

Opening Chairman

Good Morning ladies and gentlemen and may I welcome you all to the 57th Annual General Meeting of Chalmers. I would like to introduce my fellow Directors;

- Deputy Chair **Graham Mulligan**
- Chalmers Managing Director **John Carew**
- Director Container Services **Gary Chalmers**
- Non-Executive Directors **Peter Brannighan** and **Layton Daglish**

I would also like to introduce representatives from our Auditors - Grant Thornton; Partner **Brad Taylor** and Audit Manager **Derek Ng** and representing our bankers - the Bank of Melbourne; **Stephen Reeves**.

We also have our legal advisor from Herbert Smith Freehills Senior Associate **Jessica le** and Solicitor **Danielle McFarlane**.

Despite being faced with a difficult operating environment, Chalmers delivered an improved result for both revenue and pre-tax profit. For the 2016/17 year, Chalmers reported a pre-tax profit of \$777K with an \$8.2M increase in revenue to \$66.7M.

This improved result was achieved despite continued competitive pressure and aggressive pricing strategies from competitors. The Chalmers management team focused on maintaining tight cost controls and operating efficiencies that contributed to the improved operating performance.

The Queensland operations saw further improvement during the 2016/17 year. Previous losses experienced in the warehousing operations have been addressed with the sub-leasing of excess warehouse capacity and through the acquisition of new warehousing and storage contracts. Additionally, improvements have been maintained across the transport and tank wash operations.

Significant improvement was also achieved in the Melbourne transport operation and while the Melbourne Container Park continued to perform reasonably, the ongoing requirement of EPA mandated dust mitigation was and will continue to be a significant cost burden.

The Queensland performance cannot be discussed without making mention of the mini-cyclone that struck the Port of Brisbane on 13 November 2016. This sudden and devastating weather event dislodged over 900 containers at the Chalmers Container Park. John Carew will go into more detail during his presentation but I would like to

take this opportunity to commend John and his team on their efforts to remove the damaged containers and to re-open the park for business so quickly. It was a very difficult issue to cope with so well done!

I would also like to take a brief moment to address this and last year's remuneration reports. While last year we received a no vote against the remuneration report, no issues were raised regarding remuneration at the 2016 AGM. This year, there have been no discretionary increases in remuneration and the only moves have been related to staff covered by formal Enterprise Bargaining Agreements. Additionally, no performance bonus payments have been made relating to the 2016/17 year.

At last year's Annual General Meeting I briefly discussed the status of the Yarraville properties owned by Chalmers. While the Yarraville site is ideally placed geographically, the overall precinct is undergoing significant change with the main road link – Francis Street – being subjected to increasing curfews designed to immediately minimise heavy vehicle access. Access is likely to be stopped altogether when the Western Distributor project is completed.

Against this background, the Board has engaged Consultants to review the entire business and to provide specific input on the options available to Chalmers at its present Melbourne location. This process is well advanced and specifically, what longer term future uses may be available for the Yarraville site and what implications those alternatives may have for the Melbourne operations.

As these projects advance and the options become clearer, we will discuss their outcomes and implications with our shareholders and declare our intentions to the market.

I would now like to handover to John Carew to provide more insight into the Chalmers 2016/17 performance.

Thank you.