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Gentrack Group Limited (NZX/ASX: GTK) Annual Meeting of Shareholders: Chairman's Address

Please find attached a copy of the Chairman's Address and additional notes to the CEO Review that will be delivered at Gentrack Group Limited's annual meeting of shareholders today at 4pm in Auckland.

ENDS

Contact details regarding this announcement:

Jon Kershaw

Company Secretary

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About Gentrack

Auckland-based Gentrack is a developer of specialist software for energy utilities, water companies and airports around the world. It employs 200 people in offices in Auckland, Melbourne, Brisbane and London and services more than 150 utility and airport sites globally.

Gentrack is comprised of two leading software products - Gentrack Velocity and Airport 20/20. Gentrack Velocity is a specialist billing and CRM product designed for Energy utilities and Water companies in competitive and regulated utilities markets. Airport 20/20 is a comprehensive Airport Management System engineered to optimise an airport's operations through streamlining airport information flows and transforming the passenger experience

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Chairmanõs Address

Slide 3

Gentrack has about 1,300 shareholders, of which 65% are in NZ and 32% in Australia.

Staff and Directors hold about 36%, with none of the significant shareholders selling since IPO.

Holders over 5% include myself at 12%, James Docking the CEO at 10% and Nigel Farley, who runs our Airports business, with 6.5%.

Slide 4

As announced in November, Gentrack had revenue of $38.5m in FY14, producing underlying EBITDA of $12.91m ï a 33.5% operating margin. That is before the costs and impact of the IPO on our statutory numbers which are discussed later. This was about 7.6% down on our Prospectus, due to the two contract issues that impacted us shortly after the IPO that I will come back to. The dividend of 3.6 cents per share was in line with the Prospectus and the closing cash balance of $5.25m was just below the Prospectus level.

Slide 5

Nobody was more disappointed than me that Gentrack made a profit downgrade announcement in August. Had either of the two issues that hit us come separately and further from the year end, we could have recovered the results. We found ourselves in a difficult position which we had to manage through.

The delayed contract was signed soon after and the implementation of that major project is well underway for delivery in FY15 and into FY16.

We have carefully worked through the dispute and recovered some value. We further anticipate signing a major new contract with this customer that will resolve the outstanding issues satisfactorily.

We have learnt the lessons from both issues which will help going forward but the nature of our business is that we will remain vulnerable to the timing and success of major projects impacting our results from period to period.

Slide 6

After 90 years of evolution of the national grid, through privatisation and competition over the last 20 years, power utilities are facing a period of revolution over the next 15 years.

The traditional model of large central generation is being challenged by accelerating growth of distributed generation ï principally wind and solar PV. A significant shift towards this is occurring in large parts of the world as this renewable energy is now on cost parity with grid supplied power, when this has to include the cost of the network. This is challenging the traditional utility business model in many places including Australia and the UK. The rapidly decreasing price of domestic and commercial batteries, driven by Electric Vehicle investment, may make it cost effective for many consumers to reduce their reliance on grid supplied power and networks.

This is compounded by falling demand for electricity in many developed markets including NZ, Australia and the UK with the growth of energy efficient lighting, heating, and appliances and the shift away from heavy manufacturing.

In the UK, Australia and NZ, energy price rises of the last decade have become political footballs, with regulators under political pressure to find ways to reduce consumer prices. Privatisation continues in Australia with the sell off and corporatisation of electricity networks and retail in NSW, WA and NT on the agenda.

Smart metering ï well established in NZ and in Victoria, is set to grow across the whole Australian and UK markets. And we are seeing water and gas suppliers looking to this technology.

In electricity we are seeing significant tariff reform. With Smart Metering in Victoria, power retailers are offering free electricity from 6am - 7am and on Saturdays. New entrant retailers are offering to install solar panels for free, and sell you the power from your own roof at a cheaper price than grid power. The incumbent retailers are losing market share to nimble competitors and are having to react.

Networks tariffs reform is underway ï with the inevitable outcome that in the next 10 years consumers will no longer pay for networks based on the Kwh they consume but with a fixed or capacity charge ï much like internet and mobile phone networks.

The UK is introducing full retail competition in water for commercial and industrial end customers who can now choose which water retailer they deal with ï and this may in the long term be extended down into the residential market.

All this is resulting in intense pressure on utilities to reduce costs and innovate on tariffs and business models.

Gentrack is very well positioned to take advantage of these trends ï with our low cost and flexible billing platforms offering utilities what they need to respond to changing market conditions.

Slide 7

There is no change to the strategy and FY15 forecast in the prospectus. Gentrack will provide guidance for FY15 with the half year results announcement in May. We are exploring potentially attractive acquisition opportunities in our core markets. These would be additional to organic growth and deliver shareholder value. Gentrack will consider funding such an acquisition with debt of approximately 1x EBITDA to enhance shareholder returns.

Our dividend policy of 70% to 80% of NPATA is to be maintained with an Interim dividend of 4cps forecast in the Prospectus for payment in June 2015. The board is focused on ensuring Gentrack has the team and strategy to exploit the clear market opportunity and drive long term profit growth.

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CEO Review ï additional notes to slides

Slide 9

Gentrack designs, builds, implements and supports its own enterprise software for Electricity, Gas, Water and Airport companies around the world. We have over 150 sites across 17 countries with the bulk of our revenue currently coming from NZ, Australia and the UK. Our HQ and R&D centre is in Auckland NZ.

Slide 10

No additional notes.

Slide 11

2014 was a very busy year for Gentrack with some good wins against stiff opposition and a number of projects being successfully deployed around the world.

Slide 12

The dotted line indicates the 2014 results at the 2013 constant currency.

Notes:

- Australian dollar exchange rates used:
- FY13: AU$0.8243
- FY14: AU$0.9153
- FY15: AU$0.9300 (Budgeted)
- EBITDA is underlying EBITDA (pro-forma) as defined in the 2014 Annual Report.

Slide 13

While the financial results for 2014 fell short of the PFI forecast, we won the contracts, delivered the projects, and set Gentrack up well for 2015 and beyond.

Notes:

- PFI is the forecast provided in the Gentrack prospectus dated 26 May 2014.
- Underlying EBITDA is a non-GAAP profit measure, that in the directorõs opinion, best represents the financial performance of the business.

Slides 14 to 20

No additional notes.