

2015 AGM CHAIRMAN'S ADDRESS – Mr Ray Horsburgh

30 November 2015

Welcome

Welcome ladies and gentlemen to Calibre's Annual General Meeting for 2015. I'd like to begin by acknowledging the traditional owners of the land we meet on today. It's now 1.30pm so I declare the meeting open.

In accordance with clause 7.5 of the Company's Constitution I will be Chairing the meeting today.

The Company Secretary has inspected the sign-in registers and in accordance with clause 7.4 of the Company's Constitution, I declare a quorum to be present and hereby convene the meeting.

Safety and Housekeeping

Before we begin, please note these important safety instructions. If the fire alarms sounds, and there is a need to leave the meeting room, we will move through the marked exits and leave this building via the stairs, not the lifts. You will then proceed to the muster point, which is behind this building at the corner of William and Bourke Street.

The map indicates the route to take.

Please do not leave without attending the muster point, where we will mark you off our attendance register. If you disappear without checking in, we will be required to report you missing to the fire brigade and the police. As we commence, please make sure that you have all signed in to the appropriate register at the door and received your voting card. Please also ensure your mobiles are on silent.

Now to proceed with the business of our meeting today.

Present are our shareholders, their proxies or representatives specified in the sign-in register and the following Calibre Directors sitting here in the front of the room:

- Mr. Peter HOUSDEN Independent Non-Executive Director
- Mr. Geoff TOMLINSON Independent Non-Executive Director
- Prof. Paul DOUGAS Independent Non-Executive Director
- Mr. Ray MUNRO Non-Executive Director
- Mr. Peter REICHLER CEO & Managing Director

Mr. Dod WALES Non-Executive Director is participating via dial-in; and

Mr. Alex KRUEGER Non-Executive Director has sent his apologies today.

I'd like to acknowledge those representatives of the business here today.

- Mr Peter MASSEY Chief Financial Officer
- Ms Chloe SHORTEN Head of Corporate Affairs
- Mr. Michael SILBERT Company Secretary
- Mr. Dennis CLARK Group Governance & Risk

We are also joined by our segment business leaders:

- Mr. Derek BROWN Managing Director of Calibre Resources
- Mr. Mick CROWE Managing Director of Calibre's Infrastructure company, G&S Engineering
- Mr. Max BOMBEN Managing Director of Calibre Consulting
- Mr. Michel MASSON Managing Director of Transport Infrastructure;

Also here are some of the important advisors who have worked closely with the Company during the year:

- Mr. Simon REED from Herbert Smith Freehills, the Company's legal advisors
- Ms. Sarah AVIS from Deloitte, the Company's audit partner; and
- Mr. Ian JEDLIN from KPMG, which provided the Independent Expert Report contained in your Notice of Meeting for this AGM.

There are other Calibre employees present here today and I also welcome them.

POLLING OPENS

All the resolutions put to the meeting today will be decided by Poll, and I will now open the poll so that those of you who need to leave early can vote by completing your yellow voting card and placing it in one of the ballot boxes near the exit.

For those who can stay, we will get to the individual resolutions and discussions at the end of the presentations session.

Before conducting the formal business of the meeting today, both Mr. Reichler and I will share a presentation on the year in review and provide a current year update.

The first item of business is the Chairman's address.

CHAIRMAN'S ADDRESS

Introduction

At last year's AGM I outlined Calibre's strategy of building on our core capability, whilst diversifying our business to generate new revenue streams.

12-months on, we are delivering on this strategy with the establishment of new industry specific service offerings such as transport infrastructure, defence, and utilities.

This has been achieved by leveraging the expertise within our existing business units, coupled with a number of strategic acquisitions.

And importantly, this growth has been underpinned by market demand and customer need.

All in all, Calibre has shown an impressive ability to adapt to difficult trading conditions.

Today, I will review our 2015 financial results, outline our corporate strategy, and look at next steps for the company in the light of our recent decision to recommend to shareholders that the Company delist from the ASX.

FY15

The 2015 financial year was another challenging 12-months for companies servicing the mining sector.

Following a review of our assets and operations earlier this year Calibre recorded an impairment charge of \$186.9m, mostly related to our Resources and Infrastructure segments. Importantly, this was predominantly a non-cash impairment. The cash impact of these impairments was a relatively small \$4m.

