

# Tutt Bryant Group Limited



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5 August 2010

ASX Online  
Australian Securities Exchange Limited  
20 Bridge Street  
Sydney NSW 2000

**Re: Tutt Bryant Group Limited  
Chairman's Address  
Annual General Meeting, 5 August 2010**

Please find attached the Company's announcement in respect of the above.

Yours sincerely,



**Stephen E. Fisher  
Company Secretary**

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## **CHAIRMAN'S ADDRESS**

### **Annual General Meeting, 5 August 2010**

Following the receipt of a formal Offer by Tat Hong Holdings for all remaining shares in our Company, today's Annual General Meeting is likely to be Tutt Bryant's last as a listed company and therefore the last time I address you as Chairman.

At the end of my brief remarks I shall comment on the Offer and on the recommendation of the Independent Directors to accept it in the absence of a superior proposal, but first let me report on the Group's performance in the year just past.

The 2010 financial year was a difficult one for your Company. Trading conditions remained subdued in all of our operational sectors and, more broadly, our industry saw significant restructuring. The Global Financial Crisis hit our customers hard through the lack of affordable bank credit.

As a result our customers are keeping a tight rein on expenditure and major infrastructure and resources projects have been delayed. All our business Divisions were affected and group sales revenue, at \$240 million, was down by 25 per cent on the previous year. However, in these tough trading conditions, the group continued to maintain its share of the available market.

Managing Director David Haynes, will comment further on the operations of the Group during the year.

#### **Profit**

The Group's profit for the year ended 31<sup>st</sup> March 2010 was significantly below last year's result. Net profit after tax of \$8.9 million was 37 per cent lower than in the 2009 Financial Year, with all divisions contributing to the shortfall.

Diluted earnings per share were 6.3 cents compared to 10.8 cents last year.

#### **Balance sheet**

Despite our unremarkable results over the last two years, management has done a remarkable job to bring the company through the GFC with a strong balance sheet. Unlike a great number of companies in this period, we did not raise capital and did not dilute your shareholding.

## **Dividend**

Despite our operational and earnings challenges, the Group continued to pay dividends through the GFC and on 25<sup>th</sup> May 2010, the Board of Directors declared a final fully franked dividend of 2.0 cents per share which was paid on the 22<sup>nd</sup> July 2010, taking the total fully franked dividend for the year ended 31<sup>st</sup> March 2010 to 4.0 cents per share, compared to 4.5 cents in the previous year.

## **Corporate Governance**

The Board has always taken seriously its responsibility to foster high standards of corporate governance, in order to protect shareholders interests', and meet its obligations to all stakeholders. Pages 12 to 21 of this year's annual report to shareholders set out details of company policies and practices with regards to Corporate Governance issues.

## **The Future**

Now let me comment briefly on the future. On the 15th July 2010, our major shareholder Tat Hong Holdings Ltd announced that it would make an offer of 92 cents per share to acquire the remaining shares in your Company they do not already own. The Bidder's statement and Target's statement in relation to the offer, together with the independent expert's report, have been lodged with the ASX and will be mailed to you shortly.

You may therefore already have seen the main features of this Offer, including that it is unconditional and the directors independent of Tat Hong unanimously recommend that you accept the Tat Hong offer, in the absence of a superior proposal. The Tat Hong offer is 46 per cent higher than the TBG share price on the day before the offer was announced. The offer will be open for at least one month after it is mailed to you.

If the offer is successful, Tutt Bryant will be owned 100% by Tat Hong and therefore will no longer be listed on the ASX. Tat Hong's current intention is to continue to grow the three operating divisions of Tutt Bryant.

## **Conclusion**

Until the Global Financial Crisis of 2008/09, Tutt Bryant Group recorded a great run of financial results from the time of the float in 2005. That steady growth was interrupted by global and sectoral events largely beyond our direct control and it is no coincidence that some of our major competitors have experienced changes to their corporate structure in the last couple of years.

As we near the anticipated closure of one chapter as a listed company I would like to recognize the achievement of our Managing Director, David Haynes, his executive team and all the staff in growing the business in the early years, and then steering it through the very difficult circumstances of the past two years. On behalf of the Board we wish them well in the future.

In addition, I would like to thank my fellow directors for their support since ASX listing, and finally, my thanks to all our shareholders for their continued participation in the Company during our five years as a listed entity.



**Bernard Carrasco**  
**Chairman**