

ASX ANNOUNCEMENT

29 November 2010

Chairman's Address to Shareholders

Annual General Meeting – 25 November 2010

Welcome to the 2010 Annual General Meeting of Coote Industrial.

The last year has seen a number of significant changes at Coote from a number of perspectives including financial, personnel and operational changes.

The Coote Group of companies operate in sectors of the economy which should have seen Coote take advantage of the current positive economic conditions to deliver a solid financial outcome in 2010 but unfortunately that was not to be.

The issues which have beset the company have been well publicised over recent months particularly during the proportional bid made by Elph earlier this year and accordingly we do not intend to dwell on these.

The company's financial performance since listing in late 2006 has been erratic at best and our aim going forward is to generate consistent profitable growth.

From an investors' perspective, the company has been fairly quiet since the announced personnel changes in July up until now.

The 2010 Statutory Annual Report was not exactly a cause for celebration and it was for this reason that your Board made the decision to present our accounts without the usual array of glossy pictures and promises of future prosperity.

Our core businesses have the potential to become great businesses and your reconstituted Board and management are committed to delivering on this potential. However, the turnaround of Coote's fortunes will not be a quick exercise but rather a 3 – 5 year plan and we ask you to be patient as we continue with this task.

As we make meaningful improvements and changes, we expect the market to progressively make positive reassessments of the company.

As shareholders, your immediate primary concern is no doubt to see the value of your company restored. Our position on this is very simple, some might say even elementary – if we do the right things within the company and the business is run well, the value, as reflected in the share price will “look after itself”.

We believe this is one of the keys to delivering real and sustainable value.

So what have we done so far and what do we intend to do?

I will leave it to Vince De Santis, our Managing Director, to provide an overview of some of the actions taken to date from an operational perspective however as the saying goes, you cannot build a house without a solid foundation and in the case of any company it starts with a “Clear Vision” or as we like to ask, “what does the company want to be when it grows up”?

A vision statement must walk a fine line of not being too prescriptive and inflexible while also not being so broad as to justify almost anything.

Coote’s new vision statement is, “Be a leading supplier of technical products and solutions to the transport, resources and defence markets delivering superior value and returns.”

This vision was developed by the Board and management personnel as part of our recent group strategic planning exercise.

In broad terms, our strategy is threefold. We will Recalibrate, Refocus and Re-power the Coote group of companies.

The process of “recalibration” was unfortunately most notable in the significant but necessary write-offs made in the 2010 financial statements. It however at least now means the balance sheet more accurately reflects the true current position of the company.

Our strategic planning and review of the group’s various businesses is an important part of the effort to refocus on our core businesses and opportunities and importantly our key strengths and capabilities. This is a work in progress but the train has definitely left the station!

We are currently working on a number of initiatives which we hope to be able to progressively share with you in the not too distant future.

The change of name from Coote Industrial to Engenco may hold mixed feelings for some however it represents an important symbol of change as we move forward with a new direction and renewed focus. The support for a new name has been overwhelmingly positive from both within and outside of the company.

The issue of good corporate governance has been a matter of concern for many of our stakeholders for some time.

Earlier this month we were very pleased to announce the appointment of Mr Ross Dunning AC, to our Board as an independent non executive director. I would like to take this opportunity to publicly welcome Ross.

The addition of someone of Ross’ calibre is another important milestone for the company and we very much look forward to the valuable contribution that we know Ross will make. Ross’ appointment of course fulfils the Board’s previously stated commitment to the appointment of at least one further independent non executive director prior to today’s AGM.

Your Board is excited about the future potential of the Coote businesses and by what can be achieved with the right focus, structure and most importantly the right people.

Our employees have shown remarkable resilience and loyalty during what has been a very difficult and uncertain time over the last year or more for which we extend our gratitude and thanks.

We also wish to thank our shareholders for their patience and willingness to remain on the journey with us.

We do not promise the future will always be smooth sailing or that we will not face various challenges along the way however what we can assure you of, is our commitment to your company.

Finally, we look forward to working with our people, customers, suppliers, financiers and all other stakeholders as we set about the task of re-powering the business and turning great potential into great outcomes.

Thank you.

Dale Elphinstone
Chairman

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