

Welcome to the 2018 UES Newsletter

ALEX MORCOS

CHAIRMAN AND MANAGING DIRECTOR

As another year draws to a close it is good to reflect on the many achievements and developments that the company has pursued over the last 12 months. I am proud of the hard work and efforts of our team as we strive to improve in all areas of our operations.

In the New Year structural changes will be made to further achieve greater

efficiencies with the goal that our organisation is nimble and flexible to quickly respond to changing markets and expanding global opportunities. We are grateful for these opportunities for growth!

On behalf on my family I wish all our customers, partners and staff a very Merry Xmas and prosperous and safe New Year.



Sales

PETER CRIDDLE

We are well satisfied with results to date and will finish the first half of our financial year with further growth

A Following the great sales results achieved last financial year there was some thought that it may be difficult to reproduce these over the July-December 2018 period. We are well satisfied with results to date and will finish the first half of our financial year with further growth over that previous record year.

We continued our regular managers

conferences which were held in Perth, Darwin and Sydney this year. This is the ideal forum for interaction within the management team to implement plans for our future. In the coming year we will look to holding additional sales conferences in a format involving both the internal and external sales teams as well as our regular managers meetings.

UES again attended the IAA Exhibition in Germany and are now eager to introduce some exiting new products into our market in the new year. We look forward to 2019 with a great deal confidence and would like to sincerely thank all our business partners for contributing to our ongoing success.



Sydney Managers Conference 2018

Operations

PETER MUNDY

2019 will again be a busy year with more changes coming across our entire branch network. Exciting times ahead.

Wow, how fast has this year gone? Here we are again in December planning our holidays and shutdown period. So as another year ends lets reflect on what has happened in the time since the last years newsletter was published.

Purchasing have seen a lot of changes in 2018 and we have now reduced our stock levels and increased our fill rate

Our SA branches of UES and Fitch merged into one new site at 513 Grand

Junction Rd Wingfield in September. David and the team worked tirelessly over a 3 month period to make this happen.

UES Jennings was merged into the UES ERP system and now functions as another warehouse within the group. Having everyone working from the same system definably has its advantages.

Michael and the team in the Bunnings operation have continue the great work

of ensuring all orders are picked, packed and shipped within 48 hours.

Ray and his team at the DC are getting on top of what was frankly a very difficult last half of 2018, with changes to our supply chain meaning they were constantly under pressure, but as always they were up for the challenge.

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UES Seating

TANYA BALUK

Throughout the year we were pleased to welcome customers and industry colleagues from around Australia and the world who accepted our open invitation to visit.

Seasons greetings to all from the UES Seating teams in Australia, USA and South Korea. We would also like to thank all our valued customers for their continued support throughout 2018.

This year we manufactured our first made in the USA orders and opened our US based service and installation division.

Our team attended conferences in Europe, North America (including Mexico) and visited ferry operators and shipyards around the world.

From our family to yours, we wish you all safe and happy holiday and a prosperous new year.



2018 Workboat New Orleans



Marine Interior Furniture



UES Marine Interiors



Marine Lounge



LUXForm Travel



Sea-Force with UES Premium Upholstery

UES USA Inc

VICTOR LAVROV

In 2018 we manufactured and delivered to our American customers more than 1,000 seats and other marine furniture.

UES USA INC. crew has proven to be ready to respond the most challenging situations with dedication, respect and pride for the work we do.

Panther Engineering continued to service the aerospace and defense industries delivering complex high quality machined products. We passed this year AS9100D and ISO9100:2015 audit and we presently have the highest quality control certifications.

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There are now new customers requesting and buying our UES hardware.

In response to increased demand for our products and services our Fullerton and Anaheim buildings became inadequate and will be moving to a new larger manufacturing plant in January 2019.

We are continuing to position ourselves to meet tomorrow's challenges and look forward to working with all of you as we take UES USA INC to the next level.



Design & Engineering

BRANDON CLARK

As usual, it's been a busy design year at UES.

