

**NORFOLK GROUP LIMITED
CHAIRMAN & MANAGING DIRECTOR'S ADDRESS
2010 ANNUAL GENERAL MEETING**

Slide 1 - Title

ANNUAL GENERAL MEETING
Norfolk Group Limited
4 August 2010

Slide 2 – WELCOME

GOOD MORNING LADIES AND GENTLEMEN.

MY NAME IS ROD KELLER AND I AM THE NON-EXECUTIVE CHAIRMAN OF
NORFOLK GROUP LIMITED.

ON BEHALF OF YOUR BOARD, WELCOME TO THE 2010 ANNUAL GENERAL
MEETING OF NORFOLK.

Slide 3 – AGENDA

THE AGENDA FOR THIS MORNING IS AS FOLLOWS:

1. CHAIRMAN'S ADDRESS
2. MANAGING DIRECTOR'S ADDRESS
3. FORMAL BUSINESS
 - A. CONSIDERATION OF REPORTS
 - B. QUESTIONS AND COMMENTS
 - C. ITEMS FOR APPROVAL
4. CLOSE OF MEETING
5. REFRESHMENTS

TODAY'S MEETING WILL BE CONDUCTED IN TWO PARTS. FIRSTLY, AFTER
INTRODUCING THE BOARD, I WILL COMMENT ON THE PAST YEAR BEFORE

HANDING OVER TO NORFOLK MANAGING DIRECTOR GLENN WALLACE TO DISCUSS THE GROUP'S PERFORMANCE IN THE 2010 FINANCIAL YEAR AND ITS PROSPECTS FOR THE FUTURE.

SECONDLY, AFTER THE CONCLUSION OF THESE ADDRESSES AND UNDER 'FORMAL BUSINESS', I WILL DEAL WITH THE CORPORATE MATTERS TO BE RESOLVED AT THIS MEETING.

Slide 4 –COMPANY LOGO

AS A QUORUM IS PRESENT AND THE MEETING IS VALIDLY CONSTITUTED, I FORMALLY DECLARE THE MEETING OPEN.

INTRODUCING MY FELLOW DIRECTORS, WITH ME HERE TODAY ARE:

- GLENN WALLACE, GROUP MANAGING DIRECTOR;
- AND NON-EXECUTIVE DIRECTORS:
 - PAUL CHRYSTALL; AND
 - PETER LOWE.
- PETER ABERY, NON-EXECUTIVE DIRECTOR, SENDS HIS APOLOGIES.

IN ACCORDANCE WITH THE COMPANY'S CONSTITUTION AND BOARD ROTATION, PETER ABERY WAS DUE TO STAND FOR RE-ELECTION AS A DIRECTOR OF NORFOLK GROUP AT THIS ANNUAL GENERAL MEETING. HOWEVER, PETER HAS MADE THE DECISION NOT TO STAND FOR RE-ELECTION. AS SUCH I WOULD LIKE TO TAKE THIS OPPORTUNITY TO THANK PETER FOR THE CONTRIBUTION HE HAS MADE TO THE COMPANY. WE WISH PETER WELL WITH HIS FUTURE ENDEAVOURS.

DETAILED BACKGROUNDS OF EACH OF THE BOARD MEMBERS AND THE MANAGEMENT TEAM ARE AVAILABLE IN THE 2010 ANNUAL REPORT, WHICH I ENCOURAGE YOU TO READ.

Slide 5 – GROWING COMPANY, BUILT ON HERITAGE AND EXPERIENCE

I WOULD LIKE TO COMMENCE THE CHAIRMAN'S ADDRESS BY PROVIDING A BRIEF OVERVIEW OF THE COMPANY.

THOSE OF YOU FAMILIAR WITH NORFOLK WILL BE AWARE THAT IT IS A COMPANY BUILT ON A LONG AND STRONG HERITAGE THROUGH THE INDUSTRY-LEADING BRANDS OF *O'DONNELL GRIFFIN* AND *HADEN*, EACH OF WHICH HAVE MORE THAN 100 YEARS' OF HISTORY AND EXPERIENCE, AND MORE RECENTLY OUR FACILITIES MANAGEMENT BUSINESS, *RESOLVE FM*.

