

10 November 2010

Company Announcements Office
Australian Securities Exchange Limited
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SYDNEY NSW 2000


By electronic lodgement

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In accordance with Listing Rule 3.13.3, following is a copy of the Chairman's Address to be made at the Annual General Meeting commencing at 11.00am today.

Also attached is a copy of a presentation to be made by the CEO at the Annual General Meeting.

Yours faithfully
For and on behalf of Engin Limited

per. 

John Kinninmont
Company Secretary

Engin Limited

Annual General Meeting – 10 November 2010

Address to Shareholders by Ian Smith, Chairman

The 2010-year has been an encouraging year for engin. As committed to at last year's AGM, the company has continued to grow its customer base, reduce its cost base and ensure that engin is both operationally and financially in a position of strength to compete in an increasingly dynamic communications market.

I am very pleased to be able to report that the company has not only achieved record EBITDA but has also been cash flow positive for the whole year. We achieved a Positive Operating Profit of \$0.7M with Positive Operating Cash-flow of \$0.7M. Importantly, subscriber numbers grew by 4.5% vs. FY09 and we achieved a Gross Margin improvement of 10.4% over the previous year. Through several improvements in operational efficiencies, the company's operating expenses have been reduced by 6% vs. the previous year. Very importantly, we ended the year with \$4.6M of cash.

Having consolidated the financial turnaround of the business, we now look to accelerating our customer base growth and the range of services we are able to offer them. Charles will take us through some of those in a minute. Equally, we are beginning to grow new market sectors and in particular the Small to Medium Business market where we have achieved encouraging results over the past year. We are also closely focussed on the opportunities engin will be able to capitalise on as IP services become more prevalent and we will watch with great interest the development of the National Broadband Network.

Today engin has a strong balance sheet and an ability now to identify and pursue growth oriented strategies in the broader Telecommunications environment. This now provides us with some flexibility to grow our business going forward, both from organic growth and sensible synergy based acquisitions that add value to shareholders. We will be disciplined in how we deploy our surplus cash. It's all about being patient, finding the right opportunities and ensuring we can execute well.

Before I ask Charles to speak, I would like to again thank the management team for their contribution to delivering these results and for all the work my fellow Directors have done in supporting management's efforts. I would also like to congratulate Charles on his appointment to the engin Board and again welcome Martin and Tim and look forward to their contribution.

And of course I want to thank all shareholders for their ongoing support and rest assured that both the Board and management will continue to focus on continuing to deliver the kind of results needed to build an increasingly strong foundation for future growth. In 2010 we delivered a pleasing result, despite difficult economic conditions, and our business base has strengthened further. In the FY11 year the company has embarked on a controlled but higher growth strategy. Bottom line results remain a focus for the company however we are now ready to invest in our sales and marketing efforts to further drive subscriber acquisitions.

I'd now like to invite our CEO, Charles Solomon to present you with a brief overview of the engin business and some of the projects we are developing for the future.

AGM 2010

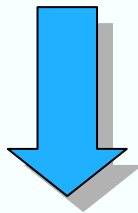
Charles Solomon, CEO

10 November 2010

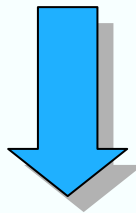


The engine Business

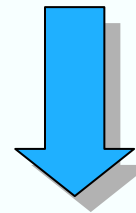
A provider of a full suite of telecommunications products and services to Residential and Small/Medium Businesses in Australia



