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Good afternoon ladies and gentlemen. I am pleased to welcome you here today and to once again report on the Company's performance.

Financial Results

While the past financial year was a challenging one, your Company achieved a net profit after tax of $13.3 million, up 49.4% on the previous year.

Operating revenue for the year was $699.2 million, an increase of 19.3% on the previous corresponding period.

Earnings per share were 11.4 cents per share.

Our statutory profit before tax was $18.8 million.

This result included a number of one off pre tax costs related to re-organisation costs of $1.3 million and was offset by fraud related recoveries of $1.7 million.

Underlying profit before tax after allowing for these one off costs was $18.4 million.

Safety performance continued to improve. Excluding the business of Scott Corporation, our total workplace incidents reduced by 19% in 2014/15. Our combined Group LTIFR was 6.0.

The business of Scott Corporation will be integrated into our Comcare self insurance license for workers' compensation in the current financial year, subject to final approval from Comcare.

During the year we continued the integration of the Scott Corporation business and synergies achieved have exceeded our integration targets.

The performance of our NZ business was extremely strong, with both revenue and underlying profit materially improved. We expect this business to continue to provide similar ongoing performance. Organic growth has been strong throughout the year; we achieved annualised revenues in excess of $63 million. These revenues will have a favourable impact in the current financial year.

Our Western Australian business was adversely impacted by the continued slowing of the resource sector. With declining commodity prices, the miners have reduced their costs and scaled back projects and this had a significant impact on the profitability of our Regal business unit during the year.

Specific cost reduction strategies to partly offset this decline have been implemented. They include property lease cost reductions, the establishment of a new transport facility at Hazelmere which was fully operational in September 2015, the rationalisation and replacement of specific motorised fleet, employee reductions and the introduction of new IT solutions to support customer service and operational efficiency and cost reduction initiatives.

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The structural decline of manufacturing across Australia continued during the year with the closure of Alcoa's Port Henry and Yennora operations. The closure of these business units had a negative impact on our operations which was partly offset with the awarding of Alcoa's Portland logistics contract effective from April 2015.

Imports are still impacting the demand for locally manufactured goods, which in turn reduces demand for long haul transport services.

Our capital expenditure programme has been targeted to support new business growth, improve productivity and reduce costs in our existing business.

In March 2015 we acquired the business and assets of Northern Territory Freight Services ("NTFS") – one of the largest rail freight forwarders on the Adelaide-Alice Springs-Darwin corridor. This acquisition presented immediate opportunities for K&S to expand our service offerings to Darwin and also in the north west region of Western Australia. The acquisition was funded from our existing debt facilities.

K&S' operating cash flow for the year was $48.1 million.

Our gearing at year end is 25.0%, which is well within our target range.

Our net debt is $98.1 million.

Fraudulent Misappropriations

As previously disclosed to the ASX on 25 February 2015, the Company has been the subject of a fraudulent misappropriation spanning the period from 2007 to 2014. Forensic investigation undertaken by McGrathNicol has determined that the total quantum of the fraud is $7.0 million. Approximately $400,000 of the fraudulent misappropriations occurred in the year ended 30 June 2015.

The company has a comprehensive crime insurance policy with available cover of $5.0 million. The underwriters of the comprehensive crime insurance policy have granted indemnity and have paid the sum of $5.0 million to the Company in August 2015.

The Company has commenced steps to recover losses sustained under the fraudulent misappropriations. At this stage, any recoveries to the Company are not expected to be material.

A provision for expenses, claims costs and potential liabilities has been made in the Company's accounts.

Victoria Police have arrested and charged two former employees of the Company for alleged fraudulent misappropriations of approximately $4.8 million.

Final Dividend

We declared a fully franked final dividend of 3.5 cents per share (last year 3.0 cents per share). This follows the interim dividend of 3.5 cents per share paid in April 2015, making a total dividend of 7.0 cents per share. The final dividend was paid on 2 November 2015.

The dividend reinvestment plan (DRP) was again applied in respect of the fully franked final dividend of 3.5 cents per share and was very well supported by shareholders.

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

Trading Update

The first half of FY2016 has been impacted by the severe downturn in the Western Australian economy, interruptions to coal volumes in New South Wales, and reduced profitability in several of our Eastern States operations.

