current tax legislation. Deferred tax assets will not be recognised until such time that current taxable profit forecasts for the relevant jurisdictions indicate that it is probable that these benefits will be utilised in the foreseeable future.

In addition, the consolidated entity has $3.6 million (2010: $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 will not be recognised until such time that it is probable that future capital gains will be available to utilise these benefits.

NOTE 17. TRADE AND OTHER PAYABLES

	2011 $'000	2010 $'000
Current payables		
Trade creditors	8,656	8,667
Other creditors and accruals	2,799	3,669
	11,455	12,336

NOTE 18. TAX LIABILITIES

	NOTES	2011 $'000	2010 $'000
Current			
Provision for income tax		-	96
Non current			
Deferred tax liability	(i)	3,444	3,532
(i) This balance consists of temporary differences attributable to:			
Amounts recognised in profit or loss:			
Trade and other receivables		8	5
Intangible assets		3,436	3,495
		3,444	3,500
Amounts recognised directly in equity:			
Cash flow hedges		-	32
Total temporary differences		3,444	3,532

NOTE 19. PROVISIONS

	NOTES	2011 $'000	2010 $'000
Current			
Employee entitlements	(a)	959	1,017
Onerous lease provision	(b)	-	39
		959	**1,056**
Non-current			
Employee entitlements	(a)	414	406

(a) Employee entitlements

	2011 $'000	2010 $'000
Aggregate employee benefits	1,373	1,423

Annual leave and long service leave provisions

The provision for employee entitlements comprises amounts for annual leave and long service leave. Annual leave is recognised as a current provision as the consolidated entity does not have the unconditional right to defer settlement. The consolidated entity expects annual leave amounts to be paid out within 12 months. The following assumptions were used in measuring the long service leave provision for the year ended 30 June 2011:

Expected increase in wages and salaries	3% - 4%	(2010: 3% - 4%)
Expected wages and salary on-costs	7% - 16%	(2010: 7% - 16%)

Superannuation

The consolidated entity contributes to various industry superannuation fund plans in Australia. 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 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) Onerous lease provision

The onerous lease provision covers one property for which two subtenancies have been secured for a total value which is less than the value of the original rental commitment. The movement in the provision during the financial year is shown in the table below.

	(b) ONEROUS LEASE PROVISION	
	2011 $'000	2010 $'000
Movement in provisions		
Balance at the start of year	39	114
Provisions made	111	-
Provisions utilised	(150)	(72)
Provisions released	-	(3)
Balance at end of year	**-**	**39**

NOTE 20. OTHER LIABILITIES

	2011 $'000	2010 $'000
Accruals related to lease incentives and fixed rent escalation accruals	176	133

NOTE 21. CONTRIBUTED EQUITY

	NOTES	2011 $'000	2010 $'000
Paid-up capital:			
41,463,818 (2010: 41,463,818) fully paid ordinary shares	(a)	144,223	144,223

(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. Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

(b) **Capital risk management**
The consolidated entity's primary objective when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. Accordingly, the consolidated entity's strategy is to maintain a low level of borrowings. As at the end of both the current and financial years, the consolidated entity had no borrowings. The consolidated entity did, however, utilise receivables factoring facilities at certain stages throughout the year to supplement cash reserves, as required.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, and sell assets to pay down debt or return capital to shareholders. Where there is excess capital in the business through major asset sales, the Company will aim to return this capital to shareholders.

NOTE 22. TREASURY SHARES

	NOTES	2011 $'000	2010 $'000
Treasury shares held by the Employee Share Trust	(a)	(487)	(487)
Movements in treasury shares for the year			
Opening balance		(487)	(455)
Treasury shares held by Employee Share Trust		-	(32)
Closing balance		(487)	(487)

(a) Treasury shares are shares in Globe International Limited that are held by the Employee Share Trust for the purpose of issuing shares to employees under the consolidated entity's remuneration policies, as outlined in the Remuneration Report, on pages 31 to 37 of the Directors' Report. The total number of shares held as at the end of the financial year was 510,000 (2010: 510,000).

NOTE 23. RESERVES

	NOTES	2011 $'000	2010 $'000
Foreign currency translation reserve	(a)	(10,250)	(7,221)
Hedging reserve – cash flow hedges	(b)	(111)	77
Share based payments reserve	(c)	323	323
		(10,038)	(6,821)

	2011 $'000	2010 $'000
(a) Foreign currency translation reserve		
Balance at 1 July	(7,221)	(4,761)
Currency translation differences arising during the year, net of tax	(3,029)	(2,460)
Balance at 30 June	(10,250)	(7,221)

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.

