



ASX ANNOUNCEMENT

29 October 2014

2014 Annual General Meeting Chairman address and Trading Update

Deputy Chairman Roger Amos:

Good morning Ladies and Gentlemen,

I have been advised that we have the necessary quorum of Shareholders present and I declare the Annual General Meeting of Enero Group Limited open.

I am your Deputy Chairman, Roger Amos, and I would like to welcome you all here today. Firstly I would like to pass on John Porter's apology for not being able to attend the Annual General Meeting in person. John will be delivering his shareholders address via video shortly.

Before we start the formal business of the Meeting, let me introduce my fellow directors, Chief Executive Officer Matthew Melhuish, Susan McIntosh and Max Johnston.

Seated in the front row we have members of the Enero executive team, Company Secretary and Group Finance Director Brendan York, Group Strategy and Operations Director Stephen Watson and Group Human Resources Director Katie McGrath.

Our external auditors KPMG are here today and are available to answer any shareholder questions on the audit of Enero Group's 2014 Financial Statements.

The notice convening this Meeting has been sent to all registered shareholders. If there is no objection, I will take the Notice as read.

Our Chairman, John Porter, will now address shareholders.

Chairman John Porter (via Video):

Good morning. I regret that I am not able to join you today; sudden changes in my agenda have resulted in me having to stay here in Europe.

However, I am very pleased to report to you as Chairman of Enero and outline the improvements that the Company has made over the past twelve months. The Group has made significant progress in implementing its strategy and has generated a strong sense of collaborative spirit both amongst the Operating Brands and the support office.

The Group reported a 148% increase in Operating EBITDA to \$9.0 million this financial year, notwithstanding a 6% reduction in net revenue. There has been a tireless approach from the executive group to focus on the key financial metrics which are important in running a marketing services group of any size. The most positive aspect of the financial performance was the increased EBITDA margin from 2.8% to 7.5%.

Enero's key focus this year has been about carrying on the foundations set from the prior year. There has been a continued push to ensure that all businesses in the Group are given the best possible chance of success by having access to all of the Group resources and capabilities in all markets. Collectively the Group has a rich talent pool of over 650 staff along with excellent capabilities in PR, strategy, research and insights, creative ideation, data and



production. This Group approach has the ability to overcome many of the difficult aspects of navigating through a marketing sector which is more easily affected by changes to economic outlook, consumer confidence, client changes and talent changes.

Enero's group of operating businesses continue to be market leaders in a very dynamic industry. By being located here in Europe, I have had several opportunities to engage directly with our affiliates in both London and New York. I have personally been involved in the hiring and mentoring of key Leaders in our businesses in both the UK and the US. I am extremely encouraged by the quality of our leaders and the opportunities of our businesses are seeing as their ambitions rise. We will continue to invest in these businesses to give each more capabilities, seek out opportunities and to work for bigger clients, and maximise ongoing intellectual property and ultimately deliver returns for shareholders. Shareholders have seen a 215% increase in the share price over the year to 30 June 2014.

As the Group moves steadily into its reliable stage of more consistent delivery of financial results, capital allocation will become as important as the operational aspects of the business in the long term success of the Group. Enero continues to remain unleveraged and this provides a strong footing to seize opportunities that present themselves in the market either through targeted investment in people to drive organic and new revenue, or selective earnings accretive acquisitions. A key element to these future decisions will be driven around the desire to run a Group without the complexities of an excessive number of Operating Brands and a balanced geographic presence between the three hub offices of Sydney, London and New York.

Thank you to my fellow Board members for your hard work and dedication to the Group throughout this last year. I look forward to continue working with you in guiding the Group through its strategic journey.

On behalf of the Board, I extend my sincere thanks to the executive team and all the employees of Enero's group businesses who are the reason why our Group continues to thrive. Importantly, thank you to our shareholders for your patience during our turnaround and continued support of Enero.

Thank you to Deputy Chairman Roger Amos for standing in my place at today's Annual General Meeting and running proceedings.

I will now hand over to Matt to speak in more detail about the Company as well as show some of the great work the people in our Group have been doing over the past twelve months.

Thank you very much.

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Enero Group trading update

Financial Performance for three months ended 30 September 2014 (unaudited)

A\$ million	YTD 30 Sept 2014	YTD 30 Sept 2013	Variance
Net Revenue	27.9	29.5	(6%)
Operating EBITDA ¹	1.9	1.5	26%
EBITDA margin	6.8%	5.1%	1.7bp

Notes:

1. Operating EBITDA is earnings before interest, tax, depreciation, amortisation, impairment, loss on sale, fair value adjustments to deferred consideration, and restructuring costs. Operating EBITDA is the primary measure used by management and the directors in assessing the performance of the Group. It provides information on the Group's cash turnover excluding significant transactions and non-cash items which are not representative of the Group's on-going operations or cash flow.
2. This presentation includes the Operating EBITDA measure used by the Directors and management in assessing the on-going performance and position of the Group. This measure is non-IFRS and has not been audited or reviewed.