

CHAIRMAN'S ADDRESS ANNUAL GENERAL MEETING

7 NOVEMBER 2001

The dramatic and far reaching events of September 11 on the International scene as well as some major local collapses have had a flow-on impact to industries which our Company services. But I am pleased to say that at this date we are achieving double digit growth in revenue over the same period last year and still expect to deliver this growth over the full year.

The first four months of trading this Financial year have produced steady growth in what is seen as a slowing economy with some outstanding individual achievements recorded.

Margins were however being impacted by a deteriorating exchange rate against major currencies both here and in New Zealand and this has required pricing action to counter the decline.

Our current focus continues on organic growth and with the opening of the new Adelaide outlet this month we will further broaden our product philosophy. The benefits of this development will be closely monitored with a view to its progressive adoption through all outlets.

We will also maintain a watching brief on acquisition opportunities as these arise although in the current economic scene this has taken a lower priority

The outcome of the impending Federal election would appear to have minimal impact on our Industry or those which we service with both parties agreeing to continue the "on road diesel grant scheme" beyond 2002 and no specific benefits being offered.

Our shares continue to be thinly traded but have shown an appreciation in value to a more realistic level over this time last year and we hope that this will continue in the future. At a recent Board Meeting it was resolved to extend the Company Option Plan to senior Management and this has been well received. A maximum 350,000 options will be offered to senior Managers.

In closing this brief update for those present I must record my appreciation to everybody within the organisation for their support and untiring efforts to make Multispares First in Truck & Bus parts.

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