For financial year 2015 Calibre reported an underlying net profit after tax of \$18.5m – down 37.1% compared to 2014.

Our underlying EBITDA of \$29.1m was a decrease of 44.8% compared to 2014.

The Company reported an operating cash flow of \$19.5m, with \$32.5m of cash in the bank, and a positive net cash position of \$6.6m, a 135.7% increase on the previous year.

We'd obviously prefer to be delivering an increase in profits to shareholders each year but it was a solid underlying result for the full year given the tough trading conditions for the major revenue generators of our business - Resources and Infrastructure.

However, the Resources and Infrastructure position was offset to a degree by a strong performance in Consulting and other emerging sectors.

Strategy

Calibre has shown a great ability to respond to difficult and changing market circumstances.

This responsiveness is a key plank of our strategy, which involves diversifying our offerings to counter the significant downturn in the mining sector.

We identified the necessity to generate new earnings streams early in the mining industry downturn.

Importantly, we have stayed true to this strategy, not blindly, but we've allowed enough time for it to work. The growth in our consulting business last financial year is evidence of this.

And in March this year we established a new Transport Infrastructure division to focus on the emerging major infrastructure projects around the country and in the region.

This new division will harness the collective strength of current Calibre operations in transport, from heavy haul rail in the West, rail in Singapore, and road infrastructure in the Eastern States and New Zealand.

I look forward to the results from a full year of operations from our Transport Infrastructure division.

More recently, in October 2015, Calibre announced it was acquiring civil engineering company Diona for \$45m on a cash and debt free basis. The transaction has now been finalised.

Diona is a specialist provider to the NSW and Queensland utilities industry.

The Diona acquisition will provide Calibre with a platform for growth in utilities infrastructure.

Diona's core sectors align well with Calibre's existing capabilities, providing opportunities for Calibre to leverage into existing consulting civil and structural engineering business in these markets.

Calibre also announced two smaller acquisitions in early September, Newell Engineering, which will strengthen Calibre's transport services credentials; and SDV Longwall Support, an underground coal maintenance specialist, which complements G&S' activity.

Calibre's ability to remain acquisitive during the current down cycle means we have been able to make smart purchases.

This has been possible because of the support of our lenders but more importantly because of our strong cash position.

Calibre's diversification strategy has been about looking for opportunities to grow our revenue base – whether that's organically, by leveraging the inherent skill set within the business to establish new services offerings such as Transport Infrastructure - or by creating a new industry sector offering through the acquisition of Diona.

Regardless, our strategy is driven by market demand and customer need.

And to this point, we have not neglected our core - Infrastructure and Resources – and the clients we service in these sectors. We remain committed to these markets, as evidenced by our continued investments.

We have been responding to our mining clients' changed business model, which has shifted from large capital expenditure projects to sustainable operational expenditure models. We also continue our excellent work in technology and automation.

Recognising our clients changed circumstances we implemented our own cost reduction program, which is ongoing.

We have adapted our operations and in the process we have retained our blue chip mining clients.

Delisting and buy back

I would now like to discuss the Board's recommendation that Calibre de-list from the ASX.

Obviously, this course of action has a significant impact on Calibre shareholders, and quite rightly, the issue has been determined by shareholders. The proxy voting results will be shown shortly.

The Board's recommendation that Calibre delist from the ASX is in the best interests of the company, which has been detailed in the explanatory memorandum that was provided to all shareholders along with the notice of meeting for today's AGM.

The delisting recommendation is driven by a number of factors, principally, the fact that there is a very low level of trading of Calibre's shares on the ASX - both in frequency and

overall volume - which means the market capitalisation of Calibre does not reflect the underlying asset value of the business.

Monthly trading volumes in Calibre shares during the past 6 months have been consistently less than 1% of the company's total shares on issue, even during a period when we were active in the market due our on-market share buy back.

Further, given the size of Calibre and the low level of trading on the ASX, the Board believes that the financial, administrative and compliance obligations and costs associated with maintaining an ASX listing are no longer justified.

Nor is the high level of compliance costs in the best interests of all shareholders.

The proposed delisting is not expected to have any adverse effect on the financial position of the company.

An outcome of delisting is shareholders will no longer be able to easily trade their shares via the ASX.

