



6 November 2009

The Manager
Company Announcements
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam,

Chairman's Address to the Annual General Meeting of ADG Global Supply Limited

Please find attached the transcript of today's Chairman's Address to the Annual General Meeting of ADG Global Supply Limited.

Yours faithfully
By Order of the Board

Demetrius Hassiotis
Company Secretary

Head Office Australia
17 Oxleigh Drive Malaga Western Australia 6090
PO Box 2012 Malaga Western Australia 6944
T +61 8 9249 7599 **F** +61 8 9249 7699
www.adgglobalsupply.com
ABN 16 082 341 197

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ASX Release - ADG Global Supply Limited (ASX: ADQ)

“Chairman’s Address to the Annual General Meeting of ADG Global Supply Limited.”

Dear Shareholders,

On behalf of the Board, it gives me great pleasure to welcome you to the Annual General Meeting of ADG Global Supply Limited for the year ended 30 June 2009 (“Financial Year”).

The last Financial Year has proved to be a year of significant restructure and transformation for ADG Global Supply Limited and its controlled entities (“the ADG Group”) as well as a period of adjustment to meet economic challenges posed by the Global Financial Crisis.

During the Financial Year the ADG Group achieved revenue from continuing operations of \$47,415,069, compared to \$12,261,311 in 2008. This significant growth reflects the effect of incorporating the operations of ADG Global Supply Pty Ltd for a full financial year for the first time since its acquisition on 15 May 2008.

Despite achieving a net profit after taxation of \$1,686,532 in the first six months of FY09, it is disappointing to report that, owing to the effects of the Global Financial Crisis in the second half of the Financial Year, the ADG Group reported an overall loss after taxation for the Financial Year of \$6,386,700 compared to a profit in 2008 of \$1,846,105.

In the second half of the Financial Year, the ADG Group was affected, alongside many of our clients, by the Global Financial Crisis and this necessitated a review by Management, of the carrying values of inventory and goodwill as at 30 June 2009 in accordance with applicable accounting standards.

As a consequence, the result for the Financial Year was impacted by a number of exceptional items including a goodwill impairment charge of \$6.3 million (before taxation) and an inventory impairment provision of \$1.7 million (before taxation) associated with a fall in the global market values of earthmover tyres. Excluding the effect of these impairment charges, the ADG Group achieved a profit before taxation of \$1.5 million.

The ADG Group has responded to the GFC with a number of restructuring actions which have been implemented in the last Financial Year including:

- the implementation of a number of senior management changes in order to strengthen the skills-set and focus of the senior management team;
- the introduction of wide ranging cost reduction measures which will continue to provide financial benefits into the future; and
- the roll-out of a comprehensive relationship management strategy in order to be more closely connected to our clients and add more value to their businesses. These initiatives include a new interactive website, a new CRM system and the recruitment of a number of new business relationship managers.

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I am further pleased to report that on 25 September 2009 the ADG Group renegotiated its debt facility with the ANZ Bank. Under the revised terms with the ANZ Bank, the ADG Group has agreed to reduce the aggregate limit of its debt facility to \$7,400,000. The present debt facility is currently drawn to \$6,600,000.

Furthermore it is pleasing to report that on 24 September 2009, the ADG Group entered into an agreement with the vendors of ADG Global Supply Pty Ltd ("the Vendors") to issue shares instead of cash, in full settlement of the deferred purchase consideration payable by the ADG Group in relation to the acquisition of ADG Global Supply Pty Ltd. This agreement settles a significant non-current liability and materially strengthens the balance sheet of the ADG Group. It also underscores the confidence that the original Vendors of ADG Global Supply see in the business. The settlement of this agreement is the subject of Resolutions 3 and 4 of today's meeting.

The future business outlook for the ADG Group is positive. Revenue in quarter one for the current Financial Year has increased by 8.3% compared to the final quarter of the previous Financial Year. The ADG Group has begun to see signs of improvement in market trading conditions across all areas of its business and consequently it is confident that markets will return to more stable and traditional conditions resulting in increased drilling and mining activity, plus continued oil and gas infrastructure investment activity, the results of which are expected to result in increased activity and revenue for the ADG Group.

The ADG Group is also developing stronger relationships with customers and business partners in the oil and gas industry which is also expected to positively affect revenue.

Our water division has now been renamed to reflect its core business of pumps. The Pump Division is expected to continue its revenue growth and the recent appointment of a dedicated account manager in New South Wales now gives the ADG Group a national presence. In recent weeks the Pump division has announced the signing of an exclusive distribution agreement to sell Greyflow Systems which is expected to positively impact sales revenue in this area.

Particularly pleasing was the ADG Group's recent signing of an exclusive distribution agreement with Robbins HDD LLC, a USA based manufacturer and supplier of the Universal HDD brand of horizontal directional drilling equipment. This has opened up a number of new revenue generating opportunities for the ADG Group with the first Universal drill rig sold in Australia having recently been delivered to one of ADG's customers in Victoria.

Recent business development trips throughout the Americas have revealed further encouraging signs within our Tyre Division, supporting belief of improving sales in the coming months. The Drilling division is also expected to improve revenues in tandem with recent changes in senior management.

I would like to express my thanks and pay tribute to our Managing Director, Andy Greathead, my other fellow Board members and all of our dedicated employees without whose efforts none of our achievements in this particularly trying year would have been possible. Their enthusiasm and commitment has driven the ADG Group forward and has contributed to the smooth implementation of recent measures to address the effects of the Global Financial Crisis.

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Finally, I would like to express my sincere appreciation to all shareholders for their support as the ADG Group executes its strategic objectives to position itself as a global, unique provider of total supply solutions centered on procurement, strategic sourcing, pump products and drilling equipment and fluids.

David Schwartz
Chairman

Ends

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