KORVEST LTD

ABN 20 007 698 106

CHAIRMAN'S ADDRESS TO SHAREHOLDERS

Delivered at the Annual General Meeting on
Friday 16th October 2009
7th Floor,
151 Pirie Street Adelaide SA 5000

Ladies and Gentlemen,

Welcome to the 39th Annual General Meeting of Korvest Ltd. Today we present for your approval the financial statements for the year ended 30 June 2009 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 $62.896m up 14% on the previous year. Profit after tax was $5.655m up by 20%. The results were particularly pleasing in light of the economic conditions that presented themselves over the course of the year. The year saw dramatic fluctuations in steel prices and the value of the Australian dollar against the US dollar that added to the challenges faced by the business.

The EzyStrut cable and pipe support business supplies products to contractors for small industrial developments and also supplies products for major infrastructure developments. Major infrastructure developments were particularly prevalent in the first half. They did reduce however in the second half as the economic climate worsened. The smaller industrial developments did remain strong for the entire year. This solid “day-to-day” business underpinned a strong result for the year for this business. The cost of imports from China increased due to input cost and currency fluctuations.

The Galvanising business made a very strong start to the year however experienced a weakening in demand in the last quarter of the year as overall demand in the industry slowed appreciably. For a few years now there has been a strong management focus on productivity and process improvements and this has resulted in positive outcomes for the business during both the peaks and troughs of the cycle. During the months when demand was high the plant was able to efficiently process improved tonnages to satisfy the demand whilst when the demand waned, the plant was still able to operate profitably at those lower volumes.

The Indax grating and stanchion business built on the solid foundation laid in F2008 and experienced significant growth over the entire period. The focus of the business became more national during the year and work was won in all mainland states. In particular, as a result of successes in Queensland and Western Australia, specific representation was put in place in these states to capitalise on the opportunities available in those markets.

DIVIDEND

We have announced a fully franked final dividend of 17.0 cents per share, the same as our interim dividend and up on last year’s 14.0 cents final dividend. The full year dividend in relation to the 2009 year was 34.0 cents per share compared to 28.0 cents per share for the previous year.

The final dividend was paid on 1st September 2009.

STRATEGY AND FUTURE PERFORMANCE

It is expected that the markets in which Korvest's businesses operate will be subdued during 2010. However given Korvest's already significant position in these markets, the Company should continue to produce a satisfactory result. Continuing focus will be placed on streamlining operations in the group and optimising efficiencies in the business units. Korvest is well placed to take advantage of any improved economic conditions during the coming year.

RE-ELECTIONS

In accordance with our Articles of Association Peter Stancliffe, Peter Brodribb and Steven McGregor retire from the board at this meeting. Each is eligible for re-election at this meeting and offers themselves accordingly.

KORVEST PEOPLE

The Directors express their appreciation to all management and staff for their efforts over the past financial year. It was a particularly busy year for all parts of the business and all concerned are to be commended for their efforts and results. 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

Korvest's 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

Trading conditions in the first quarter have remained relatively subdued compared to the experience of 12 months ago. There has been a noticeable reduction in project work however pleasingly the level of day-to-day work has to a large extent mitigated the reduced level of project work. There are indications that the markets that Korvest operates in could improve in the second half of F2010. In light of this it is expected that the half year results will be slightly below those of last year however the full year's results should be in line with last year's.

P.W. STANCLIFFE
Chairman
16 October 2009