

Winpar Holdings Limited

Chairman's Address

For the year ended 30 June 2012, Winpar incurred a loss of \$81,259 after tax, compared to a profit of \$316,055 after tax for the year ended 30 June 2011.

Although this is disappointing, it is not out of line with the results of a number of other listed investment companies.

Some relevant factors are the aftermath of the Global Financial Crisis, the fall in the ASX All Ordinaries Index and general market uncertainty related to financial conditions in Europe and the USA. In addition about 15% of Winpar's investments are in overseas securities, particularly in the United Kingdom. The results and the value of these securities is affected by financial conditions in the UK and their value in Australian dollar terms, as shown in Winpar's accounts, is affected by the high value of the Australian dollar.

It is useful to look at the five year summary on page 35 of the Annual Report which shows after tax profits varying from a profit of \$73,241 in 2008, a loss of over \$600,000 in 2009, profits of over \$300,000 in 2010 and 2011 and, as I said earlier, a loss of \$81,259 in 2012.

Winpar has a diversified portfolio of investments but its major successes have tended to result from special opportunities, eg recently the sale of preference shares in the Crane Group. Winpar continues to be on the lookout for these special opportunities.

Comment has been made on the amount of Winpar's administration and other expenses.

It is important to remember that being a listed public company involves a number of fixed costs which do not apply to a private investment company such as listing fees, share registry charges, etc.

Winpar's directors continue to monitor these costs and take steps to control them. For example we are currently considering reducing the number of investments which should assist in reducing administrative costs, particularly in the case of overseas investments. The other strategy is to seek new investment opportunities so that the costs are spread over a larger investment base and form a smaller proportion of total revenue received.

On the positive side, Winpar has a diversified investment portfolio, little debt and continues to pay fully franked dividends. The franking account balance is currently \$311,391.

With that background I now invite questions and comments from shareholders.