5 November 2015

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, Thursday, 5 November 2015

Ladies and Gentlemen

Welcome to the 2015 Annual General Meeting of MaxiTRANS Industries Limited.

At last year's AGM, I shared with you our outlook for the 2015 year. We expected to experience further softening in the Australian trailer and parts markets due to the deteriorating economic climate which was exacerbated by the further decline in mining investment and also continuing drought conditions across north eastern Australia.

Due to these conditions, we expected to experience intense pricing competition as our competitors aggressively chased all available opportunities. Unfortunately, this became a reality with the trailer market contracting an estimated 25% in 2015 and we experienced heightened competition particularly in the tipper market segment - which is heavily exposed to agriculture, mining and construction.

Pleasingly, the Company was successful in gaining market share in the segments in which we operate especially in the Freighter and Maxi-CUBE products. MaxiTRANS continues to be the largest trailer builder in the Australian market.

In particular, product enhancements and significant cost reductions obtained from the manufacturing continuous improvement program implemented on our Maxi-CUBE products enabled us to achieve market share gains without compromising margins. Campbell will speak to this further in his presentation including how this program is being expanded across all products.

We also experienced strong market share gains in Freighter, our largest product line.

The decline in mining investment over the last couple of years has had a significant impact on the demand for our AZMEB side tipper products. Accordingly, the Board recently made a decision to close the Bundaberg manufacturing operation, the site that produces the AZMEB products, and relocate its production to MaxiTRANS' other facilities. This consolidation of our manufacturing footprint will provide future cost reductions and enable greater efficiency through better economies of scale.

The more subdued outlook for AZMEB products also required that we record an impairment charge against the carrying value of the AZMEB intangible assets as at June 2015.

Notwithstanding tough market conditions, we remain committed to the AZMEB product and are actively seeking to grow sales in other markets such as the waste and refuse sector.

The MaxiPARTS business experienced poor trading conditions, particularly in Queensland where the business has a significant presence. This prompted management to close three under-performing stores in the region. Their performance was further impacted by the product recall previously announced and the one-off costs of moving to a new head office and Victorian warehouse, which will reduce operating costs whilst expanding capacity, the benefits of which will flow in 2016.

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We were delighted with the performance of our New Zealand business in 2015 with revenue up 39% on the prior period. Capitalising on a buoyant economy, strong market acceptance of the Freighter products, effective marketing campaigns, combined with an efficient supply chain resulted in the second consecutive year of double digit growth.

Shareholders will recall our joint venture in China manufactures refrigerated and dry freight panel product for rigid truck bodies and trailers for both the Chinese domestic and export markets. During the year, we saw demand for its products decline, driven by a significant decline in heavy duty truck sales in China. The Board remains confident that with a number of new products to be introduced in FY16 and strong longer term growth in the China cold chain, the business will deliver solid returns.

We advised the market in April this year that these market conditions together with the impact of the product recall in our Parts business, would adversely impact the financial performance of the company for the year. Excluding the impact of the impairment charge referred to above, our results came within that guidance.

Due to the trading performance for the year, together with the capital investment required in upgrading the Company's end-of-life IT systems, the Board considered it prudent not to declare a final dividend. The Board expects to resume dividend payments in accordance with its dividend policy of targeting a payout ratio of approximately 60% subject to other capital management considerations.

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Ladies and gentlemen, the Board believes that management have put a number of strategies in place to take advantage of its strong market positions and any improvement in business conditions.

OUTLOOK

We believe the long term opportunities for the Company are very strong.

The string of recent free trade agreements with China, Japan and South Korea as well as the Trans Pacific Partnership signed recently, coupled with a depreciating Australian dollar, will combine to create an environment of significantly increased global trade flows.

It is estimated that Australia's freight task is set to grow by 2.6% per annum between 2012 and 2050. This results in the freight task growing from 591 billion tonne kilometres in 2012 to over 1.5 billion tonne kilometres by 2050, an increase of 2.6 times over this period. Whilst growth is expected across all modes: road, rail and sea, neither rail nor sea are able to operate in isolation from road transport due to the necessity to transport the freight from the intermodal terminals to its end destination.