While the business of the K&S Group will remain profitable throughout the current financial year and we expect to see a small seasonal uplift in volumes and profitability in the remaining months of the first half of FY2016, the trading environment remains challenging. In the current environment it is extremely difficult to forecast upcoming trading conditions with absolute precision. However, based on currently available information K&S Corporation anticipates that net profit after tax for the first half of FY2016 will be approximately 75% down on the prior comparative period.

Providing earnings guidance for the second half of FY2016 remains difficult. Based on the current trading environment, we expect earnings in the second half of FY2016 to be better than in the first half of FY2016, although not as strong as the second half of FY2015.

K&S Corporation is reviewing the carrying value of its assets having regard to the challenging economic conditions in our market sectors.

Retirement of Greg Boulton

Greg Boulton retired from the Board in August after 19 years of service as a Director.

I would like to thank Greg who has been one of the longest serving Directors and has served variously in the roles of Deputy Chairman, member of the Audit Committee and a member of the Nomination and Remuneration Committee. We wish him well in his future endeavours. I know that Greg will continue to take a close interest in the affairs of the Company.

On behalf of the Board, I thank our customers, suppliers and employees, who have contributed to the continuing success of the business.

In particular, I thank the senior management team, led by Paul Sarant, for their ongoing commitment and dedication under difficult and challenging circumstances.

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

Tony Johnson
Chairman

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Managing Director's Address – AGM 24 November 2015

Thankyou Mr Chairman.

Introduction:

Similar to the previous year we have faced significant business challenges.

During 2014/15 our areas of major focus included the continued improvement of our group's safety performance, revenue growth, cash flow, operating infrastructure consolidation and rationalisation, and other cost reduction initiatives.

We completed the acquisition of Northern Territory Freight Services (NTFS) in March 2015, and by year end were well progressed with the evaluation of Aero Refuellers, which we subsequently acquired in November 2015.

In Western Australia, the market has continued to soften predominantly as a consequence of the downturn of mining activity. This has had a negative impact on our Western Australian business.

We also incurred reduced activity in our eastern sea board markets which has been evident in all of our operations.

Contrary to the Australian trading conditions, our market was relatively buoyant in New Zealand where we have continued to grow our business.

I will now provide separate detail on each of the major areas of our business.

Safety, Compliance and the Environment:

K&S has maintained its strong commitment to safety with the Lost Time Injury Frequency Rate (LTIFR) remaining stable at 6.0. This frequency rate is inclusive of the integration of Scott Corporation for a full trading year, and NTFS from March onwards.

We are progressing the integration of Scott Corporation operations to meet our current Tier 3 status under the Commonwealth Safety, Rehabilitation and Compensation Act.

This will enable its incorporation into our existing K&S self-insurance licence under the Comcare system. We anticipate this integration will be completed in early 2016.

Company-wide we maintain a very strong commitment to safety and associated training. There is a clear understanding of our safety rules and values within our company, and also within our customer base.

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We have further broadened our random drug and alcohol testing during the year. We apply this to all levels of our business.

We commenced during the year the roll-out of new vehicle in-cab facial recognition technology which has now been applied to all new long haul operations to proactively manage fatigue.

The operation of this technology is monitored 24/7 and provides real time event management. Our proactive application of this technology is a further example of our commitment to not only improving our on road safety and incident performance, but also our obligation to improve community safety. In turn this further differentiates us from our competitors.

K&S continues to meet its requirements under the relevant environmental reporting protocols and continues to search for ways to improve its performance. Across all facets of our business we have continued to work to improve our energy efficiency.

A total of $30.1m was spent on motorised fleet replacements during the year, generally upgrading Euro 3 or 4 emissions standard vehicles to Euro 5 standard.

Business Development & Diversification:

Continuing on from the previous financial year, organic revenue growth was strong throughout FY15. Across a number of customers we were awarded new annualised revenues in excess of $63 million.

Solid growth in the petroleum segment was secured including new regional services in Victoria and South Australia. These revenues will realise a more favourable impact in the latter part of the 2015/16 financial year.

In New Zealand, a multi-modal facility is being developed in Christchurch to support additional intermodal transport services recently secured on the South Island. Our expansion into the South Island will provide additional opportunities.