	2011 $'000	2010 $'000
(b) Hedging reserve – cash flow hedges		
Balance at 1 July	77	(324)
Revaluation – gross	(160)	109
Deferred tax	48	(32)
Transfer to inventory	(109)	463
Deferred tax	33	(139)
Balance at 30 June	(111)	77

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.

(c) 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). There was no movement in the value of the reserve in the current or the prior period.

NOTE 24. RETAINED PROFITS / (LOSSES)

	2011 $'000	2010 $'000
Balance at 1 July	(85,817)	(87,131)
Net profit / (loss) for the year (attributable to the members of the Company)	1,089	1,314
Dividends paid	(2,073)	-
Retained profits / (losses) at the reporting date	(86,801)	(85,817)

NOTE 25. DIVIDENDS

During the current year, the consolidated entity paid a final dividend for the year ended 30 June 2010. This fully franked 5 cent dividend was paid to shareholders on 14 October 2010 (2010: nil).

Since the end of the financial year, the directors have determined that a final dividend of 5 cents per share (2010: 5 cents per share) will be payable on 30 September 2011. The dividend will be fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend to be paid out of retained earnings at 30 June 2011, but not recognised as a liability at year end, is $2.1 million (2010: $2.1 million).

The fully franked final dividend determined after 30 June 2011 will be franked out of existing franking credits. Following the payment of this dividend, the franking credits available for subsequent financial years based on a tax rate of 30% are $4.9 million (2010: $5.8 million).

NOTE 26. FINANCIAL INSTRUMENTS

The consolidated entity'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's financial instruments as at balance date.

(a) Credit risk

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

	REFERENCE	2011 $'000	2010 $'000
Trade receivables (net of provision)	1	8,427	8,359
Other receivables	2	3,192	5,078
Restricted cash on deposit		306	496
Trade deposits		283	102
Total trade and other receivables		12,208	14,035
Other financial assets	3	1,280	1,612
Cash and cash equivalents	4	12,320	14,860
		25,808	30,507

NOTE 26. FINANCIAL INSTRUMENTS (CONT'D)

(a) Credit risk (cont'd)

(1) Trade receivables

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

	2011 $'000	2010 $'000
Australasia	3,634	2,652
North America	2,811	3,175
Europe	1,982	2,532
	8,427	8,359

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

	2011 $'000	2010 $'000
Past due 0 - 30 days	1,458	1,310
Past due 31 - 60 days	1,020	696
Past due 61 - 90 days	246	580
Past due greater than 91 days	-	-
	2,724	2,586

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

	2011 $'000	2010 $'000
Trade receivables – past due and impaired	1,876	2,077
Impairment allowances	(1,453)	(1,793)
	423	284

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

	2011 $'000	2010 $'000
Balance at 1 July	1,793	2,972
Impairment loss / (write-backs) recognised during the year	332	104
Impairment loss written off against receivables	(496)	(991)
Foreign currency (gain) / loss on translation of overseas entities impairment allowance	(176)	(292)
Balance at 30 June	1,453	1,793

NOTE 26. FINANCIAL INSTRUMENTS (CONT'D)

(a) Credit risk (cont'd)

(1) Trade receivables (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.

(2) Other receivables
Other receivables include sundry other receivables and amounts due from factors. All balances are current and are not considered to be impaired.

(3) Other financial assets
Other financial assets in the consolidated entity represent investments in other entities at cost.

(4) Cash and cash equivalents
Cash and cash equivalents are held at various reputed international banks in Australia, New Zealand, United States, Canada, France and the United Kingdom.

