

30 October 2009

**CRANE GROUP LIMITED
ANNUAL GENERAL MEETING 2009**

CHAIRMAN'S ADDRESS

Ladies and gentlemen,

Good morning and welcome to the Crane Group Annual General Meeting for 2009.

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 Company Secretary Susan Leppinus, the Managing Director Greg Sedgwick, the Finance Director Mark Fitzgerald, and directors Robert Fraser, John Harkness and Trevor Carroll.

I'll move on now to provide an overview of the past year's activities. I will then handover to Greg Sedgwick to discuss the FY09 financial results and the outlook for FY10. We will then proceed to the more formal part of the meeting to consider, discuss and vote on the three resolutions set out in the Notice of Meeting. At the end of the meeting all shareholders and visitors are invited to join us for refreshments in the foyer outside.

The Company Secretary has advised that a quorum is present in person or by proxy and accordingly, I declare the meeting open. In addition to those shareholders present at today's meeting I can advise that the holders of approximately 45.4 million shares or approximately 58 % of the Company's shares are represented by proxies.

For the 2009 financial year Crane Group generated a net profit after tax but before significant items of \$56.4 million, down 11.6% on the previous year. This is a satisfactory result considering the challenges posed for each of the Group's businesses as a consequence of the Global Financial Crisis and its impact on trading conditions and the broader economy.

Significant cost reduction programs were implemented during the year in response to a significant softening in demand in New Zealand and a sharp decline in civil and water infrastructure activity in the Australian pipelines market.

Employee numbers were reduced where possible through a general hiring freeze. However, unfortunately further staff reductions were required to reduce costs through a group-wide redundancy program.

The improvements in Crane Group's safety performance and reduction in workplace incidents over the past 5 years has been reflected in a substantial decline in the severity of workplace injuries, leading to a reduction in workers compensation premiums from \$8.6 million in FY2004 to \$5.1 million in FY2009.

In light of the ongoing difficult conditions in global credit markets, the Group proceeded to secure its medium and long term funding position. In February 2009, one of the Group's major banking facilities of \$140 million was renewed until February 2012. No further refinancing is required until April 2011. The Group's banking facilities remain with Australian domestic banks.

In April 2009, \$62.8 million of additional equity capital was raised through an institutional placement and Share Purchase Plan for small shareholders. The inclusion of small shareholders was an important element of the capital raising and was introduced to ensure that all Crane Group shareholders, regardless of size, had an opportunity to participate. We also successfully applied to ASIC to increase the possible participation by retail shareholders from \$5,000 to \$10,000 per shareholder. Both the institutional placement and the Share Purchase Plan for retail shareholders were over subscribed and due to the exceptional response both components were scaled back.

Debt was further reduced throughout the year through lower capital expenditure and improved working capital. The Group's balance sheet remains strong and gearing at 30 June 2009 of 25.1 % puts the Group in a secure financial position, with the ability to pursue future growth opportunities should they arise

Delays in government funding are adversely impacting investment in water infrastructure in Australia. Crane Group has seen a noticeable decline in activity in the civil and water infrastructure sectors of the Australian pipelines market in the past year. A recent report by leading economists ACIL Tasman found that well implemented water infrastructure projects can save water in critical river systems such as the Murray Darling and create employment in struggling rural and regional Australia. Speeding up the government funding approval process will see more water infrastructure development which will in turn save water and create jobs.

Your Board places strong emphasis on good corporate governance. The Horwath Corporate Governance Report 2009, independently assessed the corporate governance structures and policies of Australia's largest 250 listed companies. It gave Crane Group's corporate governance practices the highest rating of five stars for the fourth year in a row.

I am pleased to advise that as part of its Environmental Management program, Crane Enfield Metals completed and signed a Remediation Action Plan with the EPA in September this year covering the remediation of the groundwater beneath our Penrith site.

Crane Group continued its commitment to the community and raised \$220,000 during the year for the Royal Institute for Deaf and Blind children in Australia. In addition Tradelink, Metals Distribution and Pipelines (in conjunction with Mitchell Australia) raised \$50,000 for the Victorian Bushfire Appeal.

We declared and paid a final dividend of 28 cents per share fully franked. Total dividends for the year were 63 cents per share fully franked. This represents a payout ratio (before significant items) of 76%, broadly consistent with prior year payout ratios.

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

Crane Group is continuing to experience more difficult trading conditions. The recession in New Zealand and the sharp decline in activity in the civil and water infrastructure sectors of the Australian pipelines market are expected to impact the results for FY10. Let me hand over to our Managing Director, Greg Sedgwick, who will give a presentation on the Group's operations for FY09 and the outlook for FY10.

Resolutions

Before moving to the formal part of the meeting I would like to touch briefly on the resolutions to be put to shareholders today. There are three items of business to approve- the Company's remuneration report, the re-election of Robert Fraser as a director and the renewal of the proportional takeover provisions in the Company's Constitution.

Over the past year there has been a focus on company remuneration practices particularly for directors and senior executives. Crane Group has developed a strong executive management team over the past few years. A significant portion of each member's remuneration is at risk and depends on both the short and long term performance of the Company. This is outlined in detail in this year's remuneration report.

Importantly, as outlined in the FY09 Remuneration Report, Short Term Incentives for senior executives were substantially less in FY09 compared with FY08, due primarily to the Group's reduced profit. Where paid, STI's were linked to clear, measurable objectives such as cashflow, safety and the implementation of difficult cost reduction and restructuring initiatives to meet the decline in trading conditions.

In addition:

- in FY09 Greg Sedgwick's base pay increased by 1.5%;
- for FY10 Greg Sedgwick's base pay did not increase;
- all other senior executives salaries have been frozen for the current financial year;
- non-executive directors fees have been frozen for the current financial year; and
- the overall number of senior executives and therefore salaries has been reduced going forward.

The Board will also be cognisant of any legislative changes to remuneration practices for all newly appointed or promoted executives.

I will take questions on each resolution as it is considered.

The Board recommends that shareholders vote in favour of each resolution being proposed.

I will now turn to the formal part of this year's meeting and to the Notice of Meeting.

A handwritten signature in black ink, appearing to be 'Leo Tutt', written in a cursive style.

Leo Tutt
Chairman