A full discussion of the effects of delisting and holding shares in an unlisted entity was detailed in the Notice of Meeting and accompanying explanatory memorandum.

The Board considered ways to return capital to those shareholders who are seeking to exit their investment and concluded that the proposed buy back gives shareholders more flexibility in dealing with their investment in Calibre.

The buy back will provide shareholders with the opportunity to realise some or all of their investment in Calibre prior to delisting.

In determining the buy back price, the Board had to balance the interests of shareholders who wish to participate in the buy back with those who wish to retain their shares in Calibre.

The Board also sought to ensure that Calibre remains adequately funded to continue its existing business activities and to pursue new investments as required.

Calibre engaged an independent expert, KPMG Corporate Finance, to assess the buy back price. The independent expert determined that the buy back is fair and reasonable for Calibre shareholders as a whole, in the absence of a superior alternative.

The full report of the independent expert has been provided to all shareholders.

Changes to the Board

Before concluding I would like to discuss Calibre's board renewal and succession planning.

There are 3 directors standing for re-election today myself, Geoff Tomlinson and Peter Housden.

We were all appointed on the same day and so we have all come up for re-election by rotation this year.

However, despite standing for re-election today it is my intention to step down as the Chairman and as a Director of the Company after the delisting has been achieved. Mr Housden and professor Dougas have also asked me to inform you that they will step down as Directors as well. Again, this will happen when the delisting has been successfully achieved.

It is my great pleasure to let you know that Mr Tomlinson has accepted the offer to become the Company's next Chairman, and having worked closely with Geoff, particularly most recently, I can say that he is exceptionally well positioned to assume this role. He will work to ensure that the Company's makes excellent commercial decisions, and to preserve and maintain its high levels of governance, risk assessment, and importantly, making sure it has the best people available and working for shareholders.

I acknowledge that it may seem unusual to be standing for re-election only to stand down after a short time. In my opinion, it is the right thing to do. We are letting you know with plenty of time what will happen, and this is good succession planning. It will ensure that the Directors who have made the decisions and recommended the delisting and the

buy back remain in place and see those propositions through to a successful conclusion. This is appropriate for the protection of minority shareholder interests, in particular.

I thank Paul Douglas and Peter Housden for their guidance on the Board, and wish them both well in 2016.

Knowing that I will be leaving the Company in good hands, particularly with Geoff as chairman, I note that the Board continues to be well resourced, with Mr Alex Krueger and Mr Dod Wales continuing as Directors. As you know, Dod and Alex are representatives of Calibre's principal shareholder, First Reserve Corporation.

In addition, the Company's remaining founder, Mr Ray Munro, will continue as a Director. Ray Munro has particular expertise in understanding the WA and national hard-rock mining and rail markets. And Mr Peter Reichler will remain on the Board and as Managing Director. Peter has overseen the Company's recent strategic repositioning and acquisition activity.

In the near future, there will be new non-executive Director appointments, which will be announced when all the necessary details have been finalised.

Calibre's orderly board renewal and succession planning is good governance.

The Company's Board composition in 2016 will support as well as reflect the business – leaner, alert to opportunities, with the right mix of industry insight and commercial expertise.

Conclusion

Before moving on to the formal part of the meeting I would like to thank Chief Executive Officer and Managing Director, Peter Reichler, and our Chief Financial Officer, Mr Peter Massey, as well as the senior management team and each and every Calibre employee for your efforts.

Despite a trading environment that continues to be difficult, we've found ways to grow new revenue and service offerings to clients.

We've constrained our expenditure in line with changes to our customer's business models.

And we've maintained a very solid cash position that has enabled us to make strategic acquisitions, including most recently Diona, one of our largest acquisitions to date.

I would also like to thank my fellow directors for their continued hard work and commitment and I will now ask Peter to address the meeting.

ENDS

For more information, contact:

Chloe Shorten

Head of Corporate Affairs & Stakeholder Relations

Calibre Group Limited

T: +61 3 8621 7200

M: +61 409 835 358

Calibre Group Limited ("CGH") offers a diversified range of services to the resources, infrastructure and transport sectors in Australasia. Companies within the Group specialise in engineering, construction, maintenance and built environment services. Listed on the Australian Securities Exchange (ASX Code: CGH).