(b) Market risk

(i) Foreign exchange risk
The consolidated entity's net exposure to foreign exchange risk as at the reporting date was as follows:

	2011			2010		
	USD 000'S	EURO 000'S	GBP 000'S	USD 000'S	EURO 000'S	GBP 000'S
Trade receivables and other receivables	-	106	181	-	88	182
Trade payables	(754)	-	-	(225)	-	-
Forward exchange contracts – buy foreign currency	3,750	-	-	3,600	-	-
	2,996	106	181	3,375	88	182

NOTE 26. FINANCIAL INSTRUMENTS (CONT'D)

(b) Market risk (cont'd)

FX Risk Sensitivity analysis:

		2011				2010			
		AUD VS USD	EUR VS USD	USD VS GBP	EUR VS GBP	AUD VS USD	EUR VS USD	USD VS GBP	EUR VS GBP
	NOTE	-10% / +10% $'000	-10% / +10% $'000	-10% / +10% $'000	-10% / +10% $'000	-10% / +10% $'000	-10% / +10% $'000	-10% / +10% $'000	-10% / +10% $'000
Impact on profit after tax	(1)	(35)/28	(24)/28	(8)/10	(8)/9	(11)/14	2/(3)	12/(15)	(11)/14
Impact on equity	(2)	(190)/233	(127)/156	-	-	(331)/404	(53)/65	-	-

(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
2011					
Financial assets:					
Cash and cash equivalents	4.54%	1,476	3,675	7,169	12,320
Trade and other receivables		-	-	12,208	12,208
Other financial assets		-	-	1,280	1,280
		1,476	3,675	20,657	25,808
Financial liabilities:					
Trade and other payables		-	-	11,455	11,455
2010					
Financial assets:					
Cash and cash equivalents	4.05%	1,875	4,929	8,056	14,860
Trade and other receivables	-	-	-	14,035	14,035
Other financial assets	-	-	-	1,612	1,612
		1,875	4,929	23,703	30,507
Financial liabilities:					
Trade and other payables	-	-	-	12,336	12,336

NOTE 26. FINANCIAL INSTRUMENTS (CONT'D)

(c) Liquidity risk

(i) Financial liabilities:
The following are the contractual maturities of the financial liabilities of the consolidated entity. As all balances are due within 6 months or less, the impact of discounting is not significant and therefore the contractual cash flow is equal to the carrying amount of the financial liabilities:

	CARRYING AMOUNT $'000	CONTRACTUAL CASH FLOW - 6 MONTHS OR LESS $'000
2011		
Trade and other payables	11,455	11,455
Forward exchange contracts used for hedging:		
Inflow (Gross)	(3,520)	(3,520)
Outflow (Gross)	3,680	3,680
	11,615	11,615
2010		
Trade and other payables	12,336	12,336
Forward exchange contracts used for hedging:		
Inflow (Gross)	(4,224)	(4,224)
Outflow (Gross)	4,115	4,115
	12,227	12,227

(ii) Borrowing facilities
As at the reporting date, the consolidated entity had access to the following current borrowing facilities, which can be used as required for short-term funding to meet the contractual maturities of the financial liabilities noted above.

	REFERENCE	2011 $'000	2010 $'000
Secured receivables financing facilities			
- amount used		776	1,833
- amount unused		2,592	3,754
	(1)	3,368	5,587
Secured multi-option borrowing facilities			
- amount used		-	-
- amount unused		135	430
		135	430
Bank guarantee facilities			
- amount used		302	437
- amount unused		-	-
	(2)	302	437

NOTE 26. FINANCIAL INSTRUMENTS (CONT'D)

(c) Liquidity risk (cont'd)

(1) Secured receivables financing facilities

North America

The consolidated entity's North American subsidiaries have an arrangement to assign a portion of their accounts receivable to a factor under an ongoing arrangement that is cancellable by either party with 60 days' notice. This arrangement includes both recourse and non-recourse receivables. The majority of the receivables sold are on a non-recourse basis, which means that all credit risk passes to the factor at the time of assignment, such that the consolidated entity has no further exposure to default by trade debtors. When receivables are sold on a recourse basis, those receivables can be passed back to the consolidated entity if they are not collected within a certain time frame. Accordingly, the credit risk on these receivables remains with the consolidated entity, despite the assignment to the factor.

Non-recourse receivables sold to the factor are derecognised as trade receivables, and shown as debt due from factor under other receivables (see Note 10 Trade and Other Receivables). The consolidated entity may request advances on the net receivables factored at any time before their maturity date, which reduces the amounts owed by the factor to the consolidated entity. The factor charges a commission on the net sales factored, and interest on any advances. The interest rate is based on relevant floating reference rates, plus a fixed margin.