Slide 6 – LOCATIONS

WITH MORE THAN 150 LOCATIONS ACROSS AUSTRALIA, NEW ZEALAND AND ASIA, NORFOLK GROUP IS A LEADING PROVIDER OF INTEGRATED ENGINEERING SOLUTIONS, WITH A STRONG TRAJECTORY FOR GROWTH ACROSS THE REGION.

Slide 7 – FY2010 KEY HIGHLIGHTS

DESPITE THE SLOW DOWN IN CONSTRUCTION ACTIVITY AND RESTRAINED SPENDING THAT RESULTED FROM THE GLOBAL FINANCIAL CRISIS, NORFOLK EXCEEDED EXPECTATIONS FOR THE FINANCIAL YEAR TO 31 MARCH 2010.

THROUGH DISCIPLINED FINANCIAL DECISION-MAKING DURING THE YEAR AND A COMMITMENT TO GROWTH THROUGH INVESTMENT IN OUR PEOPLE, NORFOLK HAS PRODUCED A STRONG RESULT, FOR WHICH I COMMEND THE MANAGEMENT TEAM OF NORFOLK, LED BY GLENN WALLACE.

LOOKING AT THE KEY POINTS FOR THE YEAR.

- NORFOLK DELIVERED RECORD REVENUE FROM CONTINUING OPERATIONS DURING THE YEAR OF \$792 MILLION, RESULTING IN A 20.7

PER CENT INCREASE IN NET PROFIT FROM CONTINUING OPERATIONS OF \$18.1 MILLION.

- EARNINGS BEFORE INTEREST TAXATION DEPRECIATION AND AMORTISATION (EBITDA) FROM CONTINUING OPERATIONS INCREASED BY 7.4 PER CENT TO \$36.2 MILLION.
- DURING THE YEAR, THE COMPANY SUCCESSFULLY COMPLETED A RIGHTS ISSUE TO RAISE \$19.9 MILLION, SIGNIFICANTLY STRENGTHENING NORFOLK'S BALANCE SHEET.
- AFTER RESTATING 2009 EARNINGS PER SHARE (OR EPS) TO REFLECT THE RIGHTS ISSUE, EPS WAS UP 18.7 PER CENT TO 13.54 CENTS PER SHARE, AND OPERATING CASH FLOW INCREASED BY 31.5 PER CENT TO \$26.7 MILLION.
- DURING THE YEAR, NORFOLK'S NEW ZEALAND OPERATIONS ALSO RETURNED TO PROFITABILITY, FOLLOWING A RESTRUCTURE AND RATIONALISING OF THAT BUSINESS IN 2009.
- AND, WITH AN ORDER BOOK AT RECORD LEVELS, YOUR COMPANY IS WELL POSITIONED TO CONTINUE TO GROW ITS PROFIT IN 2011 AND BEYOND.

Slide 8 – SHARE PRICE PERFORMANCE

WE RECOGNISE THAT SHARE PRICE IS AN IMPORTANT METRIC OF THE COMPANY'S PERFORMANCE AND I AM PLEASED TO REPORT THAT DURING THE 2010 FINANCIAL YEAR THERE WAS CONSIDERABLE STRENGTHENING IN THE NORFOLK SHARE PRICE.

WE BELIEVE THAT THROUGH A COMMITMENT TO OUR STRATEGY AND THE CONTINUED DELIVERY OF STRONG RESULTS, THE VALUE OF THE COMPANY WILL ULTIMATELY BE REFLECTED IN ITS SHARE PRICE.

Slide 9 – 'SAFETY ALL WAYS' LOGO

NORFOLK REMAINS A PEOPLE BUSINESS AND IS COMMITTED TO ACHIEVING A "ZERO HARM" CULTURE FOR OUR PEOPLE.

