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2008 Annual General Meeting 19th November 2008

1. CHAIRMAN'S ADDRESS TO SHAREHOLDERS

I am pleased to announce that Marbletrend Group Limited achieved a record full-year result for the year ended 30 June 2008 due to the acquisition of a 70% interest in Marbletrend Holdings Pty Ltd, which in turn owns 100% of Marbletrend Pty Ltd – the operating entity.

The acquisition involved the Group acquiring 70% of the issued capital of Marbletrend Holdings for approximately \$10.12 million after the net asset adjustment as at 31 October 2007. In December 2007, the Group paid \$8,400,000 and the Group made a further payment of \$1,720,389 in February 2008 in order to complete the transaction. In order to fund the acquisition the Group raised \$12,000,000 prior to issue costs through an issue of 48,000,000 new shares.

Marbletrend manufactures, imports, warehouses and distributes a range of bathroom products for major customers throughout Australia including Bunnings, Reece, Tradelink, Plumbing Plus, Plumbtec and Mitre 10.

Total revenue for the Marbletrend business was \$41.8 million for the full 2007/08 year compared to \$39.5 million in 2006/07. EBITA for the year was \$3.021 million, slightly below the May 2008 earnings guidance update of \$3.2 - \$3.3 million. The shortfall reflects both the deteriorating Australian economy and some balance date adjustments.

The Group accounts for 2007/08 incorporate the trading activities of Marbletrend for the eight (8) month period from 1 November 2007 to 30 June 2008. Reported revenue for the Group for the 2007/08 year was \$26.97 million, profit before interest, tax, depreciation, amortisation and minority interests was \$1.96 million while the profit before tax and minority interests was \$1.32 million. Consolidated net profit from continuing operations after income tax for the year attributable to members was \$720,000. Comparisons with the previous year are not particularly relevant given the change in the nature of the Group's trading activities and its capital structure.

The Group paid an interim 2008/09 1 cent fully franked dividend to members in July 2008. The Board confirms that a further fully franked dividend of 1 cent per share will be declared and paid in January 2009.

The decline in the share price is obviously a concern to us as directors and shareholders. The share price decline reflects general economic and financial conditions, the relatively small size of the company and liquidity of its shares on the ASX. In addition, the complexity of the statutory accounts in 2007/08. i.e. one third of the way during the year, the Group acquired 70% of the underlying Marbletrend operating business may also create some uncertainty. In my view, the best way for the Board and management to address the share price is to focus on the predictability and reliability of the Company's performance, grow the business and communicate this to the investment markets.

The Group continues to face a difficult external environment given the downturn in the Australian economy and building sector. We are seeking to mitigate this through an ongoing assessment of our manufacturing base, development of new products and markets and continued focus on key customers product demand. Strategically, the Group is well placed to expand both organically and through acquisition and has a strong balance sheet which, with the support of our Banks, will assist in facilitating further acquisitions or growth.

I advise that notwithstanding difficult economic conditions, trading revenue for the four months ending 31 October 2008 is approximately \$15.156m (2007:\$14.831m) and whilst margin pressure exists particularly as a result of the decline in the Australian Dollar and the corresponding increased cost of inputs, the Company has undertaken a number of initiatives to manage its gross margins which continue to hold at approximately last years levels.

Whilst difficulties in supply have been experienced particularly in respect to our toilet range, we are confident that these difficulties have been overcome and we expect increased sales of toilets over the next three months which will fulfil significant forward orders.

I also wish to make the following observations in respect to the Company's trading:

- Interest rate decreases and tax and Government incentives as experienced over recent times have had limited impact up to now and we are observing a further slow down in consumer spending at present;
- The product range offered by the Company has remained relatively immune from the economic slowdown up to now, however this cannot be assured in the future;
- Mining Services activity continues to trade strongly;
- Continued increased costs of manufacturing in China together with the rapid devaluation of the \$A will impact both on ongoing gross margins but also the ability of the Company to maintain current pricing into the Australian market. On this note I wish to highlight the support we have received from our Chinese partners who have, in general, been prepared to work with us through these difficult and volatile economic times – a testament to the strength of the relationships that the management of Marbletrent have developed over the past 10 years; and finally
- The Company continues to develop its strategic relationships with key customers and pursue market aggregation opportunities.

I would now like to take this opportunity to thank Mr Marco Carlei who stood down as a Director during the year for his contribution.

Thank you also to my other Directors for the support they have provided both in assessing and evaluating business opportunities for your Company and for their strategic guidance and input into the business activities of Marbletrent.

I would also like to thank all shareholders for their continuing support over the past 12 months.

Finally business is about people and we at Marbletrent are blessed with both the quality and commitment of all our staff. To that end I would ask that Rob Walton - Marbletrent's Managing Director and someone who every day of the week you would want in your corner watching out for both the business and its people and ultimately shareholder returns - to provide some greater detail as to the Company's operations and outlook.

Thanks Rob.



