

## Chairman's Address to Shareholders

24 November 2017, Melbourne:

Having covered the introductions already I will move immediately to my Chairman's address.

I was pleased to report an improved result for the 2017 financial year with each of revenue, profit and cash flow improved on the prior year. The improved performance was the result of the Group's announced strategy to diversify revenue streams in our core transport systems market. This is being achieved through investment in the development of state-of-the-art LED road lights, Intelligent Transport Systems (ITS) and traffic signal products and services combined with a continued focus on profit improvement opportunities.

The Company's results have benefitted from sales growth across its expanded range of products and services, from the securing of long term contracts and from a strong order book. The Company has also seen growth in a range of export markets, including UK, Asia, Middle East and New Zealand.

The result for the 2017 financial year benefitted from contract wins across the Group. Of particular significance was the award of several street lighting contracts including the supply of street lights to Manningham City Council and the M80 Ring Road Upgrade in Victoria and contracts to power companies and road authorities in New South Wales, Victoria, South Australia and Queensland.

The Company has continued to win contracts for the supply of street lights, "Smart City IOT" platforms along with other products across the eastern states and these contracts are already contributing to earnings in the current 2018 financial year.

Our research and development program is a key plank of your Company's strategy. That program has continued to develop state-of-the-art products to manage traffic flows in an increasingly inter-connected world. These include new products for the ITS sector and technology utilising the "Internet of Things - IoT" and "Smart City" applications.

Our Smart City Technology is evidence of your Company moving from being a manufacturer of products, to supplier of services and ultimately to a developer and manager of platforms. The technology we have developed and implemented enables a state's street lights and many other government assets to be connected via a secure network to a central control system. This facilitates central control over the network of street lights, and other government assets via sensors which identify faults in real time and therefore reduce risk and costs to the end user. The IoT sensors cover a broad range, bringing together a platform that can cover most of local governments', road authorities' and power companies' assets, including IoT Sensors for use in parking, waste, security and traffic management.

Our technology is state of the art and designed with future developments in mind. For example, in the not too distant future, driverless cars are expected to start to appear in our cities and on our road network in significant numbers. Our technology is designed with these future developments in mind and will, for example, in the future enable a central control system to be able to communicate with individual vehicles and warn them of hazards ahead.

The Board continues to work closely with management on strategy. While we are pleased with the improvement achieved over the past financial year, both in terms of improved financial performance and the development of new products, we are mindful of the challenges still before us.

Traffic congestion is increasingly becoming a major concern for federal and state governments. Technology is an important tool for managing traffic congestion and is driving many exciting new developments. It is critical that the business is appropriately positioned to respond to opportunities in a dynamic and inter-connected market.

Our Board and management are committed to improving shareholder value. We are confident that the progress being made at a strategic and operational level is significant and is delivering improved profitability.

At this point I would like to pay tribute to Mr. Con Liosatos and the management team. Con and his team continue to work tirelessly on behalf of all shareholders. As I have noted previously they have deep experience with the Company and the Board believes they are the best credentialed and most skilled people to continue to lead this Company forward.

Finally, along with my fellow directors, I would like to thank you once again for your patience and continued support. The Board looks forward to improving shareholder value in the years ahead, particularly through the developments and other initiatives I have mentioned.

I would now like to introduce Con who will provide an overview of the Company and our future prospects.