WHILE WE ARE PROUD OF THE SIGNIFICANT IMPROVEMENT WE HAVE SEEN IN OUR SAFETY PERFORMANCE OVER THE LAST TWO YEARS, ANY INJURY OR INCIDENT IS DEEMED UNACCEPTABLE AND WE WILL CONTINUE TO FOCUS ON IMPROVING OUR SAFETY SYSTEMS TO MEET THIS GOAL.

ON BEHALF OF THE BOARD, I WOULD LIKE TO TAKE THIS OPPORTUNITY TO THANK EACH OF OUR EMPLOYEES FOR THEIR CONTRIBUTION TOWARDS NORFOLK'S SUCCESS. THE SOLID PERFORMANCE OF THE PAST FINANCIAL YEAR IS THE RESULT OF THE COMMITMENT SHOWN FROM ALL OF OUR PEOPLE.

Slide 10 – COMPANY & DIVISION REVIEW

AGAIN, I WOULD LIKE TO COMMEND MANAGING DIRECTOR GLENN WALLACE AND HIS TEAM FOR A STRONG PERFORMANCE IN 2010.

THANK YOU FOR YOUR ATTENTION – I WOULD NOW LIKE TO HAND OVER TO GLENN TO PROVIDE YOU WITH A MORE DETAILED REVIEW OF THE COMPANY'S FINANCIAL PERFORMANCE AND OPERATIONS.

MANAGING DIRECTOR'S ADDRESS – GLENN WALLACE

THANK YOU ROD AND GOOD MORNING EVERYONE.

LET ME START BY THANKING YOU FOR YOUR CONTINUED INTEREST IN NORFOLK. THE 2010 FINANCIAL YEAR HAS BEEN A SIGNIFICANT YEAR FOR NORFOLK AND I AM EXTREMELY PLEASED WITH THE FINANCIAL RESULTS WE HAVE DELIVERED.

OUR STRONG OPERATIONAL CASH FLOW, EBITDA AND RECORD REVENUES EXCEEDED EXPECTATIONS. THESE RESULTS DEMONSTRATE THE STRENGTH OF NORFOLK'S BUSINESS MODEL AND THE RESILIENCE OF EARNINGS ACHIEVED THROUGH OUR DIVERSE SERVICES, BROAD RANGE OF CUSTOMERS AND GEOGRAPHICAL PRESENCE.

BUT ULTIMATELY WE ARE IN THE PEOPLE BUSINESS AND WITHOUT OUR PEOPLE NONE OF THIS COULD HAVE BEEN ACHIEVED. I WOULD LIKE TO ACKNOWLEDGE THE HARD WORK AND DEDICATION OF THE NORFOLK SENIOR MANAGEMENT AND THEIR RESPECTIVE TEAMS, DURING THE 2010 FINANCIAL YEAR.

INTRODUCING OUR SENIOR MANAGEMENT TEAM THAT WE HAVE PRESENT TODAY:

- ANTHONY O'SHANNESSEY, CHIEF FINANCIAL OFFICER;
- DAVID RAFTER, CHIEF EXECUTIVE – ELECTRICAL & COMMUNICATIONS AND NORFOLK INTERNATIONAL;
- RICHARD SMITH, CHIEF EXECUTIVE – MECHANICAL;
- FIONA LOVELL, GENERAL COUNSEL AND COMPANY SECRETARY;
- TONY KUTRA, GROUP BUSINESS DEVELOPMENT DIRECTOR;
- RICK WILLMOTT, GROUP HUMAN RESOURCES DIRECTOR; AND
- GEOFF STEWART, GROUP MARKETING DIRECTOR.

Slide 11 – FINANCIAL PERFORMANCE (from Continuing Operations)

TURNING TO THE FINANCIAL PERFORMANCE OF THE COMPANY; REVENUE FOR THE YEAR INCREASED BY 6.4 PER CENT TO A RECORD \$792 MILLION, AS ALREADY STATED.

