Tutt Bryant Group Limited

Level 1
67-73 St Hilliers Road
Auburn NSW 2144

Locked Bag 3001
Auburn NSW 2144
Australia

Tel 61 2 9646 6000
Fax 61 2 9646 6093

ABN 89 009 242 675
www.tuttbryantgroup.com.au

5 August 2010

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

Re: Tutt Bryant Group Limited
Managing Director'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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MANAGING DIRECTOR'S ADDRESS

Annual General Meeting, 5 August 2010

The subdued construction and resources markets in Australia weighed heavily on the Group's financial results in FY10.

All Divisions were affected by lower demand for our products and services as the enduring effects of the global financial crisis, especially limitations on customers' credit facilities, greatly impacted our business and led to a substantial reduction in sales for the year.

We were not alone, of course, in experiencing difficult trading conditions. All companies in our industry experienced reduced sales last year because of tighter finance conditions and a reduction in infrastructure activity caused by project delays. Industrial construction activity also slowed, reflecting a general lack of confidence in the industry.

The Group achieved total revenue of $240 million in FY10 compared to $321 million in the prior year, a reduction of 25 per cent. Net profit after tax was $8.9 million compared to $14.2 million in FY09.

With a clear understanding of the operational challenges we faced, our focus in FY10 was on ensuring our cost structure was appropriate for market conditions and on tightly managing cash flows to ensure the balance sheet remained strong. These objectives were achieved. Capital expenditure was reduced and the cash position improved markedly with over $30 million in hand at the end of the financial year. Net debt to equity improved to 24.4 per cent at the end of FY10.

Restructuring within the Group saw staffing levels reduced in certain areas of the business where the slow down in business activity was most pronounced.

I shall now make some brief comments on the operational performance of each Division.

Distribution

Sales by BT Equipment ('BT'), our distribution business, were down by 42 per cent year on year, in line with the experience of the market generally. However, some parts of the distribution business performed well.

For example, as a result of the Federal Government's investment allowance, sales of mini equipment achieved strong results as did the sales of compaction/stabiliser machinery, with BT supplying nine large machines and achieving an estimated 70 per cent segment share.

The stronger Australian dollar in the latter half of the year also assisted margins.

Crane Hire & Heavy Haulage

Turning to our Crane Hire & Heavy Haulage performance, the second half of FY10 saw a substantial slowing in demand. Projects were delayed, movement of equipment was suspended and utilities projects were deferred. This had a major negative impact on the division's revenue compared to FY09.

Our Project Services, Heavy Haulage and Bradshaw Ultra Heavy Haulage businesses all recorded substantially lower revenues in FY10. However, the crane hire business recorded 15 per cent revenue growth over the previous year.

An exciting initiative by the Group in FY10 was the formation of an incorporated joint venture between Tutt Bryant Group Limited and Fagioli SpA, an Italian heavy lift and haulage company with highly respected credentials within oil and gas and the special projects market.

This joint venture enables us to tender for major projects in Australia and the Asia Pacific region which require significantly larger lift and shift capacities than we could service from our existing fleet.

General Hire

Our General Hire business which includes Paramount Hire in Queensland and Kingston Industries in NSW experienced substantial reductions in revenue and profit in FY10 as the effects of the GFC were felt in the construction and infrastructure sectors mainly in NSW and the Sydney region.

The Kingston operation in NSW has undergone substantial changes over the past 18 months although attempts to stabilise this business have taken longer than expected.
The last 12 months has not produced any tangible recovery in NSW due to inactivity at Government level and the next 12 months will see the implementation of new sales and management strategies to generate a positive turnaround.

Historically, during periods of declining sales of new equipment we have always experienced a corresponding increase in demand for hired equipment. However, this did not happen to the same extent in FY10 because a lack of affordable finance facilities affected construction projects, many of which were postponed or cancelled.

Operational Outlook

As we look into the balance of FY11 we see mixed signals.

It is expected that equipment sales will slowly recover to pre GFC days over the next year and will meet expectations.

The Crane Hire & Heavy Haulage Division will improve as FY11 proceeds, already we have seen indications of better trading in Muswellbrook Crane Services and Kingston Heavy Haulage in WA and order books for cranes are filling as major projects come back on line.

Recent structure changes in Paramount Hire and the expansion of the sales force has created a higher level of activity and improving sales. In addition Indications the General Hire business should gain momentum as institutional lenders start releasing funds for development and infrastructure works, and State and local government investment continues.. In addition, we are expanding the division's operations by opening new and well-located stores in Victoria and

Western Australia and restructuring three stores that were acquired in late 2009 into a revitalised NSW operation.

As the FY10 financial year came to a close, markets seemed to awaken and demand for haulage, platform trailer work and crane hire increased, some delayed projects were resurrected and activity picked up, improving confidence.

Our business outcomes will of course be closely tied to prevailing economic conditions. While there is still some uncertainty as to when a more positive recovery may begin we will continue to focus on the prudent management of risk and to take advantage of the inbuilt competitive advantage our Divisional structure gives us over our single business peers.

The gradual recovery of the broader economy, albeit slowly in equipment sales and general hire, should see more construction activity in the current year and provide many opportunities for the various business units in the Group to participate and produce improved results in FY11.

Conclusion

As the Chairman has noted, the current Offer from our major shareholder, Tat Hong Holdings, to acquire all of the shares in the company it does not already own, and which your independent directors have recommended in the absence of a superior proposal, means this is likely to be the last occasion on which I address shareholders as the Managing Director of the Tutt Bryant Group as a listed entity.

However the operational side of Tutt Bryant will be unaffected by our ownership structure and I look forward to leading the management team as we continue to develop our business during FY11.

Last year was another tough year for the Group and I want to pay tribute to all Tutt Bryant employees for delivering our FY10 results in a very difficult business environment.

Given the expected delisting of the Tutt Bryant Group in the near future it is appropriate and timely that I thank the Chairman and my fellow Directors for their unfailing guidance, support and counsel during the five years since ASX listing.

I also acknowledge the ongoing close relationship with our major shareholder Tat Hong Holdings as well as the loyalty and commitment of all other shareholders in Tutt Bryant.

David J.F.P.Haynes
Managing Director