

## **Grays Ecommerce Group 2015 Annual General Meeting**

### **Chairman's address – Jonathan Pinshaw**

On behalf of the Board I am delighted to report on a period of significant progress for Grays. We are now well positioned to unlock the enormous value in our underlying industrial and consumer businesses.

During the year ended 30 June 2015, the Group underwent significant transformation as we completed the merger between Mnemon Limited and Grays (Aust) Holdings Limited to form Grays eCommerce Group Limited.

Following the completion of the merger the company focused its efforts on optimising the business through operational efficiencies and the integration of Mnemon and Grays. At the same time we undertook a significant cultural transformation.

We successfully implemented the offshoring of our Consumer customer service to a specialist call centre operator. And we rolled out a specialist wine website, to showcase and grow our wine sales. We have invested significantly in our wine business, which is a strong contributor to our profitable Consumer Auction business.

We also utilised our core strengths in Industrial to continue the expansion of this business. We invested in the key growth sectors of mining, construction and transportation and we have made progress in leveraging our expertise and experience in these segments in South East Asia. At the same time, we acquired two auction businesses to add to Grays' capabilities – with DMS Davlan an Australian auction agribusiness, and Bryan Andrews a New Zealand based industrial auction business.

Importantly, the full financial effects of the initiatives implemented over the 2015 financial year are set to flow through this financial year and beyond.

Following the end of the 2015 financial year, in October we announced the sale of our fixed price retail business to Mysale. This sale will free up management time and company resources to increase the focus on growing the key auction businesses of Industrial B2B, Grays Wine and the remaining consumer auction categories.

In relation to financial performance, the Group's performance over the 12 months ended 30 June 2015 was pleasing, with sales up 36% to \$509 million, revenue up 31% to \$193 million and operating EBITDA up 87% to \$6.9 million. The Industrial B2B segment exceeded expectations, partially offset by a weaker than expected fixed price retail result in Consumer B2C.

Following a year of transformation, we are confident that the current financial year will deliver an increased operating profit. We will be implementing further strategic initiatives to grow our business over the next few years.

Lastly, on behalf of the board I would like to thank our shareholders, staff, customers and suppliers for their continued loyalty and support and look forward to your support in the years ahead.

- ENDS -

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**About Grays eCommerce Group Limited**

Grays eCommerce Group Limited is listed on the ASX (ticker: GEG). The company operates two business segments – B2B and B2C.

The B2B business segment comprises the business-facing components of the graysonline brand, the graysasset and graysmining brands, as well as DMS Davlan and Bryan Andrews Auctions. Collectively, these brands are the largest B2B online auction marketplace in the Asia Pacific region for used plant and equipment. The business provides a full range of valuation and project-management functions for a range of clients including major corporations, insolvency practitioners, financiers and banks.

The B2C business segment comprises the consumer-facing components of graysonline, and offers auction-based consumer product sales. Strong relationships with local and international brand owners across numerous product categories are key to its success. Grayswine is the third largest visited online wine site in Australia and through its websites, graysonline.com.au and grayswine.com.au sells more than 6 million bottles of wine each year.

For further information go to [www.graysecommercegroup.com.au](http://www.graysecommercegroup.com.au) or [www.graysonline.com.au](http://www.graysonline.com.au). For further information go to [www.graysecommercegroup.com.au](http://www.graysecommercegroup.com.au) or [www.graysonline.com.au](http://www.graysonline.com.au)