Maximum advances under the factoring agreement, provided at the discretion of the factor, are 80% of eligible accounts receivable (which excludes all recourse receivables), representing the total available facility. Amounts advanced are reported as cash. Obligations due to the factor under the factoring agreement are collateralised by a continuing security interest in the factored receivables, and other tangible assets of the North American subsidiaries. There are no financial covenants associated with this agreement.

Australia

The parent entity has in place a receivables financing arrangement which will continue on an annual rolling basis, with no fixed term. This is a non-disclosed facility that allows the parent entity access to funds at up to 60% of outstanding eligible trade receivables, at the discretion of the lender, to a maximum facility level of $3 million. The credit risk, and all obligations associated with collecting the receivables, remain with the consolidated entity. The consolidated entity may draw down on the net receivables factored at any time before their maturity date, with funds drawn reported as short term borrowings. The lender charges a fixed annual commission on the net sales factored, and interest on any funds drawn. The interest rate is based on relevant floating reference rates, plus a fixed margin. Obligations due to the financier under this agreement are collateralised by a continuing security interest in the financed receivables of the parent entity, and the other assets of the parent entity and its wholly owned Australian subsidiaries. There are no financial covenants associated with this agreement.

(2) Bank guarantee facilities

These facilities are based on fixed outstanding guarantee requirements. They are predominantly secured by restricted cash on deposit at the banks providing the guarantees (see Note 10 Trade and Other Receivables), as well as a secondary charge over certain assets of the consolidated group.

NOTE 27. KEY MANAGEMENT PERSONNEL DISCLOSURES

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

Chairman – non-executive director
Paul Isherwood

Executive directors
Stephen Hill
Peter Hill

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 Moelands	Chief Financial Officer	Globe International Limited
Gerhard Correa	Company Secretary	Globe International Limited
Gary Valentine	Chief Operating Officer	Osata Enterprises Inc.
Matthew Wong	President - Global Product	Globe International Limited
Jon Moses	President - Australasia	Globe International Limited

Key management personnel compensation

	2011 $	2010 $
Short–term employee benefits	1,964,906	2,002,329
Post-employment benefits	57,747	62,583
	2,022,653	2,064.912

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 page 36.

NOTE 27. 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.

	2010			2011			
NAME	BALANCE AT THE START OF THE 2010 FINANCIAL YEAR	GRANTED DURING THE 2010 FINANCIAL YEAR AS REMUNERATION	OTHER CHANGES DURING THE 2010 FINANCIAL YEAR	BALANCE AT THE END OF LAST YEAR / BEGINNING OF THIS YEAR	GRANTED DURING THE YEAR AS REMUNERATION	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR (1)
Matthew Hill	250,000	-	(250,000)	-	-	-	-
Gary Valentine	33,333	-	(33,333)	-	-	-	-
Matthew Wong	33,333	-	(33,333)	-	-	-	-
Jessica Moelands	16,667	-	(16,667)	-	-	-	-
Gerhard Correa	16,667	-	(16,667)	-	-	-	-

(1) As at the date of this report, the Board has not yet issued any further performance rights under this Plan.

Other transactions with directors and key management personnel

Shareholdings
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:

	2010			2011			
NAME	BALANCE AT THE START OF THE 2010 FINANCIAL YEAR	RECEIVED DURING THE 2010 YEAR ON THE EXERCISE OF PERFORMANCE RIGHTS	OTHER CHANGES DURING THE 2010 YEAR	BALANCE AT THE END OF THE 2010 YEAR / BEGINNING OF THIS YEAR	RECEIVED DURING THE YEAR ON THE EXERCISE OF PERFORMANCE RIGHTS	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
Directors of Globe International Limited – Ordinary Shares							
Paul Isherwood	200,000	-	200,000	400,000	-	168,127	568,127
Peter Hill	11,881,281	-	-	11,881,281	-	105,000	11,986,281
Stephen Hill	11,881,281	-	-	11,881,281	-	105,000	11,986,281
Key management personnel of the consolidated entity – Ordinary Shares							
Matthew Hill	3,454,465	-	-	3,454,465	-	-	3,454,465
Jessica Moelands	1,000	-	-	1,000	-	-	1,000
Gerhard Correa	204	-	-	204	-	-	204
Matthew Wong	117,500	-	-	117,500	-	-	117,500
Jon Moses (1)	N/A	N/A	N/A	213	-	(213)	-

(1) Jon Moses' employment with the Company commenced on 1 February 2010.

