



DWS Limited
ACN 085 656 088

Manager Companies
Company Announcements Office
Australian Securities Exchange Limited
Level 4, Stock Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

15 November 2016

Dear Sir/Madam

AGM Address to Shareholders and Trading Update for H1 FY17

Please find attached the DWS Limited Annual General Meeting (AGM) Address to Shareholders for 2016, incorporating the Non-Executive Chairman and Managing Director's address to shareholders that will be delivered at the Company's AGM in Melbourne this morning.

Yours sincerely

Stuart Whipp
Company Secretary
DWS Limited

DWS Limited

Chairman and Managing Director's proceedings of Annual General Meeting of the Shareholders to be held at the offices of Grant Thornton, The Rialto, Level 30, 525 Collins Street, Melbourne, Vic, 3000 on Tuesday 15 November 2016 at 11am AEDT.

1. Introduction by Non-Executive Chairman

Good morning ladies and gentlemen. My name is Martin Ralston and I am the Non-Executive Chairman of DWS Limited.

2. Declaration of quorum and opening of meeting

The Secretary has advised that a quorum is present. I therefore declare the meeting open and have pleasure in welcoming you to this Annual General Meeting of DWS Limited ("DWS" or "the Company").

3. Introduction of Directors and Company Secretary

My first duty is to introduce the Directors and Company Secretary.

Directors:
Ken Barry;
Gary Ebeyan;
Hayden Kelly;
Jodie Moule;
Danny Wallis, who is Managing Director and CEO of DWS; and
DWS Company Secretary and CFO, Stuart Whipp.

4. Apologies

There are no apologies.

5. Notice of Meeting

As the Notice of Meeting has been circulated to all shareholders, I propose that the notice convening the meeting be taken as read.

I will now hand over to Danny Wallis, our Managing Director and CEO who will address the meeting.

6. Managing Director's address to shareholders

6.1 Operating environment and financial performance for 2016

The 2016 financial year (FY16) was one of the most successful years for the DWS Group. Revenue was a record \$144.5 million for the year (up 53% on the prior year) and underlying EBITDA was \$25.8 million (up 63% on the prior year).

DWS continues to have a strong balance sheet with net assets of \$65.2 million as at 30 June 2016. Bank debt was \$24.0 million at 30 June 2016 after drawing down on bank facilities to partly fund the acquisition of Phoenix. This has been reduced by \$2.0 million to \$22.0 million post year end.

DWS continues to generate strong operating cash flow which resulted in a cash balance of \$10.2 million at 30 June 2016. This enabled the Board to declare a final fully franked dividend of 5.0 cents per share giving total fully franked dividends of 9.75 cents per share for the year ended 30 June 2016. Subject to trading conditions and in the absence of any acquisitions, DWS's strong cash flow generation will be used to maintain dividends and continue to pay down bank debt.

The operating environment was mixed both geographically and by industry. In Victoria, New South Wales and Queensland DWS experienced strong demand which offset lower demand in the ACT and Western Australia. Banking and Finance continued to be a key industry for the DWS Group along with Information, Technology and Communications with both industries making up a larger percentage of the group's total demand following the acquisition of Symplicit Pty Ltd ("Symplicit") and Phoenix IT&T Consulting Pty Ltd ("Phoenix"). The resources industry was subdued during FY16 and DWS experienced lower demand from Government as a result of projects being put on hold or postponed.

Demand for IT services is dependent on industry but is expected to remain similar to FY16 overall. A reduction in the number of IT consultants entering the workforce and a focus on costs by clients is expected to put pressure on margins but no more than has historically been the case.

6.2 Acquisitions

Symplicit and Phoenix both made a positive contribution in FY16. Both acquisitions contributed to DWS's strategy of breadth and depth helping to deliver integrated 'design-build-run' solutions to our clients.

The digital IT service offering of Symplicit is in high demand and we are seeing success in cross selling these services to DWS clients who have not previously bought services from Symplicit. In FY17, we will also look to sell DWS services to Symplicit and Phoenix clients who have not previously worked with DWS.

The Phoenix business has now been fully integrated into DWS. DWS has a combined business development group who sell both permanent and contractor consultants providing flexibility in resourcing to match our clients' needs.

6.3 Operational priorities

In 2017, the DWS Executive will focus on our strategy of breadth and depth to increase the amount of work undertaken for each client and the number of clients the DWS Group supports. We will focus on cross selling the increased range of services offered by the DWS Group, introducing Symplicit's digital services to DWS clients and the broad range of DWS IT services to Symplicit and Phoenix clients. In addition, we will target new clients from Federal and State Governments and large private and ASX listed corporates.

We will continue to run our business for maximum efficiency adapting the mix of permanent and contractor staff to match the needs of our clients. Where our clients require services we do not offer, we will look at suitable value accretive acquisitions to obtain such services to ensure that our clients can continue to be supported by the DWS Group and not be required to engage other service providers.

In summary, DWS will continue to focus on meeting our clients' needs as well as winning new clients. We will adapt our workforce and service offering as required to provide our services as efficiently as possible and maintain our industry leading margins and strong cash flow. This should enable DWS to continue to pay fully franked dividends to its shareholders as well as further pay down bank debt and/or fund appropriate acquisitions should they arise.