HAMISH M. GILES
CHAIRMAN

2. MANAGING DIRECTORS ADDRESS

Thank you Hamish.

In our first eight (8) months trading as a listed entity I am pleased to report the Group's profit after tax and minority interest for the 2008 Financial Year was up 184.3% to **\$0.72 million** from a loss of \$0.86 million last year. Pre-tax profit before minority interest was up 254.3% to **\$1.32 million**.

Total revenue for the Marbletrend business was \$41.8 million for the full year ended 30 June 2008 (\$39.5 million last year) with revenues exceeding budget in Western Australia and Queensland notwithstanding difficult trading conditions bought about in part by a slowdown in the housing sector.

We have experienced significant growth in the Western Australian and Queensland markets predominantly off the back of enhanced confidence in the mining services sector – a sector that continues to show resilience notwithstanding current economic conditions.

The New South Wales market has been difficult and continues to display a lack of consumer confidence whilst the Victorian market which represents approximately 25% of our sales continues to demonstrate a solid revenue outlook.

Marbletrend generates approximately 55% of its revenue through the renovation markets and 45% of its revenue through new home starts.

Operations

The operations of Marbletrend are predominantly within Australia with very minor export income. Marbletrend specialises in the manufacture, import and warehousing and distribution of bathroom products for major customers throughout Australia including Bunnings, Reece, Trade Link, Plumbing Plus, Plumbtec and Mitre 10.

We operate warehousing facilities in Victoria (head office), Queensland, Western Australia and New South Wales with agency arrangements supporting the operations of the business in South Australia, the Northern Territory, Tasmania and North Queensland.

By way of product, our major product ranges consist of the following:

1. Shower bases	approx 27% of gross revenue
2. Vanities	approx 19% of gross revenue
3. Shower screens	approx 17% of gross revenue
4. Shower enclosures	approx 12% of gross revenue
5. Baths	approx 8% of gross revenue
6. Other/miscellaneous	approx 17% of gross revenue

In the Victorian market we are category leaders in shower bases and nationally we are category leaders in shower systems.

Balance Sheet and Cashflow

As a result of the acquisition of a controlling interest in the Marbletrend business and the raising of \$12,000,000 prior to issue costs for the issue of 48,000,000 new shares, the Group has established a strong financial position with total assets of \$25.7 million and net assets of \$12.3 million as at 30 June 2008.

During 2008 we saw a growth in inventory and a slow down in the recovery of debtors which together are a key management focus. Whilst we expect our inventory to continue to grow as a result of increased gross revenue we are aiming to keep inventory at approximately 17% of gross revenue and debtor recovery at 57 days.

Acquisition and Investments

Marbletrent currently holds undrawn facilities of in excess of \$2 million to support its trading activities and future growth. We are in discussions with our bankers and other capital market professionals in respect to future lines of finance that may be required to fund acquisitions that may be made.

Outlook for 2009

Given the difficult current external environment, the outlook for the full 2008/09 year is hard to assess. In addition as we import manufactured goods from China, a further challenge will be movements in exchange rates and the management of the supply chain out of China resulting in increased costs and the ability to recover these from price rises in a difficult domestic market.

Our results, as the Chairman indicated have held up both in terms of revenue and margin for the first 4 months of this year. We have, however encountered significant manufacturing issues out of China in relation to our toilet range. We continue to address our problems and from a long term perspective we are confident of securing multiple supply options. We appreciate the patience our customer base has displayed during supply difficulties. I am however pleased to be able to report that our numbers have therefore been achieved with little or no input from our toilet range. With the manufacturing issues hopefully behind us, our next 3 months trading looks likely to meet our internal budgets.

I should however voice a word of caution. The volatility in our currency has been near impossible to manage and whilst 10 years of solid relationships has built a sound foundation for our Chinese manufacturing partners, they are not immune to their own increased costs of inputs which will inevitably lead to further cost pressures.

Despite our weakening economy, I expect to maintain our trading performance through initiatives that we are undertaking with our major customers including development of new product and management of our supply chain.

Long Term Outlook

Notwithstanding the immediate stormy weather, our long term outlook is positive. There are a number of initiatives being undertaken in respect to identification of new product and markets, and supply chain management out of China and other countries. In addition, government initiatives to support new affordable housing together with a continued shortage of tradesmen are prompting renovators to undertake renovations notwithstanding the existing economic cycle.

The new home incentives are also likely to assist the building sector although the impact is more likely to be felt in our business in the next Financial Year and thereafter.

In addition, we are continually looking to opportunities to participate in the consolidation of our sector either by way of acquisition or by organic growth. On this note we have noticed that potential vendors are now beginning to move away from 2007 pricing and are now having more regard to our current economic climate.



Finally, what money cannot buy, but which I am privileged and humbled to experience everyday is the camaraderie and team spirit that all our staff display and for which I thank them and trust that with their support, the support of our Agency relationships, the guidance of our Board and the input of senior management, we can continue to meet the expectations of you, our shareholders.

Thank you.

ROB WALTON
MANAGING DIRECTOR