THIS SLIDE ALSO HIGHLIGHTS THE STRONG AND GROWING NET OPERATING CASH FLOW FOR THE COMPANY, WHICH INCREASED FROM 20.3 MILLION TO

26.7 MILLION OVER THE COURSE OF THE YEAR; AN INCREASE OF 31.5 PER CENT.

WHILE EBIT INCREASED BY 4.5 PER CENT, MARGINS REMAINED RELATIVELY FLAT AS WE EMERGED FROM THE CHALLENGES OF THE 2009 FINANCIAL YEAR. STRENGTHENING OF MARGINS REMAINS AN IMPORTANT FOCUS FOR NORFOLK IN THE CURRENT FINANCIAL YEAR.

OVERALL, THE STRONG PERFORMANCE OF THE COMPANY RESULTED IN A NET PROFIT FROM CONTINUING OPERATIONS OF \$18.1 MILLION, PROVIDING A STABLE PLATFORM FOR GROWTH AND EXPANSION OVER THE COMING YEAR.

Slide 12 – BALANCE SHEET, CAPITAL STRUCTURE AND DIVIDEND POLICY

IN FEBRUARY 2010 THE COMPANY UNDERTOOK A RENOUNCEABLE RIGHTS ISSUE TO RAISE \$19.9 MILLION.

THE EQUITY RAISING WAS 70 PER CENT OVERSUBSCRIBED AND THE VAST MAJORITY OF OUR SHAREHOLDERS PARTICIPATED IN THIS RAISING. NORFOLK APPRECIATED THE STRONG SUPPORT SHOWN BY SHAREHOLDERS AT THIS TIME.

TO BOLSTER NORFOLK'S FINANCIAL POSITION, THE BOARD TOOK THE MEASURED DECISION NOT TO PAY A DIVIDEND THIS FINANCIAL YEAR, WHICH WILL SUPPORT OUR OBJECTIVES OF CONTINUED GROWTH AND REVENUE EXPANSION.

AS A MANAGEMENT TEAM WE ARE PROUD OF THE WAY THAT WE HAVE NAVIGATED THE COMPANY THROUGH A VERY DIFFICULT TWO YEARS, DURING WHICH WE HAVE LEARNT A LOT ABOUT OURSELVES.

WE HAVE NOW BEEN CHALLENGED ON OUR STRATEGY, ON OUR FOCUS ON SERVICE AND RECURRING WORK, EXPOSED TO A DEBT FACILITY REFINANCE AND CONTINUAL SHARE PRICE VOLATILITY.

FROM ALL OF THIS NORFOLK HAS EMERGED A MUCH WISER AND STRONGER COMPANY.

Slide 13 – ELECTRICAL & COMMUNICATIONS DIVISION

I WOULD LIKE TO HIGHLIGHT A FEW KEY POINTS RELATING TO THE THREE DIVISIONS WITHIN THE GROUP:

STARTING WITH THE ELECTRICAL & COMMUNICATIONS DIVISION.

- AS OUR LARGEST DIVISION, ELECTRICAL & COMMUNICATIONS CONTRIBUTED 51 PER CENT OF REVENUE FOR THE GROUP AND 60 PER CENT OF EBIT
- THE 15.5 PER CENT INCREASE IN REVENUE TO \$403.5 MILLION WAS A RECORD FOR THE DIVISION AND REFLECTED A CONSISTENT RESULT ACROSS ALL GEOGRAPHIES
- IN NEW ZEALAND, THE IMPROVED PERFORMANCE WAS DRIVEN LARGELY BY THE GROWING RAIL CONTRACTS WITH THE NEW ZEALAND GOVERNMENT
- OVERALL, THE RAIL BUSINESS HAS BEEN A PARTICULARLY STRONG PERFORMER AND WE CONTINUE TO ANTICIPATE FURTHER GROWTH IN THIS SECTOR
- THE ORDER BOOK FOR THE ELECTRICAL AND COMMUNICATIONS DIVISION IS VERY STRONG AND AS THE ECONOMY GAINS MOMENTUM WE EXPECT FURTHER OPPORTUNITIES TO EMERGE

Slide 14 – MECHANICAL DIVISION

THE MECHANICAL DIVISION IS OUR SECOND-LARGEST DIVISION.