It is DWS's policy not to give guidance regarding its full year financial results. We are pleased with our FY17 performance to date and expect our first half results to be in line or ahead of our first half performance in FY16. Our full year results for FY17 will be dependent on the underlying demand for IT services in Australia which in turn is dependent on the global economy and the performance of our clients.

I will now hand back to Martin Ralston.

7. Ordinary Business

7.1 Financial statements

The first item today is to receive and consider the financial statements, the Directors' Report and the Auditor's Report for DWS Limited for the year ended 30 June 2016.

The financial statements were subject to audit by Grant Thornton who gave an unqualified audit opinion.

The financial statements are required to be audited and lodged prior to the Annual General Meeting and therefore there is no formal resolution required to be put to the meeting. I will however take questions on the financial statements and any other aspects of the business you may want to discuss. The auditors Grant Thornton are represented here today by Mr Simon Trivett, who is available to answer any questions. Questions will only be taken from persons entitled to vote at this meeting.

Are there any questions from the floor regarding the financial statements, the Directors' Report or the Auditor's Report?

I now declare the DWS Limited financial statements, the Directors' Report and the Auditor's Report for the year ended 30 June 2016 as duly received and considered.

7.2 Ordinary Resolutions

Ladies and gentleman, we have **five** ordinary resolutions to deal with today:

The **first ordinary resolution** is the adoption of the Remuneration Report that is included as part of the Directors' Report in the financial statements. This is a non-binding resolution.

The Remuneration Report, which explains the Board's policies in relation to the nature and level of remuneration paid to Directors and Specified Executives of the Company, forms part of the Directors' Report included in the Annual Report for the financial year ended 30 June 2016 which has been sent to Shareholders.

Shareholders should note that, as specified by section 250R of the Corporations Act, the vote on Resolution 1 is advisory only and is not binding on the Board or the Company.

Shareholders should also note that pursuant to the Corporations Act a vote must not be cast (in any capacity) on this resolution by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report or their closely related parties.

However, a vote may be cast by such a person if:

- The vote is cast as a proxy;
- The appointment is in writing and directs the proxy how to vote in respect of this resolution; and
- The vote is not cast on behalf of a Key Management Personnel or a closely related party of a member of the key management personnel.

As confirmed in the Notice of Meeting, as Chairman of this meeting, I will be voting undirected proxies in favour of this resolution.

The **second ordinary resolution** is for the re-election of Mr Gary Ebeyan, as a Director. Mr Ebeyan is required to retire by rotation in accordance with the Company's Constitution. A brief summary of Mr Ebeyan's experience and qualifications were incorporated into both the Notice of Meeting, and the Company's Annual Report.

The **third and fourth ordinary resolutions** are for the election of Mr Hayden Kelly and Ms Jodie Moule as a Director. Both Mr Kelly and Ms Moule were appointed to the Board of DWS Limited by the other Directors and in accordance with DWS Limited's constitution offer themselves for election at today's Annual General Meeting.

A brief summary of Mr Kelly's and Ms Moule's experience and qualifications were incorporated into both the Notice of Meeting, and the Company's Annual Report.

The **fifth ordinary resolution** is to set the maximum aggregate amount payable to Non-Executive Directors as fees for their services as Directors at \$600,000 per annum.

ASX Listing Rule 10.17 and clause 15.4 of the Company's Constitution require the maximum amount of Non-Executive Directors' remuneration to be approved by Shareholders.

Resolution 5 proposes to set the maximum aggregate amount payable to Non-Executive Directors as fees for their services as Directors at \$600,000 per annum. The Board considers that a fee pool of \$600,000 is appropriate for the Company given its size and operations and will help enable the Company to attract and retain high calibre Non-Executive Directors.

In accordance with section 224 of the Corporations Act and the ASX Listing Rules, a Director, or any Closely Related Party or associate of a Director, is prohibited from voting on Resolution 5 and the Company will disregard any votes cast on Resolution 5 by a Director, or any associate of a Director.

However, in accordance with the Act, a person described above may vote on Resolution 5 if:

- the vote is cast by such person as proxy for a person who is permitted to vote, in accordance with the direction specified on the proxy form how to vote; or
- the vote is cast by the Chairman as proxy for a person who is permitted to vote, in accordance with an express direction specified on the proxy form to vote as the proxy decides.

As confirmed in the Notice of Meeting, as Chairman of this meeting, I will be voting undirected proxies in favour of this resolution.

8. Voting procedures

Ladies and gentlemen, I would first like to remind you of the voting procedures to be followed where the vote is to be decided by a show of hands.

Before the motion is put to the vote there will be an opportunity for shareholders to ask questions. Kindly ensure that only questions relating to the relevant resolution are asked.

Questions will only be taken from persons who are entitled to vote at this meeting.

If you wish to ask a question or make a comment I ask that you stand and state your name and show your green, yellow or white card before proceeding with the question.

I remind you that visitors are not permitted to vote or ask questions.

When a vote is called for would all voting shareholders and proxies raise the appropriate voting card to indicate whether they are voting for or against the motion.

