

AUSTOCK GROUP LIMITED
2014 ANNUAL GENERAL MEETING
CHAIRMAN'S ADDRESS

The 2013/2014 financial year has been another successful year for Austock Group.

Our 2014 results underpin the progress we have made over the past few years. Although we made a small loss for the year, our second half result shows that we are now moving into profitability on a sustainable basis.

Austock Life's performance has been outstanding. In summary, Life increased its Bond Sales by 32% over the year and lifted its overall Funds under Management ("FUM") by 29% to \$481 million. It has achieved a compound annual growth rate exceeding 25% over the past 3 years, significantly ahead of other participants in its market segment. Furthermore every Investment Bond Option achieved a positive result for the Bond holder.

On the Corporate side we have reduced corporate overheads and substantially improved and upgraded information technology. Our web capabilities and the ability to interface with our customers have substantially expanded. We have also reduced our risk profile.

I am pleased to report today that as at 31 October 2014 Life's FUM has reached \$516 million. Bond Sales for the first 4 months of FY15 were \$57 million which is a very pleasing result and in line with expectations.

The cash position of the Group remains strong. Cash on hand is currently \$8 million, which after allowing for regulatory and other requirements, leaves us with "free" cash of around \$5 million. Two fully franked dividends were paid during the year, each of 1 cent per share, and Directors remain optimistic about the Company's ability to continue a steady dividend program.

I thank shareholders for their continued support.

FGA Beaumont QC
Independent Non-Executive Chairman