



SHRIRO HOLDINGS LIMITED

Chairman's Report

It is with pleasure that at this first Annual General Meeting of Shriro Holdings Limited since its Listing in June 2015, I am able to report that your Company exceeded its Prospectus Forecast for its first year, the year ended 31 December 2015. It was an excellent result with Net Profit After Tax 24% above the Prospectus Forecast and an increase of 39% on the previous year.

A fully franked dividend of 6 cents per share was paid to shareholders on the 31st of March 2016, which related to profits earned in the period from listing to 31 December 2015 and represented a payout ratio of approximately 60%, in line with the guidance in the Prospectus. It is anticipated that the payment of dividends will now revert to the more usual interim and final dividend payment timetable of September and March.

Mike Westrup will report on the year shortly but let me point out that Revenue for the year increased 5.3% on the previous year and the gross margin was slightly higher, despite the decline in the Australian Dollar. Operating expenses were well controlled which also assisted the achievement of double digit pro forma EBITDA growth. The statutory result was however affected by the one-off costs of the IPO of \$5.0 million.

Continuing product development remains a very important component of Shriro's strategy and during the last quarter of 2015, the Neil Perry Kitchen by Omega range of appliances was launched. The initial response from customers has been very positive.

The Company has a number of important marketing and product initiatives that will be implemented over the next twelve months which will require management focus and are expected to add value in subsequent years. In addition, and given the Company's strong balance sheet, we will be looking for other growth opportunities that may be outside our present product range. However such a search will be disciplined and will only be pursued where they can be shown to generate sustainable growth and are consistent with the Company's core competencies. For this reason, no specific time frame has been established for this search.

Corporate Governance has also been a strong focus of the Board in the early months since listing on the ASX. We have established a solid framework for sound Corporate Governance, with both the Audit, Risk and Compliance Committee and the Remuneration and Nomination Committee, well in place and meeting on a regular basis. Details of the Charters of these Committees are included on the Company's website.

Your Board operates with a relatively small number of Directors but is considered to have an appropriate range of skills and experience. We will continue to review the range of skills required as the Company grows, so as to ensure the right balance is maintained.

The year ended 31 December 2015 has been a positive one for the Company and its people, and I take this opportunity to thank Mike Westrup for the achievements in the 2015 financial year. Similarly I would like to thank all the staff for their own efforts. I also thank my fellow Directors for their input and support and finally, on behalf of the Board, I thank our shareholders for your continued support.

I now invite Mike Westrup to address the meeting and give us an overview of the operations of the Company and a glimpse into the current trading and outlook for the year.



SHRIRO HOLDINGS LIMITED
Annual General
Meeting Presentation

Friday, 29 April 2016



Sales Revenue

Sales was in line with Prospectus forecast

\$186.3m CY 2015	\$177.0m CY 2014	+5.3% CHANGE	\$187.0m PROSPECTUS FORECAST	(0.4) %
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STANDOUT DIVISIONS



- Casio G-Shock
- Casio Electronic Music Instruments
- Omega Appliances
- Blanco Sinks & Taps





Gross Margin

Strong margin performance despite weaker AUD



STRONG HEDGING POLICY

Plus Dominant product divisions allows price increases plus the ability to negotiate with factories for price reductions.





Operating Expenses

Disciplined operating expenses control

Significant reduction in interest.

Reduction in freight and warehousing costs.

\$57.3m CY 2015	\$55.4m CY 2014	+3.4% CHANGE	\$58.8m PROSPECTUS FORECAST	(2.6%) DIFFERENCE
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3.4%
over last year
despite a sales
increase of 5.3%

2.6%
below
Prospectus
forecast





Proforma NPAT

Exceeded prospectus forecast by 24.0% and 39.3% increase on CY14

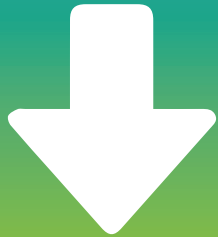
\$12.4m CY 2015	\$8.9m CY 2014	+39.3% CHANGE	\$10.0m PROSPECTUS FORECAST	+24% DIFFERENCE
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Balance Sheet Highlights

Net Debt Reduced
\$37.3 to \$9.4m.



Net Debt to Pro
Forma EBITDA .4X

0.4X

Inventory
Reduction

Improved
Debtor Days



Net Assets
Real assets
No intangibles

\$47.4m





Shareholder Return

Dividends

Dividend of 6.0 cents per share, fully franked paid 31 March 2016

6cps

Represents a payout ratio of around 60% – in line with the Prospectus

60%

A fully franked interim dividend which is likely to be paid in September 2016



Summarised Pro Forma Results Compared to Prospectus

YEAR ENDED 31 DECEMBER 2015

	Actual Proforma CY2015	Prospectus Forecast CY2015
Sales	186.3	187.0
Gross Margin	42.6%	42.1%
Operating Expenses	(57.3)	(58.8)
EBITDA	22.1	19.9
NPAT	12.4	10.0
DEBT EBITDA	0.4X	1.0X



Everdure



To build a global Barbeque Brand in collaboration with a world renowned chef whom we have been working with. This is soon to be announced.



Joint product development to revolutionise the outdoor cooking market by providing innovative products with enduring stylish construction and superior performance.



Neil Perry Kitchen by Omega

Neil Perry is an Australian chef, restaurateur, author and television presenter. He is the co-ordinator for Qantas Flight Catering under his company Rockpool Consulting and co-owns numerous restaurants around Australia.

Neil had a dream to bring the quality, power and performance of his restaurant cooking equipment into his own home.

NEILPERRY
KITCHEN

by **omega**



Neil Perry Kitchen by Omega

Our retail partner Harvey Norman month on month growth in written sales (orders in) where written sales are showing more than 40% growth each month exceeding Harvey Norman expectations.

Store rollouts to be completed and a significant advertising campaign beginning in May and our optimism for the brands long term success is high.





Neil Perry Kitchen product images and store displays





Casio G-Shock Watches

Strong sales are expected with a continued rollout of G-Factory stores as well as the further release of G-Shock premium watches which will move the average price point upwards significantly.



**Casio Timepiece
Auckland Airport**



Casio Timepiece National Myer Stores
Expansion into 6 additional sites is underway





Casio Acoustic Digital Piano

The creation of a new product class with the first time creation of a digital acoustic piano in collaboration with C. Bechstein.

CELVIANO
Grand Hybrid





Robinhood



We are in the advanced stages of new innovative design within the Supertub category.

We thought it up in the first place

The original Kiwi laundry tub

The genuine Robinhood Supertub has many imitators but remains the only brand in New Zealand to have stood the test of time. The Supertub was developed in New Zealand for Kiwi homes and even now, 40 years later, the company is still based here.



New Zealand's favourite

With over 400,000 sold since their invention, the Supertub is easily New Zealand's most popular choice for laundries. In fact today, about 1 in 15 Kiwi homes enjoy the convenience a Supertub brings to their laundry.

Supertub



ALTO Supertub[®] Scrapeater[®] Ironing Centre[®] Uniduct[®]



Outlook

Strong first quarter growth in profit, however caution Q1 is only a small part of total year.

Strengthened AUD will provide a positive impact in the last quarter.

High-rise medium density apartments and new housing is only a small part of Shriro's overall profit, however orders in have increased over the last 6 months as compared to the same period LY. New housing is particularly strong.

Significant BBQ launch costs will be in 2016, consequently there will be modest growth of profit after tax.

Expect stronger growth in 2017/2018 with new product launches.