NOTE 27. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONT'D)

Related party transactions with directors and key management personnel

From time to time the consolidated entity may engage in transactions with directors, key management personnel and their related entities where the transaction presents a commercial opportunity for the consolidated entity. Such transactions occur on the condition that they are based on arms length, or better than arms length, terms and conditions. Where such transactions are on a fixed contractual basis (such as property lease contracts), approval is required by a majority of the disinterested directors of the board prior to the execution of the contract. Such approval is only granted where management is able to provide evidence to the relevant directors that the transaction is commercially relevant and has been made on an arms length basis. For property leases, such evidence includes independent professional advice with regards to the appropriate valuation of the leased property.

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, all of which were conducted under arms length terms and conditions.

(i) Stephen Hill is a director of Osaka Enterprises Pty Ltd ("Osaka"). The consolidated entity rented a commercial property from Osaka for the whole of the financial year ended 30 June 2011 and paid rent to Osaka of $130,193 (2010: $142,083). Rent is normally paid one month in advance, the amount that was prepaid at the end of June 2011 is $17,276 (2010: nil)

(ii) Peter and Stephen Hill are directors of LHCF Nominees Pty Ltd ("LHCF"). The consolidated entity entered into a lease for a commercial property with LHCF during the previous financial year, and during the current year paid rent to LHCF of $628,750 (2010: $50,000). Rent is normally paid one month in advance; the amount that was prepaid at the end of June 2011 is nil (2010: $55,000).

(iii) Peter and Stephen Hill are directors of Gleaner Developments Pty Ltd ("Gleaner"). The consolidated entity rented a commercial property from Gleaner for the whole of the financial year ended 30 June 2011, and paid rent to Gleaner of $75,029 (2010: $65,000) for the use of the property. Rent is normally paid one month in advance; the amount prepaid as at 30 June 2011 was nil (2010: nil).

(iv) (iv) Peter Hill, Stephen Hill and Matthew Hill are shareholders of Whyte House Productions International Pty Ltd ("Whyte House"). The consolidated entity ceased trading with Whyte House in the previous financial year. During the previous financial year the consolidated entity paid $88,482 to Whyte House Productions for the procurement of production, promotion and web based services. These services were provided by Whyte House on reasonable, arms length terms. The amount owing to Whyte House as at 30 June 2010 by the consolidated entity was $14,854; this amount was paid during the 2011 financial year to Whyte House and there are no further outstandings owing to Whyte House.

NOTE 28. AUDITORS' REMUNERATION

	2011 $	2010 $
(a) Audit services		
PricewaterhouseCoopers Australia:		
Audit and review of financial reports	315,270	329,026
Overseas PricewaterhouseCoopers firms:		
Audit and review of financial reports	42,958	29,960
Other regulatory services	8,149	9,631
	366,376	368,617
(b) Non-audit services		
PricewaterhouseCoopers Australia:		
Taxation services	20,350	53,028
Overseas PricewaterhouseCoopers firms and other related parties:		
Taxation services	-	61,735
	20,350	114,763

NOTE 29. CONTINGENCIES

There were no contingent liabilities or assets existing as at reporting date.

NOTE 30. COMMITMENTS

	2011 $'000	2010 $'000
a) Operating lease commitments:		
Non cancellable operating leases contracted for but not capitalised in the financial statements:		
- not later than 1 year	1,397	1,556
- later than 1 year but not later than 5 years	3,930	3,591
- later than 5 years	-	455
	5,327	5,602
(b) Sponsorship commitments:		
Minimum event and rider sponsorship commitments contracted for but not capitalised in the financial statements:		
- not later than 1 year	1,336	1,616
- later than 1 year but not later than 5 years	1,281	799
	2,617	2,415
(c) Remuneration commitments:		
Commitments in relation to employee service agreements are payable as follows:		
- not later than 1 year	605	113

NOTE 31. RELATED PARTY DISCLOSURES

(a) **Parent entity**
The ultimate parent entity of the consolidated group is Globe International Limited. For financial information relating to the parent, refer to Note 32.

(b) **Subsidiaries**
Interests in subsidiaries are set out in Note 33.

(c) **Key management personnel**
Disclosures relating to directors and key management personnel are set out in Note 27.

