

Chairman's address

Annual General Meeting 29 November 2016

Welcome to the annual general meeting of Stokes Limited.

My name is Peter Jinks, your chairman and with me today are fellow directors Con Scrinis, Greg Jinks and company secretary Hemant Amin.

The year has been highlighted by revenue growth from \$3.5 million to \$15.4 million representing a 338% increase, the acquisition of Dueltex Distribution and the appointment as the Australian distributor of AT&T structured cabling products. We have also recently acquired the Artcraft Urban Group a street lighting and pole business further expanding our technology offering.

The company operates in the high growth technologies sector of LED lighting, Audio Visual Integration and IT distribution. These sectors are driven by high demand of energy efficient products and the never-ending thirst for new technology. It is estimated that these segments represent over \$1 billion dollars in annual revenues.

Stokes has also invested heavily in various R&D projects over the year which has led to the commercialisation of the "Ascendancy" control system. These and other initiatives continue to differentiate the company from its competitors.

The audio visual division continued its significant growth and was recently awarded the contracts for both the Geelong Simonds stadium and Melbourne Airports T2 upgrade with a combined value of \$3 million. We successfully completed many major projects throughout the year gaining traction across various market verticals. We completed many projects leveraging off the expansion of US technology companies expanding into Australia. Companies such as LinkedIn, Splunk, Zendesk and Airbnb were all successful projects.

The lighting division secured the exclusive distribution rights to the AEC lighting range and has now entered the road and street lighting industry with the acquisition of the Artcraft Urban Group. Road lights in Australia are moving towards LED technology and it is expected that the majority of these lights will be retrofitted to LED. Stokes is now well placed to be a leading supplier of these products in the coming years.

The company has a strong forward order book of +\$12 million and continues to seek acquisition opportunities on its path to its targeted +\$50 million in revenues over the medium term.

I would like to take this opportunity to thank our staff, customers, suppliers and shareholders as we look forward to another exciting year ahead.

I would now like to hand over to Con Scrinis who will give you a more comprehensive review of the business.