As per the Notice of Annual General Meeting, I remind Key Management Personnel and their proxies and Closely Related Parties of Key Management Personnel and their proxies that they are restricted from voting on Resolution 1 regarding the adoption of the Remuneration Report of the Company. Similarly, I remind Directors and their proxies and Closely Related Parties of Directors and their proxies that they are restricted from voting

on Resolution 5 regarding the increase in the remuneration pool for Non-Executive Directors.

Ordinary Business

Resolution 1: Remuneration Report (Non-binding Resolution)

I move the following ordinary resolution:

'That the Remuneration Report forming part of the Directors' Report for the year ended 30 June 2016 be adopted.'

Is there a seconder to this resolution?

Are there any questions from the floor on this resolution?

I advise that the Company has received 13,621,511 proxy votes in favour of the resolution, 1,213,910 against the resolution and 561,560 open votes to be cast by the Chairman as proxies which will be cast in favour of the resolution.

I put the matter to the vote. Those in favour? Those against?

I declare the resolution passed / not passed.

Resolution 2: Re-election of Mr Gary Ebeyan

As a member of the Board, Mr Gary Ebeyan is required to retire by rotation. Mr Ebeyan is eligible and has offered himself for re-election.

I move the following ordinary resolution:

'That Mr Gary Ebeyan, who retires as a Director pursuant to clause 15.3 of the Company's Constitution, be re-elected as a Director of the Company.'

Is there a seconder to this resolution?

Are there any questions from the floor on this resolution?

I advise that the Company has received 14,857,072 proxy votes in favour of the resolution, 91,870 against the resolution and 709,560 open votes to be cast by the Chairman as proxies and which will be cast in favour of the resolution.

I put the matter to the vote. Those in favour? Those against?

I declare the resolution passed / not passed.

Resolution 3: Election of Mr Hayden Kelly

Clause 15.1 of the Company's Constitution provides that a Director appointed by the other Directors holds office until the end of the next following general meeting and is eligible for election at that meeting. Mr Hayden Kelly was appointed to the Board by the other Directors on 19 November 2015, and in accordance with the Constitution seeks selection at this meeting.

I move the following ordinary resolution:

'That Mr Hayden Kelly, who retires as a Director pursuant to clause 15.1 of the Company's Constitution, be elected as a Director of the Company.'

Is there a seconder to this resolution?

Are there any questions from the floor on this resolution?

I advise that the Company has received 14,713,102 proxy votes in favour of the resolution, 372,372 against the resolution and 561,028 open votes to be cast by the Chairman as proxies and which will be cast in favour of the resolution.

I put the matter to the vote. Those in favour? Those against?

I declare the resolution passed / not passed.

Resolution 4: Election of Ms Jodie Moule

Clause 15.1 of the Company's Constitution provides that a Director appointed by the other Directors holds office until the end of the next following general meeting and is eligible for election at that meeting. Ms Jodie Moule was appointed to the Board by the other Directors on 19 November 2015, and in accordance with the Constitution seeks selection at this meeting.

I move the following ordinary resolution:

'That Ms Jodie Moule, who retires as a Director pursuant to clause 15.1 of the Company's Constitution, be elected as a Director of the Company.'

Is there a seconder to this resolution?

Are there any questions from the floor on this resolution?

I advise that the Company has received 12,440,424 proxy votes in favour of the resolution, 2,360,268 against the resolution and 559,560 open votes to be cast by the Chairman as proxies and which will be cast in favour of the resolution.

I put the matter to the vote. Those in favour? Those against?

I declare the resolution passed / not passed.

Resolution 5: Approval of an increase in the remuneration pool for Non-Executive Directors

ASX Listing Rule 10.17 and clause 15.4 of the Company's Constitution require the maximum amount of Non-Executive Directors' remuneration to be approved by Shareholders.

Resolution 5 proposes to set the maximum aggregate amount payable to Non-Executive Directors as fees for their services as Directors at \$600,000 per annum. The Board considers that a fee pool of \$600,000 is appropriate for the Company given its size and operations and will help enable the Company to attract and retain high calibre Non-Executive Directors.

The fee pool covers all fees for services for Non-Executive Directors including committee fees and superannuation contributions. The Company does not pay any benefit in connection with a Non-Executive Director's retirement from office other than superannuation contributions.

The Company confirms that no Directors have been issued any securities under ASX Listing Rule 10.11 or 10.14 in the past 3 years.

I move the following ordinary resolution:

'That the aggregate maximum sum available for the remuneration of all Non-Executive Directors be set at \$600,000 per annum.'

Is there a seconder to this resolution?

Are there any questions from the floor on this resolution?

I advise that the Company has received 13,319,067 proxy votes in favour of the resolution, 1,324,577 against the resolution and 533,560 open votes to be cast by the Chairman as proxies and which will be cast in favour of the resolution.

I put the matter to the vote. Those in favour? Those against?

I declare the resolution passed / not passed.

10. Conclusion

Ladies and Gentlemen, that concludes the business of the meeting. Thank you for your participation and if there are no further questions I now declare the meeting closed.