



ASX ANNOUNCEMENT

25 October 2012

2012 Annual General Meeting Chairman address

Good afternoon Ladies and Gentlemen,

I am your Chairman, John Porter, and I would like to welcome you all here today.

Before we start the formal business of the Meeting, let me introduce the people who are with me in front of you today – the Chief Executive Officer and Executive Director Matthew Melhuish and your Directors Susan McIntosh, Roger Amos and Max Johnston.

Seated in the front row we have members of the Senior Management Team, Company Secretary Eleni North and Group Finance Director Brendan York.

Today, I am pleased to stand before you at my first Annual General Meeting as chairman of Enero Group, which has staged a significant transformation over the financial year.

We have begun our journey on a new strategic path which enables us to look to the future of this Company with optimism.

This financial year has been a continuation of the efforts commenced in the prior year to reduce the Company's debt and put in place a group of business units that can provide a sustainable earnings based from which to re-build.

The 2012 financial year is certainly a year of consolidation. The reported net loss after tax does not adequately reflect the underlying cash flow position with significant non-recurring costs incurred during the year. The businesses forming our Group today collectively achieved \$13.9 million in Operating EBITDA in the FY2012 financial year which was up 12.1% on prior year on a like for like basis. The businesses remain cash flow positive and now that the Group is unleveraged, and the vast majority of the remaining cash committed deferred consideration payments have been made, this reduces the burden that the Group has previously carried in terms of allocation of free cash flows back into our businesses and to invest on new opportunities.

The simplification of the Group's finance structure will allow the Board and executive management to focus on returns to shareholders over the coming financial years and to exhibit rigour in our choice of affiliations and partnerships.

Any future developments or acquisitions will be made with a disciplined approach, with the ultimate goal of further advancing the Group's offering to the market.

In the meantime, the Board remains focused on addressing the issues within our businesses as well as supporting the ambitions of the operating businesses to strengthen our unique position in the market. Market conditions are extremely tough at the moment but the Group is focused on the long term.

I would like to take this opportunity to thank my fellow Board members for their support and guidance during my relatively short time on the Board. Your insight and strong resolve in steering the company through a difficult restructure process is a commendable feat and has given us all the firm foundation upon which we can elevate the Group's success going forward.



Today we farewell a long serving member of the Enero Board, Brian Bickmore, who is not seeking re-election. He has been a director since 2004 and has made a sterling contribution on the Group over those years, particularly during his two years as Chairman.

The Board will take this opportunity to review its composition and, in assessing the need for a new Board member, will ensure that the skills, expertise and experience of the new member are compatible with and complimentary to those in the current Board members.

On behalf of the board, I extend my thanks to the executive team and all the employees in the Group who have worked so hard to preserve the integrity of the great brands in this Group. I would also like to thank shareholders for their continued support as we look forward to a solid year ahead delivering the best possible service to our clients and in turn the best possible results to our shareholders.

I will now hand over to our Matt to speak in more detail about the company's strategy and operating position.

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