- DURING THE YEAR, THE DIVISION DELIVERED \$302.9 MILLION OF REVENUE, WITH 74 PER CENT OF HADEN'S GROSS PROFIT DERIVED FROM MAINTENANCE AND RECURRING SERVICES ACTIVITIES, WHICH UNDERPINS THE STRENGTH OF THE HADEN BUSINESS AND BY EXTENSION THE MECHANICAL DIVISION
- THE NEW ZEALAND OPERATIONS ACHIEVED BOTTOM LINE IMPROVEMENT FOLLOWING THE RESTRUCTURE OF THAT BUSINESS IN 2009
- THE ORDER BOOK FOR THE DIVISION DECLINED, MAINLY DUE TO THE FALL IN CONSTRUCTION ACTIVITY.
- IT SHOULD BE NOTED THAT THE RESULT IN THE MECHANICAL DIVISION DOES INCLUDE OPERATING LOSSES AND COSTS RELATING TO THE EXITING OF THE UNITED ARAB EMIRATES.

Slide 15 – FIRE & PROPERTY SERVICES DIVISION

THE RESULT FOR OUR SMALLEST DIVISION, FIRE & PROPERTY SERVICES, WAS IMPACTED BY THE DECLINE IN THE NEW ZEALAND INDUSTRIAL DOOR MARKET.

PLEASEINGLY, THE RESOLVE FM BUSINESS DELIVERED A FULL YEAR RESULT IN LINE WITH PREVIOUS YEARS AND THAT BUSINESS IS ALSO BUOYED BY AN IMPROVED ORDER BOOK

DURING THE YEAR, MARK PERRYMAN WAS APPOINTED AS GENERAL MANAGER OF THE RESOLVE FM BUSINESS, TAKING OVER FROM RICHARD SMITH

THE OUTLOOK FOR THE FIRE AND PROPERTY SERVICES DIVISION REMAINS POSITIVE DESPITE A SLOW RETURN TO 'PRE-GFC' CONDITIONS

Slide 16 – DIVISIONAL HIGHLIGHTS

AS A GROUP, WE BENEFIT FROM BROAD DIVERSIFICATION OF OUR EARNINGS THROUGH THE RANGE OF SECTORS AND BREADTH OF OUR CUSTOMER RELATIONSHIPS.

SLIDE 16 HIGHLIGHTS SOME OF THE KEY PROJECTS AND ACTIVITIES WE HAVE BEEN INVOLVED WITH ACROSS THE DIFFERENT DIVISIONS OF THE BUSINESS. TO TOUCH ON A FEW OF THESE:

- IN THE ELECTRICAL AND COMMUNICATIONS DIVISION WE CONTINUE TO BUILD OUTSTANDING CREDENTIALS IN THE RAIL SECTOR. MAJOR PROJECTS INCLUDE:
 - BHP BILLITON'S RGP5 PROJECT IN THE PILBARA, ONTRACK IN NEW ZEALAND, AND THE EXPANDING NOVO RAIL PROJECT IN NEW SOUTH WALES.
- ALSO IN THE E&C DIVISION WE RE WORKING ON THE ADELAIDE DESALINATION PLANT AND THE CANBERRA AIRPORT TERMINAL.
- THE MECHANICAL DIVISION INCLUDES PROJECTS WITH DELL PEROT SYSTEMS AT DELHI INDIA AND THE CIVIC BUILDING IN CHRISTCHURCH, NEW ZEALAND AND HADEN'S NATIONAL KEY ACCOUNTS GREW BY 28%. NATIONAL CUSTOMERS HAVE INCREASED AS WELL AS TENDERING ACTIVITY.
- AND FINALLY, THE FIRE AND PROPERTY SERVICES DIVISION HAS DELIVERED WORK IN THE STRATEGIC AUSTRALIAN CUSTODIAL MARKET AND ON SOME OF THE MAJOR STADIA FOR THE 2011 RUGBY WORLD CUP IN NEW ZEALAND.