The Australian transport market has materially changed over the past decade. Consequent to reduced Australian manufacturing volumes, and increased direct importation to the state of use, our traditional linehaul transport market continues to decline. Diversification of our business into new markets with growth potential and possible integration synergies, is a major focus.

Accordingly the purchase of NTFS during the year will generate new opportunities, particularly with the integration of existing K&S customers. It provides both rail and road solutions either as full load or less than full load configurations. In addition NTFS has existing FMCG customer relationships which we intend to further develop.

In the latter part of the year we identified and commenced our review of Aero Refuellers, which we acquired in November 2015.

Scott Corporation

The integration of Scott Corporation has essentially been completed. It has provided a basis of improved earnings performance.

We are currently completing an upgrade of the business IT platform which will provide enhanced customer solutions and improved management tools.

Scott Corporation is heavily involved in the mining sector which has been adversely impacted by the downturn in commodity prices.

The volume of acid transported in north Queensland also declined due to lower production activity by miners in response to weaker commodity prices. Our Perth-based Chemtrans business has incurred a similar softening of the market and, in addition, increased competitive pressure.

Fuel volumes transported in central Queensland were also noticeably impacted by the mining downturn in the first half of the year.

K&S Freighters

Slow economic conditions continued to impact the traditional freight business, particularly on the east coast.

Interstate transport volumes between Melbourne and Sydney remained subdued, largely due to a shrinking manufacturing sector and changes to ordering patterns.

Overseas sourced goods are being increasingly shipped directly into the state of final destination.

While this change has reduced interstate road transport volumes, it has provided increased wharf cartage and local delivery. We have increased volumes in wharf cartage, storage and distribution of imported and exported goods.

During the year we established a new 10,000 square metre warehouse facility at Fishermans Island in the Port of Brisbane. The facility will be used for warehousing and cross docking of imports and exports for multiple customers. Products being handled typically include paper reels, timber board and aluminium coils.

The closure of the Alcoa plants in Sydney and Geelong adversely impacted on revenues. This was partially offset by securing new Alcoa Portland transport.

The acquisition of NTFS has enabled K&S to provide new services between Darwin and Kununurra in northern Western Australia. NTFS has depots in Adelaide, Darwin and Alice Springs. We now directly provide total Australian coverage.

New Zealand

Increased steel industry activity underpinned the strong performance of our New Zealand business in 2014/15.

Steel volumes transported exceeded our original expectation, predominantly as a result of the strong domestic and commercial property market in Auckland and surrounding area, and the ongoing redevelopment of Christchurch following the 2011 earthquake.

K&S was also awarded a steel contract in the South Island which has predicated the establishment of a full intermodal facility that commenced operation in October 2015.

Work from the New Zealand timber sector also increased to meet the growing demands of the domestic and export markets.

Volume in the dairy sector has been firm. Kiwifruit volumes have returned to normal levels after two years where supply was hit by drought and viral infection.

We continued our fleet replacement and upgrade programme, with all the new vehicles added to the fleet able to operate under the applicable new maximum load limits. This has realised a material improvement in utilisation.

The Company was re-accredited to the highest level under the Accident Compensation Commission's Workplace Safety Management Practices, and maintained NZ Transport Authority certificate of fitness as a 5-star carrier.

DTM

DTM, as a specialist 3PL captive fleet provider, sustained some revenue and margin shrinkage as several clients incurred reduced market related activity.

In the latter part of the year several new contracts were won, the full benefits of which will be realised in 2015/16. They include several new long term fuel distribution contracts in regional South Australia and Victoria.

A new purpose built bulk lubricants storage facility was constructed for Caltex at our New South Wales Enfield site. We were also successful in being awarded the associated interstate and local transport services. Western Australian services pertaining to the warehousing and distribution of packaged products, and bulk lubricants were also secured.

DTM also established new materials handling business with keg rental company Kegstar Holdings, to transport and warehouse beer kegs servicing predominantly the growing craft breweries in Australia.

The Air Liquide contract remains steady with volumes largely influenced by activity in the industrial manufacturing sector. A new contract was won for the transport of medical gas bottles for Air Liquide Health on the Eastern Seaboard. This will commence in early 2016.

Regal Transport

Regal Transport experienced a material softening of its market, reflective of the slowdown in the Western Australian economy.

This has been particularly noticeable in the resources sector with miners reducing both project and operational expenditure as commodity prices reduce.

