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CHAIRMAN'S ADDRESS

Annual General Meeting

28 October 2016

During the year ended 30 June 2016 Lindsay Australia continued building its market presence within the Australian horticultural and cold chain industries and so throughout the value chain Lindsays are ever present. Present, at the start providing rural inputs and advice. Present at harvest, with packaging, fumigation and storage and finally present transporting our customers' precious and valued cargo throughout Australia and now throughout the world.

We invest time and effort into quality, whether its delivering on time, offering expert advice to our growers or designing cartons to meet their individual needs. Our commitment to customers is our priority and is reflected in our results.

Lindsay operates in highly competitive markets and in Australia there are over 40,000 road freight operators from small to large enterprises and so to remain competitive companies must innovate and seek efficiencies in the way they operate and deliver their services. Through its investment in people and systems we continue to optimise our performance in these competitive markets. The new transport IT systems being implemented will offer efficiencies to the business as it grows.

The Australian economy continues to feel the impacts of the decline in the resources sector and together with low inflation, low interest rates and a complex political landscape, the economic outlook remains cautious. Despite this Lindsays remains focussed on opportunities and capitalising on its expertise.

Lindsay Fresh Logistics is growing and now servicing more customers through its fumigation, sterilisation, and quarantine inspection processes to provide value added services to our traditional transport services, and offers us opportunities to engage with customers and operate in markets offshore as well as domestically.

Our infrastructure continues to expand. The new purpose built transport and rural site at Acacia Ridge in Brisbane offers cost effectiveness and growth opportunities. In December 2015 we opened our newly constructed transport Depot at Direk in South Australia, a superb transport facility strategically located to support our customers in this important growing region and beyond.

North Queensland remains a key focus for the business both in transport and rural. The new 9.6 million Mareeba depot due for opening in November will cater to the needs in this expanding horticultural region. Lindsay has positioned itself as a premium service provider to North Queensland and the new depot reflects the opportunities in that region.

Lindsay continues to focus on operating and maintaining a safe and modern fleet of vehicles. During the year 65 prime movers were purchased and in this way we are reducing the age of our fleet.

We are focussed on our people and their well-being, whether its through training, supporting local safety committees or actively responding to incidents or hazards. Lindsay is committed to safety and it remains a key priority for the business. Our new in-cab IT systems will assist our drivers with fatigue management and overall vehicle monitoring.

These investments in people, systems and infrastructure, position the business to grow over the long term. This coming year our focus is on maximising the utilisation on the investments we have already made.

The financial year ended 30 June 2016 was an excellent result for the Lindsay group and as a whole earned a net profit after tax of \$8.072 million compared with \$6.16 million in 2015. An improvement of 30.9%.

Shareholders should be pleased with this year's improvement in basic earnings per share from 2.4 cents last year to 2.8 cents.

Operating revenue improved 5.1% for the year to \$324.7 million compared with the previous year's revenue of \$309.9 million and this increase is notable when considering Australia's flat economic conditions and can therefore be attributed to increased market share.

With the improved profits the total dividends paid or provided for the year was 2.2 cents per share compared with 2.1 cents per share last year.

In an economy punctuated by low inflation and slow growth, pricing pressure and competition for market share is constant and this requires continual investment to achieve operational improvements.

Revenue for Transport including internal revenue was \$230.7 million compared with \$222.4 million last year. Segment profit before tax increased to \$22.7 million compared with \$20.1 million in 2015.

The Rural division invested in new horticultural regions including Bowen and the wider Burdekin. Start-up costs associated with the investment weighed on the divisions cost base and distorted what was otherwise an encouraging year, with packaging sales continue to strengthen and grow as a proportion of total sales.

Total divisional Sales last year grew from \$93.9 million in 2015 to \$101.6 million in 2016. Growth for the first quarter of 2017 continues to exceed our expectations.

Rural earned a divisional contribution of \$3.5 million for the 2016 financial year compared with the previous year of \$3.7 million. The decrease in divisional contribution was due to a change in the mix of goods sold, but now the product mix is reverting to higher margin goods in the 2017 financial year. We are mindful there is still more work to do on costs this year.

The Rural division continues to provide excellent service to customers which includes agronomy services to customers in all areas.

As mentioned the overall trading environment remains challenged particularly in transport. We expect the increased capacity being commissioned in Acacia Ridge and Mareeba to provide revenue and profit uplift in FY18.

For the first three months of this year Transport revenue is equivalent to the same period last year. However, Floods in South Australia and Victoria, along with loss leading pricing by our main competitor impacted the first three months' results.

Rural sales for the first three months increased 16.7 % on comparable periods last year.

We expect the half year result to be comparable with the same period last year.

As always for our success, we thank our dedicated staff who often go above and beyond to deliver our services to customers.

Finally I would like to thank the board of directors for their continuing commitment and dedication to Lindsay Australia Limited.

Thank you Ladies and Gentlemen