Slide 17 – STRATEGY AND PROGRESS

THE NORFOLK GROUP STRATEGY – THROUGH WHICH WE WILL CONTINUE TO STRIVE FOR STRONG SHAREHOLDER RETURNS – COMES DOWN TO FIVE KEY AREAS:

1. ONGOING FOCUS ON STABLE SECTORS, INCLUDING TRANSPORT INFRASTRUCTURE, WATER, POWER, RESOURCES, EDUCATION, HEALTHCARE, AND THE LIKE.
2. MAINTAINING A SOLID BASE OF REVENUE DERIVED FROM RECURRING SERVICE AND ALLIANCE-STYLE CONTRACTS, AND I AM PLEASED TO REPORT THAT EARNINGS FROM ALLIANCE CONTRACTING DOUBLED TO 10 PER CENT IN THE PAST FINANCIAL YEAR
3. DEVELOPING KEY RELATIONSHIPS WITH TECHNOLOGY PARTNERS AND THE HARNESSING OF TECHNOLOGY TO DIFFERENTIATE OURSELVES IN THE MARKET – WITH A PARTICULAR FOCUS ON RAIL AND ENVIRONMENTAL SUSTAINABILITY
4. PROACTIVELY LEVERAGING AND GROWING OUR EXISTING CUSTOMER NETWORK MAKES GOOD BUSINESS SENSE.

THROUGH THIS APPROACH WE HAVE ACHIEVED SOME GREAT OUTCOMES, INCLUDING OUR EXPANSION INTO VIETNAM WITH AN EXISTING CUSTOMER, AND OUR REGULAR CUSTOMER SYMPOSIUMS ARE ALSO PLAYING A KEY ROLE IN GROWING CROSS BUSINESS SALES

AND

5. UNDERPINNING EVERYTHING WE DO IS OUR COMMITMENT TO A STRONG HEALTH AND SAFETY CULTURE – SUPPORTED BY OUR 'SAFETY ALL WAYS' CAMPAIGN AND THE ALIGNMENT OF SAFETY TARGETS WITH MANAGEMENT INCENTIVE PROGRAMS

Slide 18 – FUTURE OF NORFOLK

DURING THE 2010 FINANCIAL YEAR WE WERE PROACTIVE IN UNDERTAKING SUBSTANTIAL RESEARCH TO REFINE OUR MARKETING APPROACH AND CLARIFY THE TARGET SECTORS FOR THE FUTURE GROWTH OF NORFOLK

PART OF THAT WORK INVOLVED A RATIONALISATION OF OUR BRANDS – GOING FORWARD THE COMPANY WILL MARKET AND DELIVER ITS SERVICES UNDER THREE KEY BRANDS:

- O'DONNELL GRIFFIN
- HADEN
- RESOLVE FM

THIS TRANSITION SIMPLIFIES THE NORFOLK BUSINESS AND OUR OFFER TO MARKET AND REDUCES THE COSTS OF MANAGING MULTIPLE BRANDS, INCLUDING WEBSITES, BRANDING, COLLATERAL AND PROMOTION

Slide 19 – OUTLOOK

AND FINALLY, TURNING TO OUTLOOK.

WE BELIEVE WE ARE IN A STRONG POSITION TO LEVERAGE FAVOURABLE LONG-TERM GROWTH OPPORTUNITIES WITH INVESTMENT IN INFRASTRUCTURE AND THE RESOURCES SECTOR.

WE WILL MAINTAIN OUR COMMITMENT TO THE EXISTING NORFOLK STRATEGY, INCLUDING A FOCUS ON STABLE SECTORS.

WE HAVE FORECAST TO ACHIEVE 10 PER CENT OF NPAT GROWTH OVER THE COMING YEAR, WHILST BEING MINDFUL OF THE MACRO-ECONOMIC IMPACTS.

WE CURRENTLY HAVE APPROXIMATELY \$725 MILLION OF 2011 REVENUE UNDERPINNED BY CONTRACTS, WORK ORDERS AND ONGOING SERVICE COMMITMENTS.

THANK YOU AGAIN FOR YOUR TIME AND INTEREST IN NORFOLK GROUP. WE
LOOK FORWARD TO SERVING OUR SHAREHOLDERS AGAIN IN 2011.

(ENDS)

FORMAL BUSINESS TO FOLLOW.