



ABN 53 000 364 465

24 November 2016

Chairman's AGM Address

Euroz Limited reported a turnaround in profitability in the 2016 financial year with a net profit after tax of \$2.56 million.

The Directors declared a final fully franked dividend of 2.25 cents per share and when combined with the interim dividend of 1.75 cents amounts to a total of 4 cents per share fully franked for the full year.

This turnaround in reported profitability was driven by a second half improvement in Euroz Securities and a rebound in resource related markets.

Our Western Australian focus has delivered excellent returns to shareholders over time and through a number of business cycles. In our 16 year history we have generated significant cash flow and paid over \$181.7 million in fully franked dividends to our shareholders.

In the context of our historical experience, the past two years have been challenging but these quieter markets have provided the opportunity for us to build our funds and wealth management businesses. Developing these businesses has required capital, time and patience but we remain confident we are transforming our overall business into a much stronger, more sustainable and valuable Company.

Our strategy during the past two years has been twofold:

1. Retain our core team of experienced staff so we can take advantage of the excellent transactional upside all our businesses experience in strong commodities and equities markets.
2. Establish and grow our recurring revenues from wealth and funds management which will not only protect us during inevitable downturns in our markets but create significant shareholder value over time.

Our wealth and funds management diversification strategy has been funded and launched during very difficult times and to deliver dividends of 4 cents per share fully franked for this past financial year is a reflection of the underlying strength of our businesses.

Financial year highlights include:

- Euroz Securities delivered Equity Capital Market (“ECM”) raisings of \$300 million versus \$142 million in the previous year.
- Westoz Funds Management has seen an improved second half which has helped the Westoz Investment Company Limited (ASX:WIC) and Ozgrowth Limited (ASX:OZG) report gross investment returns of 0.4% and 2.6% respectively for the financial year.
- Prodigy Investment Partners has achieved a number of significant milestones:
 - o The Flinders Emerging Companies Fund was approved by independent research houses Zenith and Lonsec and returned 23.9% from inception (31 August 2015) to 30 June 2016.
 - o Dalton Street Capital was launched in May 2016, headed by former senior Credit Suisse executives Alan Sheen and Nick Selvaratnam.
- Entrust Private Wealth Management successfully integrated with forecast business synergies achieved and modest FUM growth to \$581 million.

New Financial Year Trading Update

The Directors can report a significant improvement in profitability in the first four months of the 2017 financial year with an unaudited net profit after tax of \$10.4 million.

This profitability has been primarily driven by an increase in Euroz Securities ECM activity and similarly by the increase in the share prices in WIC and OZG during these four months.

Total group funds under management have increased from \$952 million at June 30 2016 to \$1.09 billion as at 31 October 2016.

Summary

The Directors are pleased with the performance of our core business while we continue to grow our emerging funds and wealth management businesses. We have managed to maintain profitability and pay dividends in a Western Australian market which on balance is still relatively subdued.

Our strong staff ownership of 44% has been critical in our past success and remains the foundation for our team approach to all of our businesses.

I would like to sincerely thank our staff, clients and shareholders for their patience and support in building a Company with an increasing base of underlying revenues while still retaining transaction based upside across a wider variety of diversified businesses.

Andrew McKenzie

Executive Chairman