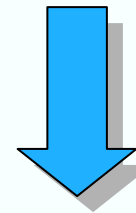
Focussed growth in IP Centric services



Expanded product portfolio to better meet customer needs



Continued organic growth and open to non-organic opportunities

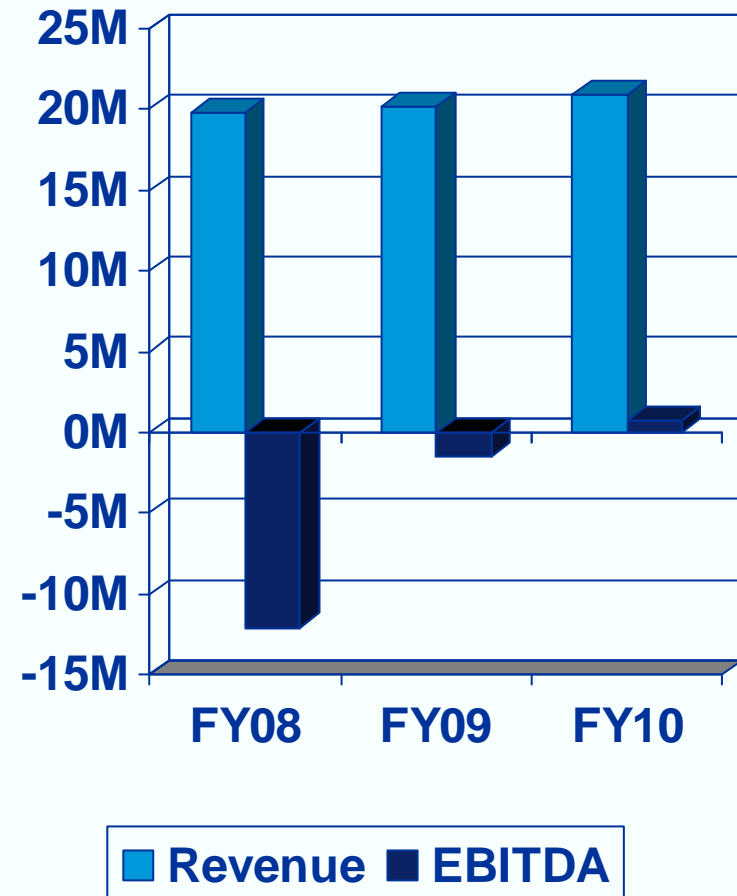


Focussed on delivering value for money products with superior customer service



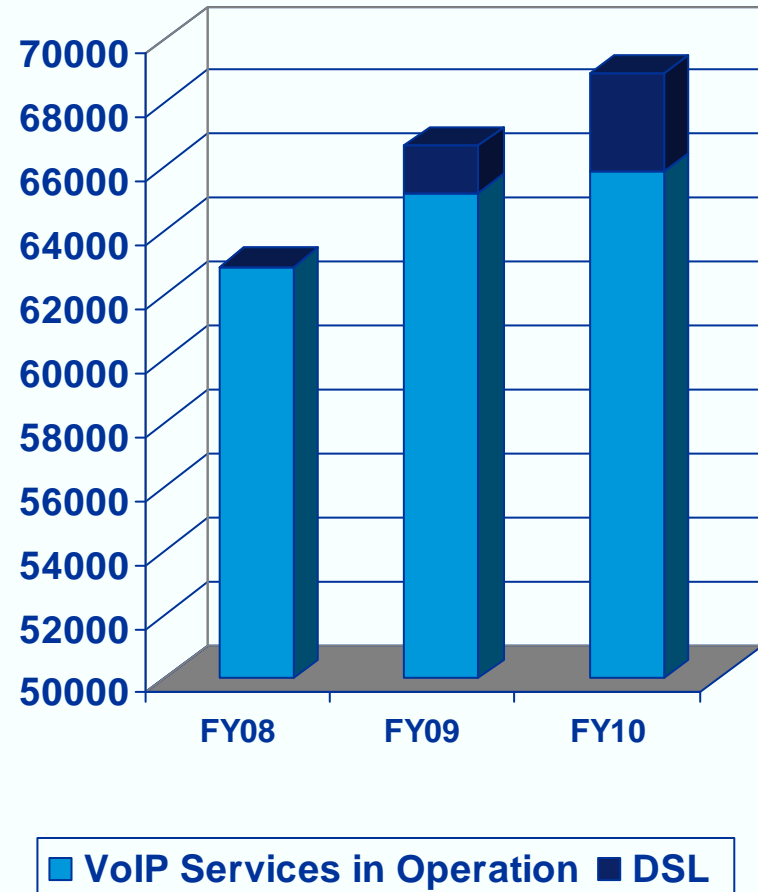
FY10 Highlights

- Achieved full year EBITDA (\$.7M) for the first time
- Achieved full year positive operating cash flow for the first time
- 3.6 % increase in revenue
- 4.5 % increase in Services in Operation
- Improved customer service levels and retention



