

Chairman's Address

It is my pleasure on behalf of The Board of Directors to welcome shareholders to the Annual Meeting of Scott Technology Limited.

This Annual Meeting is the 15th since the company was re-listed on the New Zealand Stock Exchange in 1997.

2011 also marks Scott's 99th year in business having been founded in Dunedin in 1913. The Board is currently planning the centenary celebrations which will be held here in Dunedin in two years time to coincide with the Annual Meeting in 2013.

At this point I wish to introduce to you the members of the Board of Directors of Scott Technology Limited.

My name is Stuart McLauchlan and I am the Independent Chairman of Directors.

Graham Batts Independent Director

Mark Waller Independent Director

Chris Staynes Independent Director

All of these gentlemen are non-executive independent directors.

Chris Hopkins Managing Director

Chris is an executive director

Greg Chiles Our Secretary and Chief Financial Officer

The financial year to 31st August 2011 produced an after tax profit of \$5.2 million on revenue of \$53.6 million. This compares to an after tax profit of \$2.8 million on revenue of \$46.6 million in the previous year.

I was able to announce at last years Annual Meeting in Christchurch the successful confirmation of \$14.5 million of forward work. I am able to report today we are in final negotiations and close to securing additional contracts of \$US11.5 million in the appliance manufacturing division. This additional work and the work on hand will continue the very strong position the company has ended the 2011 financial year well into 2012. Scott Technology is looking to secure this work despite the state of the World's Financial Markets.

Scott Technology generates 89% of its revenue's from outside New Zealand and as I have previously stated it is important the economic settings in New Zealand are conducive to making the New Zealand economy competitive. Unfortunately this has not happened and we are now at the crossroads, high debt, low capital, skills deficits, low growth, and outward migration of New Zealanders.

New Zealand's low savings and continued external deficits are putting our economy in a vulnerable position especially with the extreme events we are witnessing in Europe. We have seen the re-election of a National led coalition with a mandate to restructure the economy away from consumption and housing to a bias toward investment in the export and wealth generating sectors of the economy.

If this is achieved in the next term of the government, Scott Technology is well placed to build on the very sound platform your Directors have put in place. This includes, the successful capital raising from the recent rights issue, combined with operating cashflows of \$3.4 million that have enabled the Company to repay all debt.

Significant acquisitions have been completed during the year including a 51% interest in HTS 110 a business that engineers electro-magnet solutions using high temperature superconduction and the more recently announced purchase of an established manufacturing facility in China which gives Scott Technology greater flexibility in sourcing components in a very competitive world.

Scott Technology is now a very different company to that of five years ago. This was necessary as our traditional appliance manufacturing business did not produce consistent earnings and shareholder returns. Your Directors have through acquisition and organic growth positioned the company to produce more reliable earnings in the future, and allow the Company to realise its vision “To be the Global Innovator in Automation”.

Scott Technology has formed some very strong relationships with large industry players who have recognised our automation skills, this will allow us to leverage this IP on the world stage over the coming years.

The benefits of this diversification are now being realised and your directors are on the look out for further opportunities but they must sit within the five areas the company operates in, Appliance Manufacturing, Meat Processing, Laboratory Sample Preparation, Industrial Automation, and High Temperature Superconductors.

I would like to thank Chris Hopkins and his senior management team for their continued hard work and dedication. This team has been added to over the past twelve months which is necessary to consolidate the excellent results that have been achieved and to position the company for further growth.

To my fellow Directors, I thank you for your continued support and for the guidance and skills you each bring to the board table. The advice is very much appreciated by Chris and his management team.

Finally, to our shareholders, I am pleased we have built on the momentum again this year which has resulted in an increase in dividend payment and a share price that is starting to reflect the intrinsic value of the company's world class reputation.

I now formally move that the Annual Report, including the Directors Report, Financial Statement and Audit Report of Scott Technology for the year ending 31st August 2011 be adopted and I invite our Managing Director, Chris Hopkins, to address you and second the motion.

Thank you