

Skellerup Annual Shareholders Meeting 2017

25 October 2017

Chair's Address

Liz Coutts | Chair

CEO's Address

David Mair | CEO & Executive Director

| NZ\$ Million | FY17 | FY16 | FY15 |
|-----------------|-------|-------|-------|
| Revenue | 210.3 | 211.4 | 203.0 |
| EBIT | 32.8 | 29.5 | 31.1 |
| Finance expense | (1.4) | (0.4) | (0.2) |
| Tax expense | (9.3) | (8.4) | (9.0) |
| NPAT | 22.1 | 20.5 | 21.9 |

Agri Division

| NZ\$ Million | FY17 | FY16 | FY15 |
|---------------|-------------|-------------|-------------|
| Revenue | 79.2 | 79.6 | 80.5 |
| EBIT | 19.8 | 18.8 | 22.1 |
| <i>EBIT %</i> | <i>24.9</i> | <i>23.6</i> | <i>27.4</i> |

Industrial Division

| NZ\$ Million | FY17 | FY16 | FY15 |
|---------------|-------------|-------------|-------------|
| Revenue | 131.2 | 132.0 | 123.0 |
| EBIT | 17.1 | 15.3 | 14.0 |
| <i>EBIT %</i> | <i>13.1</i> | <i>11.6</i> | <i>11.4</i> |

- EBIT up 11% in FY17.
- Revenue measured in constant currency up 5% in FY17 (for both Divisions).
- Agri: Recovery in international dairy price & strong footwear sales.
- Industrial: Growth in potable water, roofing and automotive applications. Improved cost structure.

Resolutions

Liz Coutts | Chair

Election of Director

| David Cushing | In favour | Against | Abstain |
|---------------------------------------|-------------------|----------------|----------------|
| Postal Votes | 63,824,195 | 319,084 | 6,850 |
| Proxy Appointee: Chair of the Meeting | 524,676 | - | - |
| Proxy Appointee: Liz Coutts | 7,000 | - | - |
| Total | 64,355,871 | 319,084 | 6,850 |

- Proxy Appointee votes granted are all discretionary and will be voted in favour of the resolution.

Auditor's Remuneration

| | In favour | Against | Abstain |
|---------------------------------------|-------------------|----------------|---------------|
| Postal Votes | 63,701,830 | 354,799 | 24,000 |
| Proxy Appointee: Chair of the Meeting | 619,676 | - | - |
| Proxy Appointee: Liz Coutts | 7,000 | - | - |
| Total | 64,328,506 | 354,799 | 24,000 |

- Proxy Appointee votes granted are all discretionary and will be voted in favour of the resolution.

Questions

Liz Coutts | Chair

Acknowledgement for retiring Directors

Liz Coutts | Chair

Dr Ian Parton

Sir Selwyn Cushing

Sir Selwyn Cushing & Skellerup

- Association and contribution to Skellerup since 1985.
- Appointed a director in 1986 as Brierley Investments took a majority stake in the company. Appointed Chairman in 1987 and retired from the Board in 1992.
- Returned to the Board in 2007 at a time when the company was carried high debt. Appointed Chairman again in 2008 and retiring today 10 years later leaving Skellerup in a robust financial position with a track record of strong earnings and excellent prospects for growth.
- Chair of the Board:
 - 1987 to 1992
 - 1998
 - 2008 to 2017



Hawkes Bay chartered accountant and now executive director of BIL, Selwyn Cushing has been involved with Skellerup since early 1986.

Appointed Chairman 1987

NEW CHAIRMAN FOR GROUP

The resignation of Mr Peter Skellerup as chairman and joint managing director of the Group from 31 October means Mr Selwyn Cushing now holds the position of chairman.

Mr Cushing (the subject of an article in Profile No. 4) has been a member of the Board since late 1986. A Hawkes Bay chartered accountant and an executive director of Brierley Investments Ltd, he holds some 18 company directorships. He is also



chairman of directors for the Whitcoulls Group and Acadia Corporation.

Mr Cushing is an appointee to the Securities Commission and until recently was president of the Eastern and Central Trustee Bank.

Skellerup Young Farmer of the Year Awards 1991



*Tony Blunt on the Founders Theatre stage in his moment of triumph!
Also pictured, from left: Boyd Macdonald, third placegetter; Baden Sommerville, runner-up; telecast host, Bob Parker and our chairman, Selwyn Cushing.*

Retires as Chairman 1992

Mr Selwyn Cushing, Skellerup Industries Ltd's chairman for the past four and a half years, has announced his retirement from the board.



Selwyn Cushing

A director of several of the country's leading companies, Mr Cushing has resigned in order to pursue more fully a number of his other business commitments, in particular as chairman of Carter Holt Harvey Ltd.

As a Skellerup board member since late 1986 and chairman from October 1987, Mr Cushing played a key role in successfully steering the company through the difficult restructuring of the last few years.

The enthusiasm with which he took up the Skellerup cause - best illustrated perhaps by his annual presentations at the Skellerup Young Farmer of the Year contest - was an inspiration to us all.

Sir Selwyn returns as Chairman of Skellerup 2008

Sir Selwyn Cushing has returned to the helm of Skellerup

He was asked to join the Skellerup Holdings Board as a director with a view to taking on the Chairmanship after Keith Smith announced his retirement last year.

SIR SELWYN FIRST CHAIRED the Skellerup Board from 1987 to 1993 and then again in 1998. It's memories of those two successful terms as Chairman that were strong motivators behind Sir Selwyn's return to Skellerup.

Sir Selwyn has had a varied and broad-ranging career with many of New Zealand's highest-profile companies, including the chairmanship of Air New Zealand.



Sir Selwyn Cushing.

been quite substantial with decisions driven mostly by the cost of manufacturing. I've been very impressed with the new acquisitions. Tumedei, for example, is a very smart move and one which fits in with the company's business strategy of focussing on technical polymers."

Sir Selwyn says Skellerup faces two immediate challenges.



(left) Ground Breaking Ceremony November 2014

(above) Opening Ceremony November 2016

Meeting Close

Liz Coutts | Chair