

## **2014 Ashley Services Group Limited Annual General Meeting Chairman's Address**

I am pleased to present to you this chairman's address following the listing on the Australian Stock Exchange of Ashley Services Group Limited on 21 August 2014.

Ashley Services is a diversified company operating in the training and labour hire industries within Australia. Our training business is one of Australia's largest non-government Vocational Education and Training ("**VET**") providers and our labour hire business is a leading provider to the warehouse and logistics industries.

First, I would like to welcome all our new shareholders who became investors as part of the listing and those that have subsequently become shareholders.

Second, on behalf of the board of directors, I acknowledge the hard work of those involved in the listing process, including our investment bankers, Canaccord Genuity and Evans & Partners, our financial advisers and reporting accountants, Grant Thornton and our corporate lawyers, Norton Rose Fulbright.

The board particularly acknowledges and thanks Ross Shrimpton and his hard working executive team for their diligence, in the listing process while coping with the daily management of the business.

I am pleased to advise that our reported results for the year ended 30 June 2014 were in-line with our forecast. Additionally, the Company has a solid balance sheet which will allow us to capitalise on strategic acquisitions when new opportunities arise.

The Board is encouraged with recent business developments, including:

- the acquisition of Integracom which provides expanded access to telecommunications training
- the acquisition of the Cantillon Institute which enables Ashley to train foreign students
- the continued development and extension of new qualifications, including automotive and general trades;
- development of facilities in Queensland to cope with the recently introduced demand driven model;



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- installation of new facilities in Melbourne for various courses;
- the growth in the labour division, in particular, the number of major customers; and
- the continued reduction in the level of injury hours for the labour hire division.

Going forward, Ashley Services will continue to focus on:

- maximizing outcomes for students through the quality of our training courses;
- complying with the regulatory requirements of our contracts;
- ensuring the contribution of new business meets investment criteria;
- building business through our existing relationships with customers;
- increasing the level of cross selling between the labour hire and training divisions; and
- pursuing acquisitions that meet the key criteria of the Board.

The Company will continue our strong product and service offering focusing on our integrated model between Labour Hire and Training Customers, a distinguishing feature from our competitors. This, combined with our strong national presence and ever increasing customer base of major organisations, places Ashley Services in a strong position to develop our core business.

Despite the recent media speculation concerning government funding for the vocational education training sector in Victoria, Ashley Services existing funding contract for that state has sometime to run and is well supported by its compliance program so as to ensure tenure. More importantly, the long term outlook for vocational training is encouraging with demand from school leavers, industry, the unemployed, international students and the consequences of a changing economy expected to provide future opportunities.

Your Board acknowledges the opportunities that are available to Ashley Services both organically and through acquisition and will continue to be mindful of our obligations to build shareholder value. We are committed to maintaining a strong balance sheet whilst continuing to review capital management. Ashley recently negotiated banking facilities of \$25million of debt capacity to support future growth and acquisitions.

Year to date trading for Financial Year 15 is in line with expectations and with maintenance of current market dynamics, the management and board expect Ashley to meet prospectus forecasts.

Our CEO, Ross Shrimpton will now expand on business performance and forecasts for Ashley Services Group.

On behalf of the board, I thank all our shareholders for your support.

**Peter Turner**  
Chairman