(d) **Transactions with related parties**
(excluding director related entities which are set out in Note 27)

The following transactions occurred with related parties:

	2011 $	2010 $
Purchase of goods		
Purchases of inventory from other related parties	17,736,719	16,081,188

NOTE 31. RELATED PARTY DISCLOSURES (CONT'D)

(e) Outstanding balances arising from transactions with related parties

(excluding director related entities which are set out in Note 27)

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

	2011 $	2010 $
Current payables (purchases of goods and services)		
Other related parties	4,479,887	5,223,460

(f) Terms and conditions

Purchases of inventory from other related parties are based on normal terms and conditions. Payables are due within 90 days from shipment date (2010: 90 days from shipment date).

NOTE 32. PARENT ENTITY FINANCIAL INFORMATION

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2011 $'000	2010 $'000
Balance sheet		
Current assets	13,069	12,856
Total assets	86,318	85,049
Current liabilities	3,906	2,687
Total liabilities	4,504	3,262
Shareholders equity		
Issued capital	144,223	144,223
Treasury shares	(487)	(487)
Reserves	226	400
Retained losses	(62,148)	(62,349)
Total Equity	81,814	81,787
Statement of comprehensive income		
Net profit / (loss) for the year	2,274	2,099
Total comprehensive income / (loss)	2,100	2,500

NOTE 32. PARENT ENTITY FINANCIAL INFORMATION (CONT'D)

(b) Guarantees entered into by the parent entity

The parent entity does not have any guarantees on behalf of its subsidiaries, with the exception of the cross guarantee given by Globe International Limited to its 100% owned Australian subsidiaries, as described in Note 34 Deed of Cross Guarantee.

(c) Contingent liabilities and contractual commitments for the acquisition of property, plant or equipment

The parent entity did not have any contingent liabilities or contractual commitments for the acquisition of property, plant or equipment as at 30 June 2011 or 30 June 2010.

NOTE 33. SUBSIDIARIES

The financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(b):

NAME	COUNTRY	OWNERSHIP INTEREST	
		2011 %	2010 %
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 SAS	France	100	100
Entities under the control of Globe Europe SAS			
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

The following entities were liquidated during the year:
Globe GB Limited - UK - previously wholly owned by Globe Europe SAS
Globe Europe BV - Netherlands - previously wholly owned by Globe Europe ApS

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

NOTE 34. 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 and balance sheet 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	2011 $'000	2010 $'000
Revenue from operations	**25,625**	**25,459**
Other income	486	(1,059)
Changes in inventories of finished goods and work in progress	1,248	(8,988)
Materials and consumables used	(10,721)	(4,662)
Employee benefits expense	(6,002)	(1,295)
Depreciation, amortisation and impairment expense	(714)	-
Selling, general and administrative expenses	(11,189)	(12,400)
Profit / (loss) before income tax	**(1,267)**	**(2,395)**
Income tax (expense) / benefit	286	(205)
Profit / (loss) from operations	**(981)**	**(2,600)**

NOTE 34. DEED OF CROSS GUARANTEE (CONT'D)

BALANCE SHEET	2011 $'000	2010 $'000
ASSETS		
Current assets		
Cash and cash equivalents	4,730	6,674
Trade and other receivables	3,370	2,315
Inventories	4,743	3,495
Derivative financial instruments	-	109
Prepayments	228	264
Total current assets	**13,071**	**12,857**
Non current assets		
Trade and other receivables	12,959	15,099
Property, plant and equipment	1,369	1,629
Other financial assets	17,399	17,399
Intangible assets	16,959	17,202
Deferred tax assets	1,969	1,256
Total non current assets	**50,655**	**52,585**
Total assets	**63,726**	**65,442**
LIABILITIES		
Current liabilities		
Trade and other payables	3,179	2,108
Derivative financial instruments	138	-
Provisions	541	575
Total current liabilities	3,858	**2,683**
Non current liabilities		
Deferred tax liabilities	3,175	2,889
Provisions	414	406
Other	176	133
Total non current liabilities	3,765	**3,428**
Total liabilities	7,623	**6,111**
NET ASSETS	**56,103**	**59,331**
Equity		
Contributed equity	144,223	144,223
Treasury shares	(487)	(487)
Reserves	226	400
Retained profits/(losses)	(87,859)	(84,805)
Total equity	**56,103**	**59,331**

NOTE 35. EARNINGS PER SHARE

	NOTES	2011	2010
Basic EPS			
Earnings used in calculation of basic earnings per share ($'000)		1,089	1,314
The weighted average number of shares on issue during the year used in calculation of basic earnings per share	21	41,463,818	41,463,818
Basic earnings per share (cents per share)		2.63	3.17
Diluted EPS			
Earnings used in calculation of diluted earnings per share ($'000)		1,089	1,314
The weighted average number of shares on issue during the year used in calculation of diluted earnings per share	21	41,463,818	41,463,818
Diluted earnings per share (cents per share)		2.63	3.17

NOTE 36. POST BALANCE DATE EVENTS

There are no reportable post balance date events.

