BERKLEE LIMITED
265-285 Learmonth Road, Wendouree, Ballarat
P.O. Box 83 Wendouree, Victoria Australia 3355
Telephone: 61 3 5338 1110 Facsimile: 61 3 5338 1111
A.B.N. 80 004 661 205

MANUFACTURERS OF AUTOMOTIVE EXHAUST SYSTEMS AND PARTS

26 November 2013

Company Announcements Office
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

BERKLEE LIMITED (ASX CODE: BER)
Chairman's AGM address

Find attached the Chairman's Annual General Meeting address.

Signed

Alan Beckett
Chairman

BERKLEE LIMITED
2013 ANNUAL GENERAL MEETING
CHAIRMAN'S ADDRESS

Welcome to the 2013AGM.

I would like to make some very brief comments before moving to the Agenda.

Review of Operations
As outlined in the Explanatory Memorandum to the Extraordinary General Meeting which was held on 17 June 2013 the business declined significantly over the 2013 financial year. As a consequence the Directors recommended the sale of the business to Tilbal Pty Limited (Tilbal). The sale was approved and the business was transferred to Tilbal effective 1 July 2013.

Since the Extraordinary General Meeting the Directors have:

- Finalised the company's regulatory obligations, being the annual accounts and tax returns for 2013;
- Appointed an agent to market and sell the land and buildings at Ballarat by 30 June 2014;
- Exited all property leases and confirmed no further obligations arise under those leases;
- Transferred the business to Tilbal including all the fixed assets and all but four employees (who have subsequently departed the Company);
- Commenced a supply of inventories to Tilbal on a consignment basis;
- Paid a 5 cent unfranked dividend;
- Commenced discussions in relation to the potential sale of the Company shell once the cash is returned to Shareholders; and
- Commenced the clean up of Subsidiary Companies in preparation of winding them up.

The current position

Cash
We currently have $1.1 million cash on hand after paying out $500,000 in unfranked dividends in October 2013.

Inventory
The inventory on hand at the end of October was $305,000, after providing for obsolesce, consisting predominantly of raw materials and trolley kits. We are currently in the process of considering the ultimate monetisation of inventories to ensure the holding costs don't exceed the potential sale value.

Accounts receivable

Collections have been excellent with only $4,000 dollars relating to more than 30 days outstanding with no experience of write offs for bad debts.

Property

As previously advised to the market Colliers were appointed back in August 2013 to sell the property. The agreed process, based on their recommendation, was to start the sale campaign in February 2014 after the Federal election and the Christmas break. We have instructed them that we want the property sold and settled prior to 30 June 2014.

We currently understand that there are potentially three interested parties and should an earlier "attractive" offer be received the Board would obviously have to take advice and give serious consideration to it.

Return of Funds to Shareholders

We have been advised that, as soon as the property and inventory have been sold and settled, that the most tax effective way to return the proceeds to Shareholders is by a Return of Capital rather than by paying unfranked dividends or a share buy back. We therefore intend to go down the Return of Capital path.

People

As previously mentioned the majority of our employees transferred to Tilbal on 1 July 2013. The last of the full time employees to leave the Company was our previous Managing Director and Company Secretary, Mr Brett Jones who left the Company on 7 November 2013 at the conclusion of his two year contract. Mr Sean Balding has been appointed as Managing Director and Company Secretary on a part time basis to replace Mr Jones. Our only employees at this time are the three part time directors and a part time consultant who assists with the preparation of the monthly accounts and ASX returns.

I would now like to move to the first item on the agenda.