MaxiTRANS

18 October 2013

Australian Securities Exchange
Company Announcements Office
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

Chairman's Address

In accordance with ASX Listing Rule 3.13.3, please find attached a copy of the Chairman's Address to be presented at today's Annual General Meeting of Members of the Company.

This address also contains a trading update.

Yours sincerely,

Campbell Richards
Company Secretary

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CHAIRMAN'S ADDRESS TO
ANNUAL GENERAL MEETING
11:00 am, Friday, 18 October 2013

Ladies and Gentlemen

Welcome to the 2013 Annual General Meeting of MaxiTRANS Industries Limited.

As I have done in previous years, I would like to share with you a brief overview of the current position of our company and future outlook. Following this our Managing Director, Michael Brockhoff, will discuss the operational performance of the company for the 2013 financial year.

Firstly, against a backdrop of a generally soft Australian economic climate, I am pleased to report a stellar performance by the business in the last financial year with record revenue and profit leading to a doubling of the dividend return to shareholders.

I am also pleased to report this solid growth has been reflected in the company's share price, which in turn has resulted in MaxiTRANS' shares being included in the S&P/ASX 300 index with effect from the 23rd of September.

As I outlined at last year's AGM, 2012 was a year that included 2 important acquisitions delivering on the Board's strategy: the bolstering of the Parts & Service business with the acquisition of Queensland Diesel Spares; and the acquisition of AZMEB Global Trailers, which proved to be a valuable addition to our trailer portfolio and which we expect will provide many new opportunities for the business.

CHAIRMAN'S ADDRESS TO
ANNUAL GENERAL MEETING
11:00 am, Friday, 18 October 2013

Together with a number of other important strategic initiatives that I will discuss further, 2013 has been a year of successfully integrating these acquisitions into the MaxiTRANS business.

Successful integration of QDS acquisition creates platform for future growth of the Parts business

As shareholders are aware, we have a strategy of growing the Parts & Service business with a view to reducing the volatility of our earnings. The acquisition of Queensland Diesel Spares Pty Ltd (QDS) in April 2012 was an important component of this strategy. QDS is a leading retailer of truck parts, accessories and consumables to the Queensland transport and mining industries, with 9 retail stores in Gladstone, Brisbane and the Gold Coast.

With a complementary product portfolio of truck parts adding to our existing portfolio of trailer parts, the acquisition of QDS has created one of the largest truck and trailer parts distribution and retail operations in Australia. I am pleased to report that the expanded product range has now been rolled out through our existing retail and wholesale network and our existing trailer parts portfolio of products are being sold through the former QDS network, providing a "one-stop shop" solution for our customers. We also saw margins improve on the prior year, in part reflecting the improved purchasing power that comes with being part of a larger group. QDS has also enabled us to increase our geographical reach and we are gaining further penetration into the mining and resources sector through QDS' Gladstone store, which services many of the large coal and gas projects in northern Queensland. Our service offering has seen us develop a number of strong customer relationships in this region that should provide benefits into the future.

The successful integration of QDS has provided MaxiTRANS with a substantial platform for the next phase in the evolution of the Parts business.

Now with 20 wholesale and retail outlets, including 9 from the former QDS network, the business undertook the re-branding of Colrain and QDS under a single brand: MaxiPARTS. Launched at the Brisbane Truck Show in May this year, a single brand across the network will remove customer confusion and will bring to the fore the benefits to be obtained from being part of a large group such as consistent customer service and product offering. This will also provide an umbrella for future acquisitions should they arise.

The Parts business has also sought to leverage the strong presence in Queensland by opening its first greenfield store in Mackay. Whilst Mackay has a strong resources presence, it is also a key strategic supply point for other areas in central Queensland. The store is on track to be open by December this year. We also expect to use the Mackay store as a model for future greenfield developments in areas that provide opportunities.

The acquisition and integration of AZMEB has diversified our industry sector participation and created new opportunities

Shareholders may recall we announced the acquisition of AZMEB Global Trailers in May 2012.

Based in Bundaberg Queensland, AZMEB is a leading designer, manufacturer and marketer of side tippers to the mining and resources sector and to the waste management industry.

CHAIRMAN'S ADDRESS TO
ANNUAL GENERAL MEETING
11:00 am, Friday, 18 October 2013

AZMEB has developed unique, innovative and proven side tipper designs that underpin the business' highly regarded brand. The acquisition has added a new customer base to our existing tipper businesses and has increased our exposure to the Australian mining and resources industry as well as a greater share of the Australian waste transport equipment market.

Having retained AZMEB's manufacturing facility in Bundaberg and its skilled workforce, we have increased production capacity to meet market demand. We have unlocked a number of revenue synergies with this acquisition through an expanded geographical distribution of AZMEB's products throughout Australia through our dealership network as well as obtaining margin benefits through leveraging our procurement network and buying power.