DIRECTORS' DECLARATION

In the Directors' opinion:

(a) the financial statements and notes, as set out on pages 42 to 93, and remuneration disclosures on pages 31 to 37, 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 2011, 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 31 to 37 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 34.

The directors draw attention to Note 1(a) to the financial statements, which includes a statement of compliance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

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 2011.

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

Dated 18th August 2011

Paul Isherwood
Chairman

PricewaterhouseCoopers
ABN 52 780 433 757

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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 (the company), which comprises the balance sheet as at 30 June 2011, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Globe International Limited Group (the consolidated entity). The consolidated entity comprises 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply 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.

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

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

PRICEWATERHOUSECOOPERS

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

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 consolidated entity's financial position as at 30 June 2011 and of its 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 and notes also comply with International Financial Reporting Standards as disclosed in Note 1(a).

Report on the Remuneration Report

We have audited the remuneration report included in pages 31 to 37 of the directors' report for the year ended 30 June 2011. 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 year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001.*

PricewaterhouseCoopers

Lisa Harker
Partner

Melbourne
18th August 2011

THE SHAREHOLDER INFORMATION SET OUT BELOW WAS APPLICABLE AS AT 22 AUGUST 2011

TOP 20 SHAREHOLDERS	NUMBER OF FULLY PAID ORDINARY SHARES	PERCENTAGE OF ISSUED SHARES
Peter John Hill	11,986,281	28.91%
Stephen David Hill	11,986,281	28.91%
Matthew Patrick Hill	3,454,465	8.33%
Poly Town Pty Limited	2,436,022	5.88%
Moggs Creek Pty Limited	960,000	2.32%
National Nominees Limited	761,490	1.84%
Paul Isherwood	568,127	1.37%
Bannaby Investments Pty Limited	515,000	1.24%
CPU Share Plans Pty Limited	510,000	1.23%
Lawncat Pty Limited	450,000	1.09%
Garachi Pty Limited	418,208	1.01%
Bow Lane Nominees Pty Limited	403,736	0.97%
Michael Filipovic	370,000	0.89%
Douglas Zappelli & Leslie Zappelli & Kaylin Zappelli	333,644	0.80%
Brides Pty Limited	300,000	0.72%
Michael Sonand	253,979	0.61%
Norman O'Bryan	246,408	0.59%
J P Morgan Nominees Australia Limited	193,450	0.47%
Pacific Securities Inc	150,000	0.36%
Chemical Trustee Limited	125,000	0.30%
Philip Brass	118,150	0.29%
TOTAL	**36,540,941**	**88.13%**
TOTAL ISSUED CAPITAL	**41,463,818**	**100.00%**
Substantial shareholders		
Peter John Hill	11,986,281	28.91%
Stephen David Hill	11,986,281	28.91%
Matthew Patrick Hill	3,454,465	8.33%
Poly Town Pty Limited	2,436,022	5.88%
Distribution of shareholdings	Number of holders	Number of shares
1-1000 shares	277	124,680
1001-5,000 shares	393	940,581
5001-10,000 shares	68	536,866
10,001-100,000 shares	97	3,013,902
100,001 - and over shares	24	36,847,789
TOTAL	**859**	**41,463,818**

The number of security holders holding less than a marketable parcel is 303 and they hold 153,822 securities.