Taking a fresh approach to flexible, robust and low maintenance exterior marine seating, we've designed the Newport seat to once again give our seating a viable point of difference in the market.

We've also been involved in the driver seating aspect of Melbourne's High Capacity Metropolitan Train (HCMT); adapting and configuring a proven product to specific requirements, including a customised armrest bracket to achieve improved ergonomics for the operator.

Collaroy, the last of the Freshwater Class ferry refits was undertaken this year. Working with Harbour City Ferries, we create the most customised layout and tapered end benches yet devised and supplied, to compliment and follow the contours of these icon Manly commuter vessels.

Supporting the Roads and Maritime Services development of improved servicing access for traffic lights, we have developing customised components as production solutions and even enjoyed a visit their facility in Newcastle for some hands-on time with their prototype unit.

The Luxform seating range has continued to grow through expanding accessory options, including a variety of privacy pods, new armrests and footrests.



Bulkhead Mounted Newport



Deck Mounted Newport



MV Collaroy - Sydney Ferries



Bi-Folding Armrest



Luxury Privacy Pod - LUXForm Haven

UES Jennings

CLAYTON EVELYN

Customer shopping experience has been lifted to a high not before seen

Another year has passed, and many changes have been made at Jennings. We have undertaken a major face lift at the South Nowra store both inside and out. The external façade has been freshened up giving the tired old brickwork a new painted look and signage added to the windows to inform passers-by what they can expect to find once inside.

The inside has undergone major changes with the serving counter being relocated adjacent to the entrance, new shelving all at a lower height so you are able to see across the entire shop floor, new layout and categories segmented and sign posted so customers can easily locate product. Product rationalisation has been a big focus over the previous year and will continue to be so to make our product relevant to the market and updated with new fashions and technologies.

The customer shopping experience has been lifted to a high not before seen in the Jennings business and is a testament to all the staff that went through the changes and helped with the upgrade.



Freshened UES Jennings external façade



Inside UES Jennings shop floor



Export

JOHN BAO

Where we have further developed into the seating market in Southeast Asia and China, in which our high quality products now has been well recognized.

We continue to service the South East Asia region, we are looking into establishing distribution partner in this region to further expanding our market opportunity.

It was a tough year of the global economy environment, the uncertainties of the US and China standoff, European internal struggle, we are very fortunate that our strong production capability and

diversify product ranges have given us the chance to stay ahead in our export market, continue grows in Asian region such as Vietnam, Thailand, Malaysia, Indonesia, also in Europe and India.

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UES Fitch

DAVID CHAND

Fitch has undergone a fresh new look, providing a more positive synergy for our customers.

UES acquired Fitch the Rubber Man back in 2010 and the long awaited merger has finally been achieved.

In September both Rubber & UES's Regency Park operations were merged into one at our new site at 2/513 Grand Junction Road, Wingfield. A lot of prep and hard work has been done by our teams here and in HO to achieve the build, move & merger to create a megastore.

The new flagship megastore has given

us a great opportunity to showcase our extensive range of rubber, seating and engineering solution products. No double everyone here is proud of this achievement and we look forward to sharing the knowledge and providing the friendly service to our diverse range of customers.

Wishing everyone a Merry Christmas and Happy New Year from Johnny, Chris, Heinz, Marquis, Mark, Keith & David.

Accounts

JULIA LIN

It has been a busy year in accounts, having focused on efficiencies and internal systems to promote and support UES's growth.

With the amalgamation of UES Fitch & UES Jennings into one accounting system, and incorporating our UES USA Inc business all under one umbrella, we have significantly improved our internal processing capacity, and put mechanisms in place to support our projected growth.



UES Fitch flagship megastore in Wingfield



Inside the UES Fitch megastore



Marketing

SARAH DEALL

The Marketing Team Ted, Bailey and Sarah would like to thank everyone at UES for their support and feedback throughout the year. We have enjoyed working with you all, and we are excited for the year to come!

Over the year, we've sent 103,514 emails, improved our website content, tripled our online sales, helped revamp the new Adelaide, UES Jennings and Melbourne showrooms and launched 28 new products, and the team have attended 18 trade shows amongst us.

