



KORVEST LTD

ABN 20 007 698 106

**CHAIRMAN'S ADDRESS
TO SHAREHOLDERS**

Delivered at the Annual General Meeting on
Friday 24th October 2008
7th Floor,
151 Pirie Street Adelaide SA 5000

Ladies and Gentlemen,

Welcome to the 38th Annual General Meeting of Korvest Ltd. Today we present for your approval the financial statements for the year ended 30 June 2008 together with the reports of the Directors and Auditors.

FINANCIAL RESULTS

The revenue from trading activities including financial revenues for the year under review was \$55.098m up 21% on the previous year. Profit after tax was \$4.716m up by 3%. The improved results were achieved in an environment characterised by significant input cost pressure. Significant cost increases were incurred for steel based inputs, freight, gas and electricity.

Korvest continues to be well placed to take advantage of activity in the areas of mining and infrastructure.

The EzyStrut cable and pipe support business supplies products to contractors for small industrial developments and also supplies products for major infrastructure developments. Although cost increases were generally recovered in the small industrial sector it was difficult to recover all of the cost increases for major infrastructure projects. It is expected that there will be further cost input pressure, particularly in relation to steel in the next six to twelve months. As a result the management of major infrastructure pricing has become an area of significant focus. With an inability to fix cost prices for major project quotations a decision has been taken to either insist on appropriate rise and fall clauses or shortening the timing validity for major project pricing. Steel price volatility, which is very much driven by demand out of China, is at the highest level ever experienced by the company.

The Galvanising business, although experiencing weak demand in the first quarter of the year, rebounded to achieve satisfactory results for the full twelve months. Again the management of input costs was the major challenge for the business. Productivity and process improvements were the key areas of focus and excellent progress has been made in these two areas.

The Indax grating and stanchion business established itself as a viable supplier in South Australia and Western Australia during the year. In what could be described as an establishment year, the business is now well positioned to increase its market share particularly in the mining sector.

DIVIDEND

We have announced a fully franked final dividend of 14.0 cents per share, the same as both our interim dividend and last year's final dividend. The full year dividend in relation to the 2008 year will be 28.0 cents per share compared to 27.0 cents per share for the previous year.

The final dividend was paid on 1st September 2008.

STRATEGY AND FUTURE PERFORMANCE

Korvest expects to achieve satisfactory results in the 2009 year as a result of the ongoing activity in the key markets in which Korvest operates. The focus remains to strengthen and grow Korvest's existing business base however acquisition opportunities will always be considered.

RE-ELECTIONS

In accordance with our Articles of Association Graham Twartz retires from the board at this meeting. Graham is eligible for re-election at this meeting and offers himself accordingly.

KORVEST PEOPLE

The Directors express their appreciation to all management and staff for their efforts over the past financial year. It is pleasing that despite today's tough working environment we are steadily increasing our workforce. Korvest is fortunate to have a strong and dedicated team of people and I am sure that all here today join with me in thanking them for their continued hard work.

CORPORATE GOVERNANCE

Korvests' approach to Corporate Governance is a practical one determined by the nature and size of our business and the risks identified in our operating environment. Our practises are set out in detail in the Annual Report.

CURRENT YEAR TO DATE

It is expected that the markets that Korvest operates in will continue to grow and Korvest will maintain its share of this growth. Despite significant input cost increases being experienced early in the new financial year we are confident that improved half year and full year results will be achieved.

D.J.SIMMONS
Chairman
24 October 2008