

27 November 2014

2014 ANNUAL GENERAL MEETING CHAIRMAN'S ADDRESS

Before addressing the formal matters of the AGM, I would like to say that the Board is pleased to represent the interests of the company and its shareholders. And we are encouraged that the recent transaction between Mnemon and Grays has given GEG the necessary scale to compete and grow in a rapidly expanding online marketplace.

Grays eCommerce Group is now Australia's largest listed pure play online retailer across both fixed priced and auction markets, with a combined customer data base of over 6.2million¹. We market more than 5,400 brands across four websites and across both the B2B and B2C segments.

We enter this new phase of our operations with significant cash reserves of \$12 million and with a clear focus on what we want to achieve, both in terms of leveraging our newly acquired scale and in terms of growing the strength of core areas such as the industrial online auction sector.

We believe there are significant opportunities in both sectors and Mark will address these in greater detail shortly.

As a Board, our focus will be on setting the framework to ensure that GEG is able to fully leverage its opportunities in a vibrant and rapidly evolving online market.

We want to establish a business which delivers long term success, one which creates long term value for shareholders and one whose results do the talking in the form of consistently improving financial returns.

There are a number of key priorities for success in any business: The way we communicate with customers; the way we communicate with staff; the strength and unity of the management team and the performance management systems that are instituted across the organisation.

These are all areas that we will monitor closely as a Board and as we integrate the businesses, we see this as a timely opportunity to develop a consistent approach across each of these areas.

In implementing change, it is important that it is done in a way that is decisive, and well communicated. High standards need to be set.

To that end, I believe we can take comfort from the role Mark Bayliss has played to date and from the quality and experience of the Management team he has assembled for GEG.

¹ Based on simple aggregation ignoring any duplication

grays eCommerce group

The road ahead for Grays eCommerce Group is one of expanding opportunity as more and more consumers and businesses transact on line.

Our focus will be on having the customer insights, the scale, the product range and the distribution systems to always be at the forefront of this trend for both consumer and business transactions.

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Grays eCommerce Group is Australia's largest listed pure-play, e-commerce retail company incorporating GraysOnline, DealsDirect, OO.com.au, TopBuy and Grays industrial online auction business.