

Kresta Holdings Limited

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2 November 2009

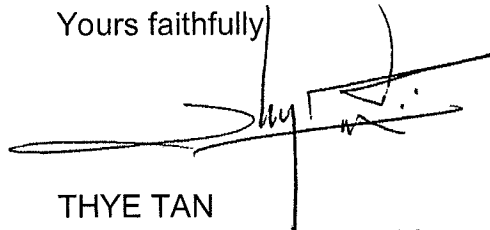
The Manager
Company Announcements Office
Australian Securities Exchange Limited
Level 4, 20 Bridge St
SYDNEY NSW 2000

Dear Sir

KRESTA HOLDINGS LIMITED – ANNUAL GENERAL MEETING

We enclose herewith a copy of the Chairman's Address which will be presented at the Kresta Holdings Limited Annual General Meeting to be held at 2.00pm, on 2 November 2009.

Yours faithfully



THYE TAN
COMPANY SECRETARY

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Chairman's Address to the Annual General Meeting of Kresta Holdings Limited held on 2 November 2009

Kresta recorded a net profit after tax for the 2008/09 year of \$3.7 million.

This was achieved on Group revenue of \$117.1million – marginally up on the previous year.

Earnings before interest and tax (EBIT) for the full year declined 12% to \$6.3 million. However, as announced to the ASX on 24 August 2009, second-half results improved significantly compared to the corresponding period in 2007/08.

The 2008/09 result was achieved after the absorption of a number of one-off costs incurred as part of the Group's strategy to position the business against any further deterioration in the economy, including growing unemployment. These one-off costs included:

- Redundancy payments of \$450,000
- Closure of non-performing stores and the relocation/refurbishment of other stores at a cost of \$200,000
- Restructuring of the Group's fitting and service department at a cost of \$400,000
- Opening seven new stores at a total cost of \$900,000

In addition, an unrealised foreign exchange loss of \$500,000 was booked to comply with IFRS requirements in recognising the value of derivatives at year-end.

As announced to the market on 24 August 2009, your directors have declared a fully franked dividend for the 2008/09 year of 1 cent per share. The dividend was paid in October.

In July Peter Hatfull joined the Kresta Board as a non-executive director. Peter is an accountant by profession with over 30 years' experience in a range of senior executive positions with both Australian and international companies. His particular areas of expertise include corporate governance, business optimisation, capital

raising and business restructuring. Peter's experience and skills will complement the Board's existing skill-set.

A resolution will be put to shareholders at today's meeting to ratify Peter's appointment.

Turning to the current year, the first quarter results have been encouraging, with sales up almost 9% and EBIT up an impressive 115% compared to the corresponding period last year. However, tight market conditions are likely to continue for the foreseeable future as unemployment fears and higher living costs maintain pressure on discretionary household expenditure.


Nevertheless, your directors will be looking to grow the Kresta business and will continue to focus on acquisition opportunities that will benefit the Group and maintain its position as a leading window covering company with a reach throughout Australia and New Zealand.

In conclusion, on behalf of shareholders I take this opportunity to thank Kresta's staff and management team, led by our Managing Director Tass Zorbas, for their efforts during the 2008/09 year, as well as the contributions of my fellow directors.

Finally, on a personal note this will be my last AGM as your Chairman as I intend to step down from the Kresta board at the end of this year. After 12 years on the board, seven of them as Chairman, it is time for fresh leadership, and I am pleased to advise that at a board meeting held earlier today your directors unanimously elected Peter Johnston to succeed me as Chairman with effect from 1 January 2010.

I wish Peter every success in that role, and as a significant shareholder in Kresta myself, I will continue to follow the company's fortunes with interest.

That concludes my Chairman's Address.



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Chairman