K&S CORPORATION LIMITED

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20th November 2012

Annual General Meeting
Chairman's and Managing Director's Address

Please refer to attached address.

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Chairman's Address – Annual General Meeting – 20 November 2012

Good afternoon ladies and gentlemen. It is a pleasure to welcome you here today.

As Chairman and on behalf of the Board of K&S Corporation, I am pleased to once again report on the Company's performance.

During the year we have experienced first-hand the two speed economy.

The east coast operations have experienced the effects of the high $A on the domestic manufacturers while on the west coast we have seen the positive impacts of the mining industry.

Our strong second half performance has been underpinned by the strength of our Western Australian operation and the stabilisation of our east coast contract distribution business.

We still have a number of challenges in our east coast linehaul business due to depressed volumes.

The year has been unlike any other in the Company's recent history as we have welcomed Greg Stevenson as Managing Director following the retirement of Legh Winser in May.

Legh Winser's career with K&S spans a period of over 40 years and 14 years as Managing Director. In that time, as Managing Director, the Company's revenues have doubled whilst profit after tax has increased sixfold. The growth of the Company is in no small part due to Legh's passion, commitment and vision, in particular, Legh was the principal architect of the Company's increased involvement in Western Australia. I cannot think of anyone that has made a greater contribution to the Company then Legh.

On behalf of the Board, I wish to thank Legh and wish him all the best in retirement. I know he maintains a keen interest in the welfare of the Company.

Financially, our net profit after tax for 2011/12 was $16.4 million compared with $14.8 million for the 2010/11 financial year, up 10.9%.

Operating revenue for the year was $554.8 million, an increase of 6.0% on the previous corresponding period.

Operating cash flow increased 14.1% to $38.9 million.

Earnings per share were 18.7 cents per share.

We have paid a fully franked final dividend of 6.0 cents per share (last year 5.0 cents per share). This followed the interim dividend of 5.0 cents per share paid in March 2012, making a total dividend of 11.0 cents per share. The final dividend was paid on 31 October 2012, with the date for determining entitlements being 17 October 2012.

The dividend reinvestment plan (DRP) was once again part of the October 2012 dividend.

The terms of the DRP remained unchanged with issue price under the DRP based on the weighted average trading price for K&S shares in the five business days ending on 17 October 2012 (the record date of the final dividend) less a discount of 2.5%.

The support for the DRP has once again been strong with a further 899,237 being issued at $1.5683. This supports the view that the current share price is low given the Net Tangible Assets per Share of the Group is $1.72 as at 30 June 2012.

Our gearing at 30 June 2012 is 21.6%, which is well within our target range.

We recently completed the acquisition of Bunbury based Collare Transport. This acquisition is a further strengthening of our Western Australian footprint.

The Collare business has a strong focus on the timber industry and is complimentary to our existing business. We expect the acquisition to be earnings positive immediately.

I would like to provide some clarity in regard to our earnings for the current year.

Some parts of the economy have remained difficult in the face of the strong $A, low demand for housing and subdued consumer spending.

We have started the financial year on a positive note and expect our half year earnings to be up between 25 – 30% on the corresponding period last year.

We have as predicted at the time of our full year results (August 2012) continued the momentum achieved in the second half of last year.

Our Western Australian business is continuing to experience growth and there has been a much better performance from our traditional east coast business.

Our Balance Sheet remains strong with low gearing which enables us to continue our growth strategy.

We are confident of further growth in our existing customer base and we will continue to bid strongly on new tenders.

Opportunities for potential acquisitions will also be closely evaluated when it makes strategic sense.

On behalf of the Board, I thank our customers, suppliers and employees, who have contributed to our continuing success. In particular, I thank the senior management team, led by Greg Stevenson, for their ongoing commitment and dedication in what has been a difficult period.

I will now hand over to Greg who will address the operational aspects of the business.

Tony Johnson
Chairman

MANAGING DIRECTOR'S ADDRESS – Annual General Meeting November 2012

Thank you Chairman and good afternoon ladies and gentlemen.

Firstly I would like to express how excited I am to have the opportunity to lead K&S on its successful journey.

Thank you to everyone who has welcomed me at K&S and in particular I would like to thank Legh Winser for his vision and dedication over the last 14 years, which has left me in a strong position to expand on his work and take further advantage of the opportunities that have been presented to our company.

2012 Highlights - The revenue growth for 2012 was 6% to $554.8 Million
Profit after tax increased by 10.9%

The result was achieved through a strong performance from our WA business, increased volume with CHEP and Organic growth in our steel business.

Our gearing at year end was 21.6%.

K&S operates extensively throughout Australia and New Zealand, the recent acquisitions in WA have given the company operational facilities all the way up the northern WA which is critical to supporting our mining customers. The company has facilities and staff in the right strategic positions to continue the growth.

Clearly we have seen first hand the two speed economy in our business

The East Coast operations experienced the effects of the high A$ and depressed volumes which has led to a number of challenges in our rail and line haul business.

Economic trading conditions for our East Coast customers continued to be subdued in the first half, new contracts and improved volumes from specific contracted customers delivered an improved performance during the second half.

On the West Coast of Australia we have seen the positive impacts of the mining industry with continuing consistent volumes from our customers.

Our strong second half performance has been underpinned by the strength of our WA operation and the stabilisation of our East Coast contract distribution businesses.

In WA Regal achieved 19% revenue growth based on mining expansion in the Pilbara and Kimberley regions.

Our NZ business improved on the back of a recovery in the dairy and timber industries and the strong second half momentum has continued into FY2013.

Our WA business has continued with consistent volumes and some new customers.

K&S is well place with a strong balance sheet, low gearing and secure customer contracts.

The current slide shows some of our valued customers.

The graph shows are safety record over the last 15 years. The target for safety at K&S is ZERO Harm. Good progress has been made over the years and this will continue to be a major focus for all staff at K&S.

As part of our Comcare licence renewal an external safety audit was conducted covering 6 of our sites across various states, the audit included our rehabilitation and claims management system.

On the 4th July Comcare extended our self insurance licence until 30 June 2016.

MANAGING DIRECTOR'S ADDRESS – Annual General Meeting November 2012

We completed the acquisition of Collare Transport Group on the 1st November and it has been successfully integrated into our Dardanup business. The Collare business offers improved earnings with a complimentary customer profile, lane mix and equipment base to our Dardanup business.

The senior management team are currently developing K&S's next 5 year strategy and expect to have this completed by April 2013. The strategy will look at ways of growing the business through organic growth, tenders and acquisitions.

The year has started positively and we expect our earnings for the 1st half to be up 25% to 30% based on a better performance from our traditional business and further growth in WA.

I would like to conclude by thanking our customers and suppliers for their continued support, the Board members for their early guidance, the Management team for their hard work and diligence and everyone else who has helped make K&S one of the major transport firms in Australia.

I will now hand back over to the Chairman.