We also encourage everyone to watch the UES Seating video we created to present to the Maritime Industry at Interferry, incorporating our unique story, the importance of UES USA Inc and the projects we are part of.

Wishing all the very best for the break, and keep sharing your project photos with us! We love to see all the interesting projects UES involved with.



UES VIC Showroom



UES Seating Promotional Film



UES NSW Showroom



ARBS 2018

Drivers Seating

SIMON ALLEN

UES now has agreements in place to supply seats to underground suburban rail in Melbourne.

2018 has been very much a continuation of 2017. UES is heavily invested in the Suburban Rail, Locomotive, Light rail and Tram sectors of the transport industry.

Our ability to resolve client queries to present a final product that is tested, comfortable, good looking, ergonomic and most of all approved by the people using the seat- the machine operators.

So continuing on from last year UES now has agreements in place to supply seats to underground suburban rail in Melbourne and trams in Melbourne

after supplying seating to the trams in Adelaide. Our work with the Locomotive industry has also seen sales into this sector and is now seen as our next step.

There are more contracts we are working on to deliver seating to the general suburban rail network and trams in Melbourne. UES is also working with major rail suppliers to provide seating for the next stage of the Perth suburban rail network.

Merry Christmas and a Happy New Year to all at UES



People

Introducing all the New Employees of UES:

HEAD OFFICE

- Ted Chen – Graphic Designer / Marketing Co-ordinator
- Alina Hirmiz – Administration Assistant (Logistics & Purchasing)
- Summer Wang – Account Clerk

WETHERILL PARK

- Natalie Bowdler – Customer Service

UES JENNINGS

- Tanja Livingstone – Account Manager

ST MARY’S – BUNNINGS

- Courtney Swinnerton – Store Person
- Rosalie Walker – Store Person

VICTORIA

- Colby Somogyi – Account Manager

WESTERN AUSTRALIA

- Marc Vinci – Customer Service

NEW ZEALAND

- Donavan Bain – Account Manager

UES INC USA

- Chad Formhals – USA Installation & Service Technician
- Roberto – USA Process Worker

UES Employee of the Month winners in 2018:

- Simon White - VIC
- George Zentner - St Marys
- Eric Thompson - Victoria
- Brian Muir - Victoria
- Sipha Sar - Wetherill Park
- Bao-C-Vo - HO
- Courtney Swinnerton - St Marys

Milestones 2018:

- Michael Burrell – 5 years
- Debra Butler – 5 years
- Simon Cayton – 5 years
- Paul Chalker – 5 years
- Steven Conn – 5 years
- Heinz Czora – 5 years
- Maree Davison – 5 years
- Steven Dunn – 5 years
- Clayton Evelyn – 5 years
- Tim Arcus – 10 years
- Peter Criddle – 20 years
- James Marshall – 25 years
- Raymond McIlhoney – 30 years
- David Chand – 30 years

UES International Recognition Award in honour of Jayne Kotz recipient 2018:

Keith Robinson



UES CONTINUES TO SUPPORT ITS MAJOR CHARITIES:

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| Guide Dogs Associations | Red Cross | Vinnies |
| Sydney Children Hospital Randwick | Canteen Australia | Wesley Mission |
| Salvation Army | Vision Australia | Cancer Council |
| St Vincent De Paul | The Kids Cancer Research | Star Light |
| The Smith Family | Barnardos | Volunteer Fire Fighters Association |
| Royal Hospital for Woman Foundation | Royal Institute for Deaf and Blind Children | Variety the Childrens charity of SA |
| Variety The Children Charity | Care Australia | SA variety bash car MLC –The Runaway Brides |
| Mission Australia | Leukaemia Foundation | Cancer Council of SA |
| Special Children Xmas Party Cabala | Plan International | Sporting Car Club of SA |
| Sir David Martin Foundation | Seeing Eye Dogs | Port Elliott Surf Lifesaving Club |
| National Heart Foundation | Children International | |