

Chairman's Speech - EVZ Ltd AGM

Welcome to the 2015 Annual General Meeting of EVZ Limited albeit delayed.

The delay in issuing the 2015 Annual Report and the convening of this Annual General Meeting was the result of significant ongoing negotiations with our financiers to extend its facilities and the negotiation of a commercial agreement for the completion of the Melbourne Airport Tri-Generation facility.

It is pleasing to report that:

- The EVZ Group was able to execute an extension to its maturing banking facilities to 31 March 2017, and
- Concurrently, the EVZ Group has entered into a commercial agreement with Australia Pacific Airports (Melbourne) Pty Ltd to provide an appropriate commercial and financial framework for the completion of the Melbourne Airport Tri-Generation facility. This project is currently in line with its budgeted construction program.

Both agreements have provided the necessary stability to the EVZ Group going forward and allows the EVZ Group to continue to determine and pursue the appropriate avenues to improve the capital and debt positions of the EVZ Group.

It is also pleasing to advise that the EVZ Group has returned to a positive trading platform post 30 June 2015 which was reflected in our 31 December 2015 half-year results. However, the economy in which the EVZ Group operates remains constrained and extremely competitive and the Group expects to report a reduced level of trading profitability for FY16.

Summarising each business individually:

- Our tank construction and piping operation, Brockman Engineering, continues to be a lead player in that market and has built a strong reputation over an extended client base. It has a significant tender pipeline with decisions on a sizeable portion of those tenders expected in the next 3 months.

Current market conditions are tight and Brockman is currently seeing short term significant competition from inexperienced engineering businesses exiting the mining sector and looking to buy work in the tank construction sector.

- FY2016 has seen a re-emergence of the Group's Siphonic drainage operation, Syfon Systems. Following internal restructuring Syfon has pleasingly returned to trading profitability in Australia in FY16.

The Syfon Asian operation has continued to perform strongly, maintaining its profitability and winning new work to sustain its record levels of forward work in hand.

- The Group's energy operation, TSF, has had varying degrees of success in FY16.

As mentioned earlier the Melbourne Airport project has recommenced and is currently meeting its project completion plan. However, apart from this project, the general energy market continues to remain subdued.

The Maintenance business continues to be profitable and is focused on expanding its geographic and client base.

Before I hand over to our CEO, Scott Farthing, I wish to advise this meeting that given my successful re-election as a Director today, I will be standing down from the role as Chairman of EVZ Limited effective 1 July 2016. I will however, be staying on the Board as a Non-Executive Director. Unfortunately, my current commitments are impacting on my ability to devote the appropriate time demanded from the position of Chairman. I wish to advise that Graham Burns will step up to the role of Chairman from that date to guide the Group on its continued journey of stability and growth.

I will now hand over to Scott Farthing