

Chairman's and Chief Executive's review

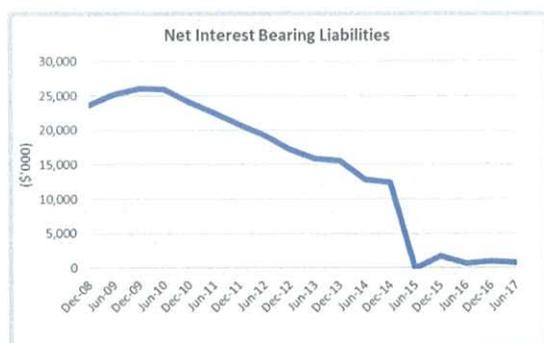
The directors of Just Water International Limited present the financial results for the year ended 30 June 2017. This is our 30th year since our founding, morphing from Red Eagle Corporation in 1987 to Just Water in 1989. It is pleasing to report the overall turnaround over the last 5 years.

Debt

At 30 June 2017, the company's net interest-bearing liabilities were \$0.8 million. This was after building refurbishment costs incurred of \$0.8 million, plant refurbishment costs of \$1.0 and \$1.0 million paid out to acquire and cancel shares through the company share buyback programme.

Net interest-bearing liabilities include cash and cash equivalents and interest-bearing liabilities.

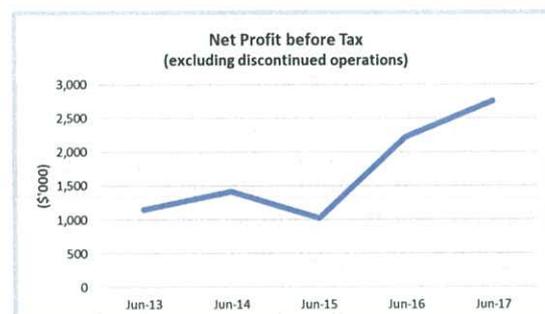
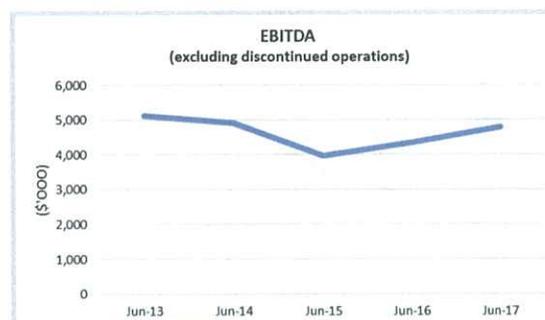
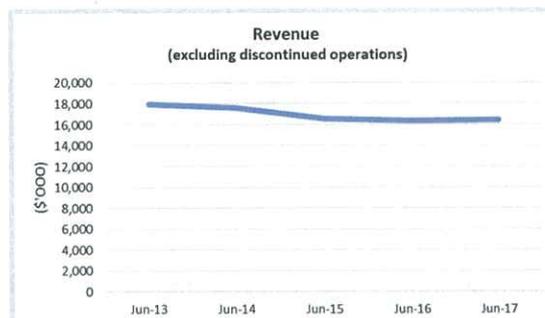
The graph below details the net interest-bearing liabilities for the Group over the past nine years:



Results

	Current year \$'000	Previous year \$'000	% change
Operating Revenue	16,446	16,251	1%
Non-Operating Revenue	-	91	
EBITDA	4,790	4,345	10%
Depreciation & Amortisation	(1,956)	(2,025)	3%
EBIT	2,834	2,320	22%
Interest	(80)	(101)	21%
Net profit before tax	2,754	2,219	24%

The results continued to show improvement over previous years, with a significant improvement in net profit over the previous year.

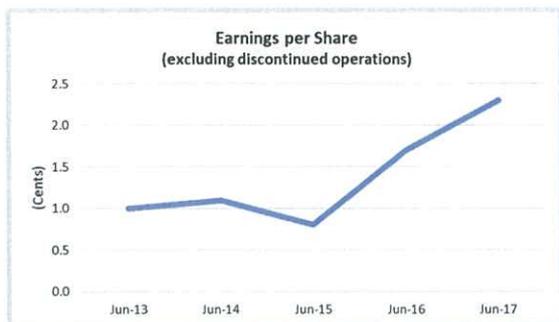


The slow decline in revenue over previous years was reversed in 2017. Combined with the use of technology across the business to increase productivity and reduce overhead costs, earnings have continued to climb over the previous year.

Shareholder returns

All key indicators for shareholder returns showed pleasing growth during the year.

With the increased earnings, and the reduction in shares on issue through the Company's share buyback programme, earnings per share has increased from 1.0 cent in 2013 to 2.3 cents in 2017 as shown below:



Shareholder equity has steadily increased during the last 5 years.



Dividends

Because of the strong cash flow, reduced debt, increased shareholder equity and increase in earnings the directors are pleased to advise that a fully-imputed net dividend of 2.0 cents per share will be declared. The record date for the dividend will be 03 November 2017 and the payment date is 17 November 2017.

Dividend Reinvestment Plan

The company operates a dividend reinvestment plan. The Harvard Group has advised it will not be participating in the dividend reinvestment plan.

New Opportunities

The Company continues to pursue new opportunities for growth – last year the Company announced the trial of two new consumer products – a Just Water 10 litre cask and a bottled Manuka Honey beverage.

The Company has shipped its first container of Just Water casks to China during the year, but does not believe this product will add substantially to earnings in the current year.

The Manuka Honey beverage has morphed into “the world’s first premium alcohol-free liqueur”, named Melambra Gold. (www.melambra.com) The name has been registered in various international markets, and is scheduled to go into production in the first half of 2018. It has been offered to Duty Free retail exclusively for the next 12 months.

The Company is looking at other opportunities which will be announced in due course.

Bank covenants

The Company has complied with all bank covenants during the year to 30 June 2017.

Expected Future Income Rental Streams

At 30 June 2017, there was approximately \$80 million expected future rental income stream which is not recognised in the consolidated financial statements. Consistent with prior disclosures, expected future rental income streams have been calculated based on the last month’s rental income multiplied by the average customer life, which exceeds seven years.

Audit

The Company’s accounts have been audited and an unqualified audit opinion was given.

Share Buyback Programme

The directors will continue the previously announced share buyback programme to 16th February 2018.

The Company can buy and cancel up to 5% of the shares on issue by the Company as at 22nd February 2017, being 4,470,236 shares. As of the date of this report the company has purchased and cancelled 3,787,388 shares.

Health & Safety

The ongoing health and safety of the Just Water team members, contracting parties and visitors is a critical input into the Company’s operations. As advised, the Accident Compensation Commission continued to retain the Company’s tertiary (highest level) qualification.

Board

I would like to thank my fellow directors, Ian Malcolm and Brendan Wood. With this small Board, we have been able to make decisions quickly and ensure excellent governance processes. In accordance with the constitution, Brendan Wood retires by rotation and being eligible offers himself for re-election.

Just Water Team

The directors wish to specifically acknowledge the excellent team culture which has played a major part in achieving this pleasing result for the year. The Just Water team has shown absolute commitment in every part of the Company, and the directors thank them for their dedication.

Yours sincerely

Tony Falkenstein
Chairman and Chief Executive