

9 October 2009

Listed Company Relations
New Zealand Exchange Limited
PO Box 2959
WELLINGTON

Dear Sir/Madam

**SCOTT TECHNOLOGY – PROFITS & DIVIDENDS RETURN
FINANCIAL RESULT FOR THE YEAR ENDED 31 AUGUST 2009**

The Directors of Scott Technology Ltd are pleased to report that the company produced a profit before tax of \$390,000 on operating revenues of \$31.3 million for the year ended 31 August 2009. This result was achieved through one of the most turbulent economic downturns of our time causing many companies to cease or defer investment in capital equipment, such as Scott produces. This year's profit compares to the previous year's loss of \$1.2 million and operating revenues of \$25 million.

Total shareholders equity at 31 August 2009 was \$19.2 million, compared to \$18.8 million at 31 August 2008. Included in shareholders equity is an issue of shares to employees in accordance with approved Stock Exchange and taxation criteria. The issue was at modest levels to a large number of employees. This was funded by a loan repayable by employees over three years and encourages a sense of ownership by employees. The company is supported by a strong balance sheet with total assets of \$35.4 million, cash on hand at balance date of \$1.5 million and total bank loans of a modest \$4.5 million.

DIVIDEND

A nominal dividend of 1.0 cent per share has been declared by the Directors in respect of the year ended 31 August 2009. This reflects the Directors' confidence in the growth and trading ability of the company, supported by the underlying strength of the company's balance sheet.

MARKET COMMENTARY

New Zealand's productivity is low by any standard measure. New Zealand's productivity would be improved by investment in technology such as our innovative automation and production systems. Scott Technology is a leading global provider of systems and solutions that enhance our customers' productivity worldwide. Recently the Australian Government has introduced fiscal incentives for Australian companies to invest in capital equipment. New Zealand is in need of such inducements that aid productivity increases.

No commentary would be complete without mentioning the currency. As a manufacturing exporter the company is finding it increasingly difficult to contend with the volatility of the New Zealand dollar. Swings in the value of the New Zealand dollar relative to the US dollar have approached 45% in the last 12 months.

Despite volatile trading conditions and uncertain economic times, management and staff continue to be successful in developing strategic relationships with customers in our niche markets. The company's skills, experience and technical know-how will continue to ensure the company's innovative products and services remain in demand driving the growth and profitability of the business.

Yours faithfully

Stuart J McLauchlan
Chairman

Chris C Hopkins
Managing Director