

**Kresta Holdings Limited**

A.B.N. 26 008 675 803

389 Victoria Road  
MALAGA WA 6090

PO Box 3036  
MALAGA DC WA 6945

Telephone: (08) 9249 0781  
Facsimile: (08) 9249 7923

25 November 2010

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

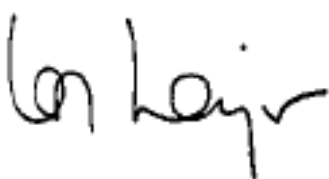
**By ASX Online**  
**Number of Pages: 2**  
(including this page)

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 11.30am, on 25 November 2010.

Yours faithfully



Ian Leijer  
Company Secretary

enc

## Chairman's Address to the Annual General Meeting of Kresta Holdings Limited held on 25 November 2010

---

- The 2009/2010 financial year witnessed a purple patch in your company's more recent history with record operating earnings driven by the Federal Government's Stimulus package and a more positive level of consumer confidence that Australia has missed the GFC bullet.
- The company's operating performance was marred by need to address deficiencies in the company inventory processes and controls which resulted in the carrying value of inventories to be reduced by \$5.8 million dollars.
- Your company, in spite of redressing its inventory issues, was able to pay 3.5 cps of fully franked dividends in respect of the 2010 financial year.
- The departure of the company's CEO and CFO late in the first quarter of this financial year has occasioned a comprehensive review of the company's activities and whilst the fundamental "bones" of the company are solid, a number of remedial actions have been necessary to implement.
- With respect to the outlook for the remainder of the 2010/11 year, the retail environment is soft. Many of the major retailers are pessimistic about a short term improvement in consumer confidence.
- For the first quarter of this financial year, the company's EBIT and profit after tax are 50% down on the prior comparable period with falling sales and margins due to intense competition for a reduced level of consumer demand. Furthermore, the appreciating value of the A\$ has witnessed higher volumes of cheaper imported products and as your company is an Australian manufacturer, there has been further substantial pressure on margins.
- Your company does not anticipate that the full year financial performance will achieve the 2009/10 result, however its strong balance sheet and implementation of the revised market strategies should ensure that the company remains profitable albeit at significantly reduced levels.



Ian Trahar  
Chairman