

ASX Announcement

18 November 2015

**2015 ANNUAL GENERAL MEETING
MANAGING DIRECTOR'S ADDRESS – JOHN KIRKWOOD**

Thank you Mac and good morning ladies and gentlemen.

I am honoured to be addressing you today as Seymour Whyte's Managing Director and Chief Executive Officer and I would like to sincerely thank the Board and our shareholders for the opportunity to lead such a strong company as it continues to transform and diversify.

Having been involved in the construction industry for the past 40 years, I have been privileged to work with and be exposed to many different companies of varying shapes and sizes. For the past 30 years I have been in leadership roles with top tier contractors and have experienced first-hand how these companies have grown and diversified through strategically capitalising on their opportunities and constantly reviewing and realigning their growth strategies as market conditions have evolved.

My career spans technical and commercial experience in the engineering and building construction industries and I have worked in both site based roles and senior managerial positions for top tier national and international contractors. Most recently, I was the Executive General Manager Western at Leighton Contractors and prior to that I held senior roles within Abigroup, including four years as National Operational Director responsible for all business operations across Australia, spanning civil infrastructure, building construction, resources and utilities.

My leadership roles have drawn on both my technical and commercial experience to consistently deliver to tight budgets and timeframes and I have managed business units with turnovers in excess of \$4 billion.

I have always had a great deal of respect for Seymour Whyte as a company with a very strong history and reputation, which is recognised by clients and peers alike as a standout performer in its markets. With this foundation and the exceptional strength of the people in the business, I see many similar opportunities for Seymour Whyte to those that were present in my previous organisations in their earlier phases.

I sincerely believe Seymour Whyte is on a growth trajectory that will continue to broaden and deepen our expertise, capabilities, client base and geographic spread so that, ultimately, Seymour Whyte is recognised as a preferred contractor of choice across Australia's construction sector.

Renewed business strategy

The strength of Seymour Whyte's transformation and diversification strategy over the past 18 months has been demonstrated by the successful acquisition and integration of the Rob Carr utilities infrastructure business and the group's aggressive push into the New South Wales market, which now represents approximately 60% of our order book.

We are focused on achieving further geographic diversification through expanding our market presence, while maintaining and extending our growth in New South Wales and Queensland. New markets we are particularly focused on include Victoria and South Australia. Both states present favourable opportunities due to high levels of State and Federal Government infrastructure investment over the coming years.



Our new Melbourne office will provide the platform for growth in the Victorian market and we are actively tendering on projects, including a section of the Princes Highway duplication from Winchelsea to Armytage Road.

In South Australia we see strong opportunities on roads and rail transport infrastructure and we will leverage the expertise and relationships that already exist within Seymour Whyte gained from working in this market, including my own experience managing businesses and projects in South Australia.

We are active in the airport sector and have recently been awarded our second project with Sydney Airport Corporation, and are currently tendering works for Brisbane Airport Corporation. The airport sector is forecast to significantly increase in value with a number of future airport expansions across capital cities and regional areas nationally.

We remain focused on further growing the size and value of our projects on the back of our strengthened technical capabilities and financial capacity, which is allowing Seymour Whyte to win projects we previously would not have been considered for.

As the Chairman mentioned, we were awarded the Townsville Ring Road Stage 4 during the year – the largest contract we've been awarded to date - and we have recently been short-listed to be one of two final bidders on the \$400 million Caloundra Road to Sunshine Motorway Upgrade Project, which is one of the larger design and construct projects we have tendered for.

Additionally, the combined expertise of the transport infrastructure and utilities infrastructure businesses is driving new project opportunities and allowing us to expand our traditional project scope with new and existing clients. The Green Square Trunk Storm Water project is the first of what we expect will be more opportunities for combined transport and utilities infrastructure projects, initially focusing on the value-added services we can offer to our existing utilities clients.

As the size and value of our projects increase, we are strengthening our risk management procedures to ensure the highest levels of management oversight across all projects.

These strategic initiatives are all underpinning our repositioning as a national, diversified contractor with the size, scale and capability to be considered as an attractive alternative to our tier 1 competitors, and to grow our project value and market share. In doing so, we will continue to build on the foundations that have created the strong reputation Seymour Whyte has today, which is underpinned by collaborative client relationships, an ability to be nimble and agile, and an unwavering commitment to excellence in project delivery.

Our people are our strength

As I mentioned at the start of my address, one of Seymour Whyte's key strengths is the quality of its people. From the day the company was founded by Garry Whyte and John Seymour, Seymour Whyte has always been a business that puts a high priority on supporting and developing its people and this commitment is recognised as a key competitive advantage by both our clients and the broader industry.

Following the acquisition of the utilities infrastructure business in 2014, there has been a renewed focus on embedding Seymour Whyte's strong values across the combined group and this focus will remain as we continue to expand and grow our people numbers.

As a result of our growth and diversification, we are expanding our team's capabilities by recruiting high calibre industry specialists who have the skills and expertise to drive our growth priorities.

Outlook

While industry conditions continue to be somewhat challenging, our business and market fundamentals are robust and our medium-term growth prospects remain stable. We have a contestable market of \$15.1 billion across our key markets, as well as opportunities in new markets.

Our reputation and track record for project delivery continues to strengthen and is driving a high level of opportunities and enquiries. We have delivered or are delivering a number of projects ahead of schedule, we strive for innovation in all that we do and we consistently achieve excellent safety performance. As a result, we are experiencing a high level of tender activity, particularly in New South Wales, and we are encouraged by the significant number of tenders being put out to market in the lead up to the Christmas period, which has been relatively quiet for the past few years.

We have a strong and proven strategy that will support our continued diversification and the growth of our project pipeline. I am extremely enthusiastic about the opportunities that lie ahead for Seymour Whyte and I feel privileged to be your Managing Director and CEO. I look forward to implementing our strategy and working with our clients, employees and shareholders to deliver value.

Thank you.

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