Weakness in both private and public sector spending has resulted in fewer major capital expenditure projects, which has had an impact on both general freight and heavy haulage activities.

As a result, the WA transport sector has significant spare capacity, which has also placed strong competitive pressure on pricing.

We have continued to proactively reduce our cost base and concentrate on realising improved operational efficiencies and increased customer partnering. Property, fleet and personnel cost reductions have been realised. These initiatives have only partially offset our declining revenue in WA.

General freight operations were particularly impacted by Mt Gibson Iron placing its Koolan Island pit on care and maintenance following the collapse of a seawall in October 2014.

Considerable work is being undertaken to secure new clients who can provide ongoing, constant volume within our strong regional network.

K&S Fuels

K&S completed the development of a new refuelling facility for the Port MacDonnell commercial fishing fleet in the south east of South Australia in June this year. Diesel fuel sales to farmers and the commercial fishing fleet increased during the year. Retail volumes grew, but margins were subject to strong competitive market pressure.

Work to rationalise and improve the supply of fuel has been completed. Fuel sourcing methods have been simplified in both New Zealand and Australia.

Summary & Outlook:

Our safety performance has continued to improve.

Strong revenue growth in FY2015 has been achieved through both organic and acquisition streams and the integration of Scott Corporation has provided strong benefits.

In a similar process we are now focussing on the integration of the recently acquired NTFS and Aero Refuellers.

The acquisition of Aero Refuellers provides an opportunity to expand our current transport and fuel operations into the aviation sector. It is complimentary with our existing service offering and skill-sets and operates in a higher value add market sector.

K&S has renewed a major finished steel products linehaul contract with OneSteel for an additional four years, and recently commenced additional new local transport services in Victoria with ARC and OSR.

We have continued to focus strongly on our cash flow.

Specific cost reduction strategies, some of which we highlighted last year, have been implemented. They include property lease cost reductions, site rationalisation, the rationalisation and replacement of specific motorised fleet, employee reductions and the introduction of new IT systems to support customer service and operational efficiency, and cost reduction initiatives.

In October we established a new facility in Perth at Hazelmere. The new site has provided us with the ability to integrate two facilities. Consequently we have reduced management and operational costs, and simplified our offer to the market. We have expanded our sales team to foster growth opportunities.

Also in October, we commenced a similar integration process in Adelaide, combining the NTFS and K&S Freighters sites into the larger Port Adelaide NTFS facility.

At the end of November 2015 we will exit the DTM Victorian warehouse facility based in Dandenong, with any future operational requirements to be fulfilled through our K&S Company-owned Truganina facility.

Last week we launched a new service offering, K&S Energy. In doing so we established a new operating division that will specialise in the bulk transportation of fuel, oils and lubricants.

Forming a specific operating division in this niche market segment provides us with an increased competitive advantage. This in turn places us in the best position to compete, win work and continue to grow.

We will continue to target the ongoing consolidation of operating sites, rationalisation of supporting infrastructure and the exiting of leased properties in locations where synergies are possible.

Our capital expenditure programme remains strongly aligned to support new business growth, improve productivity and reduce costs in our existing business.

We have maintained a strong balance sheet with low gearing.

We will continue to focus on the improvement of our safety performance, revenue growth and reduction of our operating costs.

Our growth in non-traditional areas has been strong, and serves to provide improved market segment balance.

As previously noted by the Chairman a recent decline of our market conditions has resulted in a weaker financial performance in the first half of the current financial year.

The cost reduction initiatives referenced previously will have a larger impact in Q3 and Q4 of the current financial year.

We believe the Company is well placed for organic growth when general economic conditions improve.

We will continue to pursue new revenue streams in non-traditional areas and through this, broaden our Company revenue base.

Providing any specific guidance on the market trading conditions is difficult.

We have achieved improved year on year performance in the majority of all key business measures. However, as indicated by our Chairman earlier, challenging economic conditions in our market sectors mean that we expect our net profit after tax for the first half of FY2016 to be approximately 75% down on the prior comparative period, and our second half of FY2016 not to be as strong as the second half of FY2015.

I would like to take this opportunity to express my sincere thanks to all the employees, suppliers and supporters of K&S, who set against tough market conditions have worked exceptionally hard to improve our Company.

Paul Sarant
Managing Director and CEO