

Chairman's address

Annual General Meeting 28 November 2014

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 and Greg Jinks.

Following the first full year since the new Boards appointment, I take great pleasure in reporting to you a very successful 2014 financial year. The objectives outlined at the onset of the new year enabled us to deliver on our expectations, which included the successful completion of both the appliance parts and industrial divisions restructuring, and having successfully launched the new technologies division.

The financial year began with the acquisition of 'ANZ Appliance Parts' and 'Janda Electrics'. These businesses have helped consolidate the appliance parts and services division adding scale and expertise. This was followed by a \$2 million capital raising and the completion of the restructuring program that had commenced in October 2012.

Moving into 2014, the technologies division started winning a number of projects in both its audio visual and lighting divisions. The company's product and service offerings are aimed at the commercial and industrial markets, and we now have a pipeline of project opportunities, which the company expects will deliver additional growth in 2015.

The appliance parts division has recently benefited from the transfer of numerous products previously manufactured by our industrial division which are now sourced from lower cost offshore suppliers that will further improve the profitability of this division. At last years AGM we stated that we wanted to achieve on-line sales of 20%, we are pleased to advise that we are now achieving 22% in on-line sales with this number increasing monthly.

The technologies division is clearly the growth engine for Stokes and as a result the company raised a further \$2.55 million in June 2014. This will provide additional and necessary working capital funding to grow this division. Having only established the technologies business in mid-2013, we have successfully achieved sales of \$2.1million in the 2014 financial year, the majority of which were recorded in the second half.

This division is now based in new offices in West Melbourne and we have also opened a sales office in Sydney, the success of this division, still in its infancy has much future potential and consequently management will be dedicating more time and resources over the coming year as we develop this exciting new business.



The companies senior lighting team has recently returned from the Hong Kong International lighting fair where they have secured additional products and suppliers that will go along way to completing the companies full range of commercial and industrial product offering.

We are looking forward to another productive year with an experienced and motivated management team keen to deliver ever-improving results.

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

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

