

31 October 2008

**CRANE GROUP LIMITED
ANNUAL GENERAL MEETING 2008**

CHAIRMAN'S ADDRESS

Ladies and gentlemen,

Good morning and welcome to the Crane Group Annual General Meeting for 2008.

My name is Leo Tutt and I am the Chairman of the Board of Crane Group.

On the podium with me are your other Board members. Let me introduce them to you.

Immediately to my right is the Managing Director Greg Sedgwick, the Finance Director Mark Fitzgerald, the Company Secretary Susan Leppinus and directors John Harkness, Trevor Carroll, Cec Stubbs and Robert Fraser. I would particularly like to welcome Trevor to the Board for his first AGM. Cec Stubbs will retire at the end of the year after 10 years as a director of Crane Group. I want to thank Cec for his contribution to the Board over this period and particularly for his strategic initiative and manufacturing expertise.

I'll move on now to provide an overview of the past year's activities.

For the 2008 Financial Year the Group generated a net profit after tax before significant items of \$63.8 million, an improvement of 18.2% on the previous year. Cash flow from operations remained healthy at \$90.9 million.

This was a very solid result for the Group.

Pipelines participated in a number of large-scale water infrastructure projects in Australia during the year, including the Western Corridor Recycled Water Project in South East Queensland and Supply Systems 1 and 2 of the Wimmera Mallee Pipelines Project in Victoria. In June 2008 Iplex secured another stage of the Wimmera Mallee Pipeline Project.

There was a significant restructure of Crane Group's trade distribution businesses towards the end of the financial year whereby Tradelink and CDNZ are now managed by one senior management team reporting to Ivor Timmins.

Despite difficult conditions in global credit markets, the Group was able to secure its medium and long term funding positions during the year:

- In July 2007 \$60 million of additional equity capital was raised through an institutional placement.
- In January 2008 one of our major banking facilities was renewed for a further three years.
- In July 2008 the Group obtained additional debt funding of \$80 million via facilities from a new banker to the Group.

This additional funding puts the Crane Group in a strong position, particularly at a time of considerable credit tightening following the current turmoil in credit markets, to ensure our stability and to pursue future growth opportunities should they arise in the near future.

Crane Group launched its first Graduate Recruitment Program for finance graduates during the year. This Program is designed to improve the development and depth in the finance function of the Group and strengthen our future management team.

We also made further improvements in managing safety risks and in injury management. The Total Incident Case Rate decreased by a further 30%. The focus in 2009 will emphasise safe manual handling, motor vehicle accident prevention including driver training.

Your Board places strong emphasis on good corporate governance. The Horwath Corporate Governance Report 2008 independently assesses the corporate governance structures and policies of Australia's largest 250 listed companies. It ranked Crane Group's corporate governance practices equal first with a five star rating for the third year in a row.

On 30 September 2008 the Board paid a final dividend of 36 cents per share fully franked, an increase of 3 cents on the final dividend declared last year. Total dividends for the year of 71 cents per share fully franked, were up 6 cents on the previous year.

Like most companies Crane Group has had a more difficult start to FY09 following the uncertainties of the world credit crisis. Greg will detail this shortly in his trading update.

Crane Group continued its commitment to the community and raised over \$206,000 during the year for the Royal Institute for Deaf and Blind Children in Australia.

I want to thank my fellow Board members for their contributions during the year and on behalf of the Board and management thank all Crane Group employees for their effort and commitment during the year.

Let me hand over to our Managing Director, Greg Sedgwick, who will give a presentation on the Group's operations.

A handwritten signature in black ink, appearing to read 'L. Tutt', with a large, stylized flourish extending upwards and to the right.

Leo Tutt
Chairman