As awareness of the AZMEB product grows with increased exposure from MaxiTRANS' dealer network and our sales and marketing initiatives, we expect to see further growth in this area.

Our New Zealand business faced many challenges

A soft New Zealand economic climate combined with unclear new road regulations created a difficult trading environment for our New Zealand business in 2013 and it underperformed against our expectations. We have since expanded our product range to include our Freighter brand in the New Zealand market which will provide new sales opportunities. We expect it may take some time to establish this brand in what is both a competitive market and a challenging economic environment.

CHAIRMAN'S ADDRESS TO

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11:00 am, Friday, 18 October 2013

Set up for growth in China

Since the restructure of our Chinese joint venture in 2012, 2013 saw the commencement of construction of our new facility in Yangzhou which will initially be three times larger than the old, capacity constrained, site.

Shareholders will recall our joint venture manufactures refrigerated panel product for rigid truck bodies and trailers for both the Chinese domestic and export markets.

The increased capacity of this new facility puts us in a strong position to meet the increasing demand for refrigerated transport to service the growing western-style fast moving consumer goods industry.

The office has already relocated to the new facility and we expect to be manufacturing panel for sale in December of this financial year.

We have expanded our distribution channels

Shareholders will recall we acquired an 80% interest in our Hamelex White distributor in South Australia in October last year with the former management retaining 20%. The business, Transport Connection, is an established retailer of trailer, van and tipper products which also provides after sale repair and service and spare parts to a large customer base.

Following the acquisition, we transferred the distribution of Freighter and MaxiCUBE products to Transport Connection, and have added the Lusty EMS and AZMEB brands to the product portfolio thus providing customers in South Australia with a one stop shop for their trailer, van and tipper needs.

We are delighted with their performance since the acquisition and their contribution towards the sales of our Freighter and Maxi-CUBE products has far exceeded our expectations.

We are well placed for further growth

The continued proactive management of our balance sheet has resulted in lower gearing levels and provides capacity for further growth in 2014 and beyond.

As shareholders are aware, a 4.25 cent final dividend was paid on Friday 11 October 2013, increasing the total dividend for the year by 100% to 8.5 cents per share. This represents a payout ratio for FY13 of 60% which is consistent with the Board's dividend policy and reflects the Board's confidence in the capital position of the company.

Ladies and gentlemen, as a result of the initiatives that I have discussed today, we have:

- developed a track record of successfully integrating the acquisitions and thereby realising their value to shareholders;
- continued to increase our business mix towards the more stable, recurring and profitable income streams of Parts & Service through both integrating acquisitions and undertaking greenfield developments;
- added capacity to continue to grow our business in China and New Zealand; and

- added new products to our portfolio that give us exposure to new industry sectors.

We are delighted with our achievements to date and are excited by the prospects which these will generate into the future.

OUTLOOK

I would now like to turn to our outlook for 1H14.

We finished FY13 heading into a slowing trailer and parts market due to a generally soft economic climate and uncertain Australian political environment. The Federal election outcome created a sense of improved consumer confidence, however, despite this optimism, increased business activity has not yet materialised and the softening trend has continued. These economic and political factors affecting business activity have been exacerbated by drought conditions in most of Queensland, a major market for our Lusty EMS tipper products. More recently, good rains in south east Queensland have assisted in reducing our high tipper stock holdings that were carried over from FY13. As a result of all of the above factors, production rates have been reduced accordingly.

These factors have also intensified competition in the trailer market with aggressive pricing placing pressure on margins.

The soft economic climate has also impacted our Parts business with low consumer confidence impacting the retail business and slower trailer sales adversely impacting the wholesale business.

CHAIRMAN'S ADDRESS TO
ANNUAL GENERAL MEETING
11:00 am, Friday, 18 October 2013

On a positive note, we have seen an improvement in our New Zealand business and we expect this to continue.

With production at our new facility in China coming on line in December this year, we expect MTC's performance will strengthen as we are well placed to utilise the additional capacity to capitalise on strong demand for our product in its domestic market.

We experienced a strong first quarter result, particularly in the Australian trailer business, however, we expect a generally weaker second quarter given the softening market.

As a result, based on unaudited internal management accounts and projections, we expect net profit after tax attributable to ordinary shareholders for 1H14 to be in the range of $10.0 million - $11.0 million, down from $12.8 million in the prior corresponding period.

A strong balance sheet and rigorous cost management has resulted in reduced net debt compared with the end of FY13 which will enable us to continue to identify further acquisition opportunities that will deliver enhanced shareholder returns.

Finally, on behalf of the Board, I would like to thank our employees and management team in achieving a stellar result in 2013. I would also like to thank our clients and shareholders for their continued support and ongoing trust which has been placed in the Company.