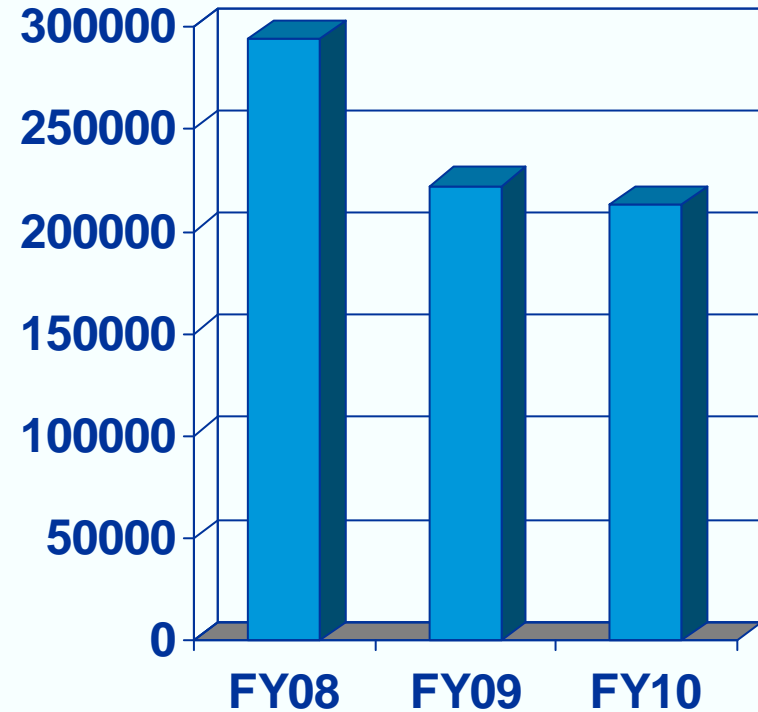
Strong services growth

- 4.5% growth in Services in Operation
- VoIP Services in Operation continued to grow organically
- Strong growth in DSL services of 107%



Continued Improvements in Customer Service

- 4% reduction in support/service related calls
- Improved problem resolution, speed to answer and service waiting times
- Continued improvements in cost to serve efficiencies

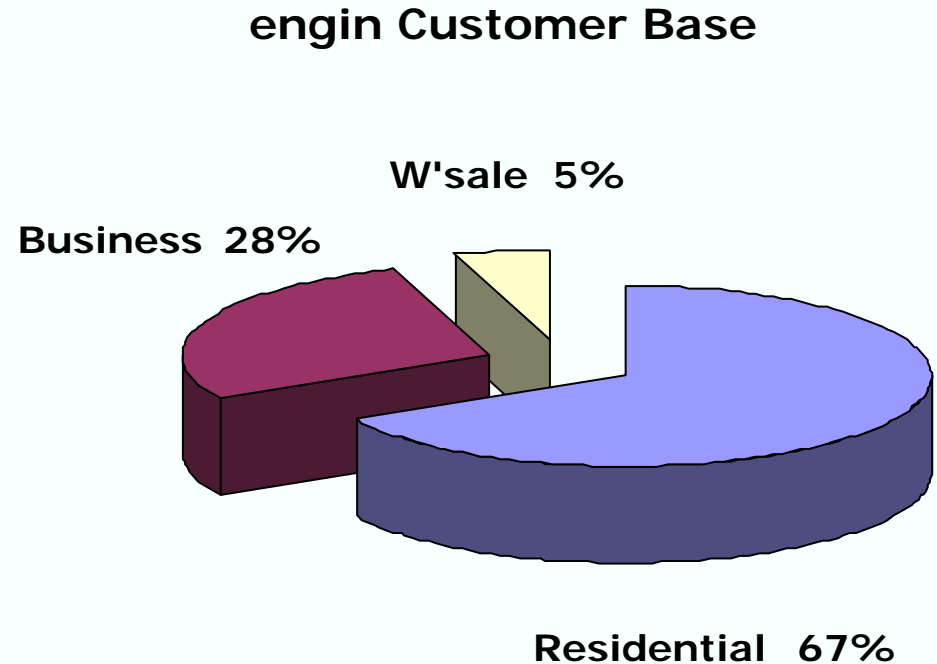


■ Customer Contacts



Strong growth in Business and Wholesale services

- Business Services up 21% vs. FY09
- Wholesale Services up by 40% vs. FY09
- Launch of new services for the SME market to further increase penetration of small business market
- Significant new sales/distribution relationships
- Continued growth in DSL subscribers and bundled DSL/VoIP services



National Broadband Network Opportunity

- Residential and Small Business customers to benefit from NBN rollout
- Potential for improved access and economies for service providers
- Anticipated mass deployment of VoIP services to replace existing PSTN voice
- Increased uptake of enhanced VoIP services will open up new revenue opportunities
- Engin is identifying opportunities to leverage this important restructure in the Telecommunications industry



Growth Strategy

- Leverage engin's expanded product portfolio and distribution channels to drive organic growth
- Sell new services to existing customers to increase engin's share of it's customers Telecommunications spend
- Continue to lead the market in customer support and service
- Identify opportunities for non-organic growth to further increase scale economies



Outlook

- Positioned to continue to deliver profitable growth
- Continued expansion of service offering
- Proven organic growth potential
- Capacity for both organic and non-organic growth
- Structural changes in Telecommunications Industry present further growth opportunities



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