



15 July 2010

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

Dear Sir/Madam,

**CHANGE IN BOARD COMPOSITION AND TRADING UPDATE**

Please find attached an announcement by ADG Global Supply Limited containing details of a change in the composition of the Board and a trading update.

Yours faithfully  
By Order of the Board

**Demetrius Hassiotis**  
Company Secretary

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15 July 2010

**ASX RELEASE - ADG GLOBAL SUPPLY LIMITED (ASX: ADQ)**

**CHANGE IN BOARD COMPOSITION AND TRADING UPDATE**

Further to the Strategic Update announcement released to the ASX on 9 June 2010, the Directors of ADG Global Supply ("Company" or "ADG") are pleased to announce the following updates as we move forward with our key strategic initiatives designed to deliver shareholder value.

**Change in Board Composition**

Following recent additions to ADG's senior management team and an internal review, the Company today announced a restructure of its Board.

The Board has agreed that Non Executive Directors Mr David Craig and Mr Andy Greathead will be stepping down from the Board and that Mr Mike Arnold, Chief Operating Officer, will be joining the Board as an Executive Director, effective 31 July 2010.

The outgoing Directors leave very satisfied that the Company is well positioned to maximise its strategy and profit objectives in the future. As a testament to this the Board approved the 2010/2011 financial year budgets which anticipate good profit earnings.

The revised Board composition is designed to take the Company's strong platform into the next phase towards recognising our vision to be a leading provider of integrated products and services to resources, energy and industrial customers internationally. The Company will also benefit from increasing internal capabilities around supply chain management.

The changes will result in further cost savings which are expected to be re-invested to support the Company's strategic objectives.

ADG's Chairman, Mr David Schwartz said:

*"I would like to thank David Craig for helping to establish good commercial and corporate governance disciplines within ADG and for his strong commitment to the Company, particularly in the area of risk management and internal business disciplines, throughout his tenure. I would also like to thank Andy Greathead for all his efforts in helping transition the original ADG Company from a private company to part of a publicly listed company with strong management and controls. Mike's appointment will provide the Board with strong technical expertise in the areas of supply chain, logistics, integrated supply and contract management. I welcome Mike to the Board."*

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## Trading Update

### Normal Trading

After reporting a loss for the first 6 months of 2009/2010, the Company is pleased to report that full year net profit before tax (and before abnormal cost items) will be approximately \$169,000. In the six months to 30 June 2010, the Company has continued to operate comparatively well in the context of global market conditions. The Company's underlying performance has returned to marginal operating profitability following business improvements and important cost cutting measures, both of which will continue to be implemented.

### Provisioning

In providing earning guidance the Board has made a prudent decision to allow for \$1.3m in cost provisions to clear the Company of non-recurring encumbrances of the past. Whilst this provision adversely affects earnings for 2009/2010 the impact on operating cash is \$nil.

In addition to the above, the Company has provided for a number of non-recurring items with respect to restructuring costs associated with cost cutting measures, to which the Company has committed to as a part of the strategic re-engineering of ADG's operations for the quarter ending 30 September 2010.

A large element of the provision was in revaluing tyre stock purchased prior to 30 June 2009. At the end of June 2009, at the height of the GFC, the Company used its best estimates after seeing a fall in global market values of earthmover tyres. The Company now has a clear and confident understanding of today's market prices and consequently has re-valued its tyre stock. No further provisions for tyres are necessary or required to be made in the future. As further protection to future earnings the Company has ceased the practice of speculative buying of tyres sold in the resellers market.

### Earnings Guidance

As a result of the above provisioning, which create mostly non-cash effects, the Company will report a net loss before taxation of between \$1.4m and \$1.5m\* for the year ended 30 June 2010.

(\*This expectation is based on Management's current best estimates and does not take into consideration the effects of any adjustments that may arise during the year-end audit process.)

## A Strong and Positive Outlook

The Directors of ADG are predicting strong growth in revenue and profitability across all divisions for the 2010/2011 financial year.

Globally, market conditions have begun to show significant signs of improvement, providing for a more positive outlook for the year ending 30 June 2011. The Company is also seeing increases in drilling activity and drilling rig/equipment utilization globally as reported by key companies in the industry. This positive outlook has been further reinforced by recent changes to the Resources Super Profits Tax proposals.

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The Company is also placing strong emphasis on sustainable profit growth and cost containment, in keeping with its strategic vision. Initiatives designed to streamline and re-engineer ADG's systems and processes have already commenced, with the aim of implementing best practice processes and technology. It is expected that these initiatives will provide ADG with a source of competitive advantage as well as end-to-end customer supply solutions, enhanced productivity and therefore stronger profitability.

Enquiries: Mr John Mancini, Managing Director on +61 8 9249 7599

Ends.

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