

Chairman's Address

Annual General Meeting 23rd October 2015

Welcome to the Annual General Meeting of Stokes Limited.

My name is Peter Jinks your Chairman, and with me today are fellow Directors Con Scrinis and Greg Jinks.

I am pleased to announce the 2015 year will be characterised as one in which we completed a portfolio transformation, from an old world manufacturer to a new world technology driven organisation.

Over the past three years management and staff have transformed the Appliance Parts division of Stokes, into a profitable business unit, enabling the successful sale of this business for \$5 million.

In addition, the Electric Elements Manufacturing business has been steadily downsized, and in September we moved to close the remaining facility at Ringwood. These events have enabled the company to exit its low growth and loss making businesses, and further invest in the high growth technologies division.

Over the past 12 months the company has invested heavily in the technologies division, which now employs 41 staff with offices in Melbourne, Sydney and Perth. The Stokes Technologies division specialises in commercial lighting, audiovisual integration and through a recent acquisition now distributes Audiovisual and IT products.

These businesses all operate in a growth environment as consumers needs heighten for high tech communication solutions and energy efficient lighting products.

Stokes is continually developing, sourcing and distributing new products, and runs a research and development program to expand its proprietary branded product range. This will ensure the company keeps ahead of audiovisual and lighting industry trends, in order to deliver innovative customer solutions.



Our lighting division now has an extended range of both interior and exterior LED products, complemented by the exclusive distribution rights to the; Forma Lighting, Ecopoint and AEC product ranges. In addition to our own footprint, we have now appointed distributors and representation in QLD, WA and ACT to complete our national coverage.

Over the past year, the Stokes team of lighting specialists have been dedicated to providing solutions for the lighting specification market. This has delivered divisional momentum and strength, with a positive impact to bottom line margins.

Throughout the past year the audiovisual division has continued to expand its offerings, and currently has its proprietary 'Ascendancy' audiovisual control system in full production. Ascendancy solutions provide customers with an intelligent, powerful and adaptable, automation solution for every meeting space.

I am also pleased to advise that the company has made a promising start to the new financial year, with year to date orders received exceeding \$4 million and a strong future project pipeline.

We are looking forward to another productive year with an experienced and motivated management team focused on delivering ever-improving results.

I would like to take this opportunity to thank our staff, customers, suppliers and shareholders as we look forward to an exciting year ahead.

I would now like to hand over to our Managing Director Con Scrinis who will give you a more comprehensive review of the business.