

HELLABY HOLDINGS LIMITED

Annual General Meeting

30 October 2008

CHAIRMAN'S ADDRESS ON BEHALF OF DIRECTORS

Fellow Shareholders

For the year ended 30 June 2008 Hellaby recorded a net profit after tax of \$4.7 million compared with a loss of (\$9.8) million in the previous year. While this represented a significant turnaround in its own terms, the result reflected the continuing impact of the poor performance of the BBQ Factory during the year, and was in itself unsatisfactory. That entity was sold right at year end, thus becoming a discontinued operation, requiring a separate presentation of its results under IFRS.

As indicated in your Annual Report, if we leave the BBQ Factory out of the analysis, the company otherwise had a much more satisfactory year.

EBITDA at \$46.8 million was 31.5 % higher than the \$35.6 million recorded for the prior year.

EBIT at \$37.1 million was 41 % better than the \$26.4 million achieved in the 2007 year.

Total revenues at \$520 million were up 15% on the previous year's \$451 million.

And the final after tax result, including the BBQ Factory represented a 5.5% return on average shareholders' funds and a net asset backing of \$1.80 per share compared with \$1.61 for the prior year.

Earnings per share were 9.3 cents, and, given the underlying strength of the company the directors decided to continue with the dividend policy announced at our last Annual General Meeting and declared a final dividend of 6 cents a share fully imputed, in addition to the 5 cents a share interim dividend declared in February and paid in April 2008.

The final dividend will be paid tomorrow, 31 October, on shares appearing on the register on 24 October 2008.

We continued the dividend reinvestment plan for this payment, with a strike price at a 5% discount to the weighted average of the company's share price on the 5 business days preceding the record date. The directors are coming to the view that a discount of this order is no longer appropriate, and this will be under review during the current year.

We signalled at last year's Annual General Meeting that we were embarking on a programme aimed at introducing new experience to the board, and I am pleased that we are able to present the new candidates to you for re-appointment at this meeting. The process has not been straightforward in that we have been seeking directors who in addition to the board's strategic functions are able to lend support to the senior management team in their on-going monitoring of subsidiary performance, and who can assist with the evaluation of assets under consideration of acquisition or divestment.

As you now, Hellaby's senior management team is but three people, and we look to our directors being more involved than is the case in many other companies.

In addition, Hugh Green who has recently retired, still owns 31 % of the company and rightly wants to be able to keep in contact with those who are stewards of his investment. To achieve this we needed to secure a director who was qualified in his own right to serve on the board, but who would also accept Hugh as his alternate. We are delighted that James

Sclater, who has no previous association with the Green Group or with Hugh has accepted to serve on this basis.

The search process produced one more candidate than we had vacancies, but with directors of the calibre and experience and John Maasland, Steve Smith and James Sclater we concluded we should expand the Board by one to accommodate all three.

The directors are extremely sensitive to the reality that now is not a good time to be seeking an increase in directors' fees, and we have had some suggestions that we withdraw the resolution.

It became apparent as we continued our search for new directors that Hellaby's existing payments were below market norms, and that we could not realistically require directors to make the contribution we expect on an enduring basis at these levels. The increase in the pool we are proposing, from \$250,000 to \$375,000, is modest relative to market norms, and taking into account that it will be spread across one more director than previously.

As I said in the letter to Shareholders accompanying the replacement Notice of Meeting, directors holding shares including Hugh as alternate, but excluding John Williamson who receives no fee, are unable to vote on this resolution.

In conclusion may I say that the directors were enormously relieved when we exited the BBQ Factory, and conscious of the lessons learned from that episode in the company's history, we are looking to moving ahead this year with a stable portfolio of good earners, and to re-establishing Hellaby in the esteem of investors.

It is ironic that we face that challenge in a year which has started with arguably the worst trading conditions experienced in a couple of decades, and an environment of huge financial uncertainty, and maybe political change.

We do so however, in the knowledge that the company starts with a better balance sheet, and a determination to continue to improve it; and with a management team that is steadfastly focused on operational performance. For them, and the Board, the key will be to find opportunity out of adversity – and it may be that for the current year performance ought to be measured more by how a company fares relative to its competitors than to the previous year.

Finally, may I thank John and the team for a year's hard work, and for the emergence of a culture aimed at lifting the company's game.

And in thanking the directors for always being available and for their contributions during the year, may I make a special tribute to Hugh Green.

Not all of you will know that it was Hugh who backed Tur Borren in his initial acquisition of the Renouf Group, and in the subsequent re-listing of the company as Hellaby. Hugh has rarely missed a Board meeting since. He is an intuitive businessman, with a keen eye for an opportunity, and a keen instinct for a margin. He brought to the table some very strong personal standards of business behaviour, and an old fashioned work ethic. His judgements around the table were peppered with basic farming analogies which were as true as they were straightforward. We shall miss him, but I sense he will never be far from the company.

May I now hand over to our Chief Executive, John Williamson.