



Date: 27/11/2014

Company Announcements Office
Australian Securities Exchange

PACIFIC ENVIRONMENT LIMITED

2014 ANNUAL GENERAL MEETING - CHAIRMAN'S ADDRESS

Please find attached the Chairman's address to be delivered at the Company's Annual General Meeting today.

Yours Faithfully

Pacific Environment Limited

Adam Gallagher
Director and Company Secretary



Ladies and Gentlemen,

At the Company's 2013 AGM I presented our Group's activities around the three pillars that comprise our growth strategy, being

- Organic growth
- Growth by acquisition, and
- The commercialisation of our EnviroSuite Technology products.

Today I am pleased to provide an update on each of these.

The bottom line performance of the Company continues to improve with a net profit after tax result for the 2014 financial year of \$1.311m up from \$1.024m for the 2013 financial year. Additionally the company produced a much improved cash position holding \$1.283m at the end of the 2014 financial year up from \$0.777m at the end of the 2013 financial year.

Our acquisition strategy aims to ensure we can offer environmental expertise across the broad spectrum of environmental services – expertise that we can exploit in our EnviroSuite platform. This acquisition strategy began in earnest in 2013 and has produced two acquisitions in 2014 to date.

The acquisition of Waste Solutions Australia was announced in April this year and their team joined our Brisbane office providing a new service suite, strong customer base, a number of highly skilled professionals and new expertise across landfill gas management, groundwater monitoring and solid waste management. We thank WSA founders Paul and Marion Smith who have worked with us through the integration process and forged new business opportunities for us through their industry networks.

The acquisition of DLA Environmental was announced in September. With a normalised earnings before interest and tax (EBIT) of \$1.4m in 2014, against our own EBIT of \$1.6m, the acquisition of DLA represents a significant step change in the scale of the Pacific Environment group.

DLA has a strong track record of growth in market-favoured sectors including property development, construction and infrastructure. It has been a pleasure to work with founder David Lane and his team and we thank them for their confidence in PEH as they have chosen to apply their efforts to continue to grow as part of our expanding Group, specialising in contaminated land assessment and remediation.

Our acquisitions build scale for the Group and broaden our skill-sets and service offerings that in turn leads to greater cross-selling and organic growth. We continue to hold multiple discussions with a number of potential acquisition targets and we look forward to making further announcements as these targets progress.

Our Technology products collectively known as EnviroSuite 1.0 continue to make commercial in-roads into major companies across a range of industries. The planning phase for the commercialisation of EnviroSuite 2.0 was completed in June 2014 and the actual commercialisation commenced in July. The first module will be released in December 2014 and the remaining modules will be available in the second half of the current financial year. EnviroSuite 2.0 will provide a SaaS (software as a service) environmental monitoring and compliance platform that will provide our clients with increased operational efficiencies.



Significant time and resources are being invested in this rebuild that aims to deliver a suite of world-class software products to service a range of industry issues. The board is very excited about the future prospects for EnviroSuite and we are already looking at opportunities beyond Australia to become a global software and solutions provider.

I acknowledge and thank our CEO Peter White and his dedicated team of employees for their hard work that continues to propel the business forward. Their dedication, enthusiasm and diligence is the essence of our business and has allowed the Group to produce another strong end of year result.

To our shareholders I thank them for their support and ask them to recognise the significant positive improvements that we have made over the last year. I ask that they extend their patience on our share price that, disappointingly, is yet to follow the improving business fundamentals. We have initiated a new market communications plan to increase awareness and interest in the evolving Pacific Environment growth story and to keep the market informed our activities. We look forward to providing regular updates as we progress with our growth plans.

Murray d'Almeida
Chairman

Sydney

Brisbane

Perth

Adelaide

Melbourne

Head Office:

Level 1, 146 Arthur Street North Sydney 2060
www.pacific-environment.com P: 02 9870 0900
E: info@pacific-environment.com