UNQUOTED EQUITY SECURITIES

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

ANNUAL REPORT

The Company has elected to distribute its Annual Report online, by making it available on its website at: www.globecorporate.com. Hard copies 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
International: +61 3 9615 9999
Facsimile: +61 3 8614 2903
Email: registrars@linkmarketservices.com.au

GLOBE FOOTWEAR TEAM RIDER TAJ BURROW
BACK COVER: GLOBE TEAM RIDER DAVID GONZALES

COMPANY PARTICULARS
As at 15 September 2011

DIRECTORS

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

SENIOR MANAGEMENT

Matt Hill	Chief Executive Officer
Jessica Moelands	Chief Financial Officer
Gary Valentine	Chief Operating Officer
Jon Moses	President Australasia
Matt Wong	President Global Product

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WEBSITES
Corporate website: www.globecorporate.com
Feedback website: www.globefeedback.com

STOCK EXCHANGE LISTING
Globe International Ltd shares are listed on the Australian Securities Exchange. Ticker: GLB

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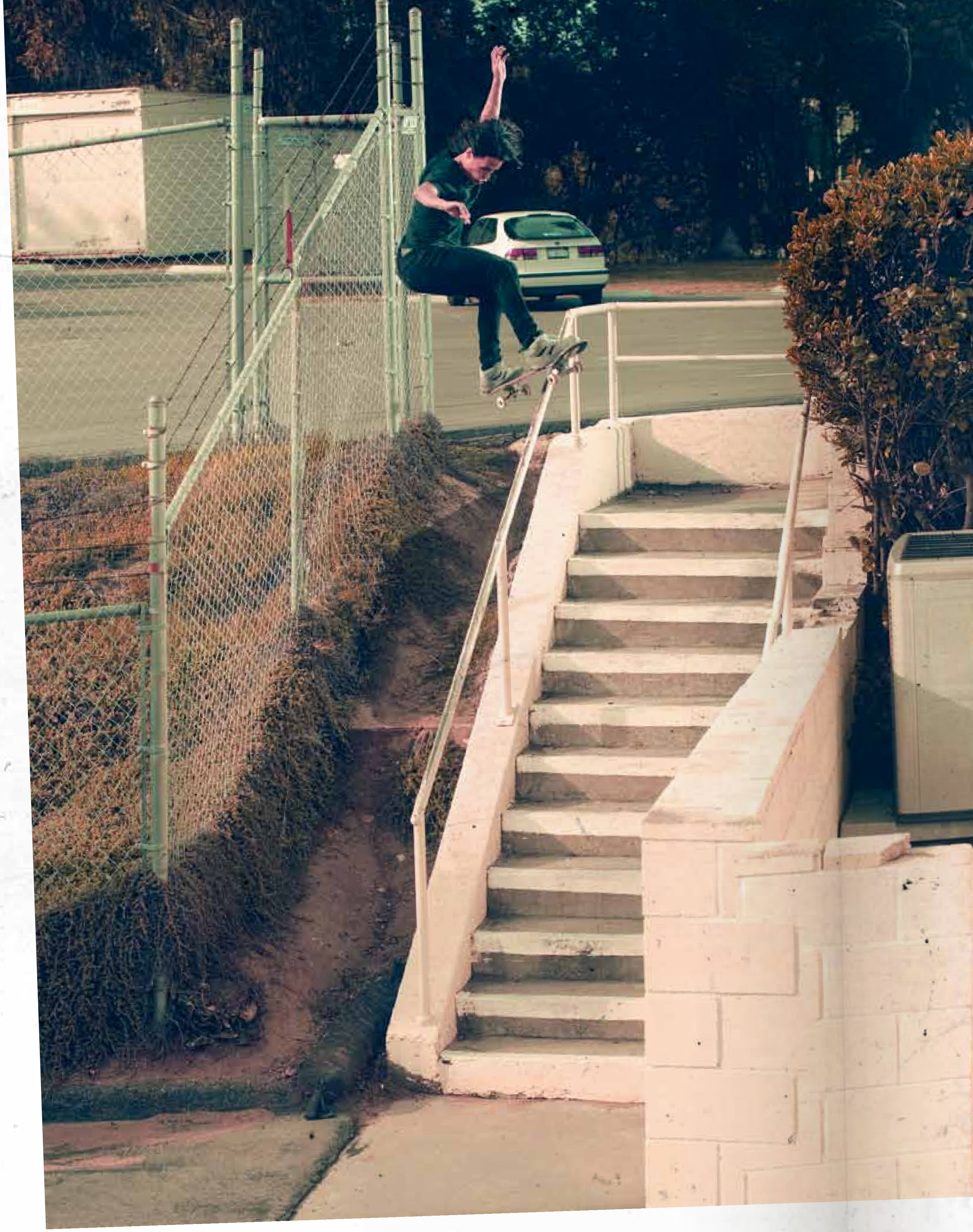

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