We have seen the road transport industry experience significant productivity gains in recent years through the introduction of B-doubles and longer trailers permitted under the Performance Based Standards regime. However, the significant gains achieved in the past decade are not expected to be repeated to the same extent, as B-doubles are now industry standard and PBS trailers have limitations such as their permitted routes.

Furthermore, whilst governments recognise the need to invest in infrastructure, analysis indicates that the current level of actual investment is not sufficient to meet the growing freight task and road use. Accordingly, Australia's infrastructure will not develop sufficiently to deliver required productivity gains. Significantly more investment is required.

The projected growth in the freight task will need to be met with an increased number of vehicles.

We also believe equipment demand will increase further due to under-investment in vehicles in recent years. With the uncertain economic outlook of recent years, transport operators have delayed equipment maintenance and, in many cases, have delayed equipment replacement. Analysis shows that capex as a function of revenue for transport operators has fallen in the last five years. Whilst larger operators have replaced their fleet to maintain efficiencies, they have done so at lower than historic levels. We believe this level of investment is unsustainably low and operators will need to increase maintenance and replace fleets to remain efficient and improve their competitive positions.

While price is a significant buying factor customers are increasingly demanding customised equipment to maximise efficiencies on shorter lead times to meet their requirements, thus favouring local manufacturers. In addition a weaker exchange rate makes imported standard products less competitive. However, MaxiTRANS is not relying on factors outside of our control such as the exchange rate to gain market share from import competition. We are employing a strategy of customer solution-led product innovation combined with manufacturing efficiency improvements to leverage our strong market position and gain a greater share of the market.

I would now like to turn to our outlook for 1H16.

Early indications are that the recent Federal Government leadership changes are having a positive impact on business confidence and we hope to see this translate into real growth activity.

We expect the trailer business to benefit from the buoyant market for refrigerated vans which, together with continued manufacturing efficiencies, will drive growth in our Maxi-CUBE products. Further, realisation of benefits of the continuous improvement program across MaxiTRANS' other trailer products, especially Freighter, will enable us to compete more aggressively to profitably pursue market share. We are also excited by the upcoming release of our new concept tipper: the VersaBOLT which has been positively received and a number of major customers have expressed interest in trialling it.

We are also excited to announce the opening of our new company owned dealership at Smeaton Grange in NSW in the next month. We see NSW as a critical growth market for the Company and this facility will complement our national dealer network and assist in further gaining market share. This dealership is ideally located to service the greater Sydney transport industry, particularly as the Moorebank freight terminal comes on stream.

With the profit impact of the product recall and the relocation to the new head office and Victorian warehouse for MaxiPARTS behind us, a number of new growth initiatives launched recently, including an electronic product catalogue, an online selling portal and an innovative inventory management system together with the relaunch of the CS suspension product will improve MaxiPARTS performance in FY16.

Notwithstanding some softening in New Zealand economic conditions, we expect our New Zealand business to continue to build its market share with strong penetration of the Freighter products into the trailer market and continued superior performance of the Maxi-CUBE products.

As Chinese markets start to improve and our new products are launched during the year in both its domestic and export markets, we expect to see improved results from our China joint venture.

As a result of all of the foregoing, based on unaudited internal management accounts and projections, we expect net profit after tax attributable to ordinary shareholders for 1H FY16 to be in the range of $4.3m to $5.3m. Adjusting for the costs of closure of the Bundaberg manufacturing facility, we expect underlying net profit after tax attributable to ordinary shareholders for 1H FY16 to be in the range of $4.8m to $5.8m.

As we see the market today, we expect the second half of FY16 to be broadly in line with the first half of FY16.

The Company is also continuing to identify further acquisition opportunities that will deliver enhanced shareholder returns.

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Finally, on behalf of the Board, I would like to thank our employees and management team for their commitment in these challenging market conditions. I would also like to thank our clients and shareholders for their continued support and ongoing trust which has been placed in the Company.