

ASX RELEASE

28 October 2010

2010 ANNUAL GENERAL MEETING Chairman's Address

Welcome ladies and gentlemen to our 23rd AGM which, incidentally, will be my last.

It is cheerful to see our Australian vehicle market up 14.5% overall in volume in the calendar year to date.

Not so cheerful is the total truck market, which is up only 3.5% on top of the miserable prior year which saw the truck market decline by 23.3% overall and by 31.7% on the extra heavy duty figures, which last year were the worst since 2003.

So, as you can see, the truck market has a long way to recover to where it should be.

As far as the first quarter of the current financial year is concerned, our results have been poor with operating profits down 34.5% on last year's before the AP Eagers' takeover costs of approximately one million dollars, reducing our net profit to \$1,014,000. I am sure that you, like me, will be shocked at the level of takeover costs, that is until given the proper explanations where a majority of this cost came from staff share incentives. In accordance with our Staff Share Plan Trust Deed, in the event of a takeover offer being submitted and accepted, the four-year restriction period ends and the share expense, which was being expensed over the four years, has crystallised in one year.

Re-capping on my comments in our most recent Annual Report, last year we were proud to have achieved our highest ever car profits whilst having a mixed year on trucks.

In addition to these truck sale problems, the Daimler organisation (where we have large dealerships in Melbourne and Sydney) shut the plants which produced our only bonneted B-double truck and the construction trucks (which were about 30% of our sales).

The good news for the future is that progressively through full year 2011, we expect our Daimler range to be significantly improved so that in the 2011/12 financial year we will again have a competitive range, which will be cheerful indeed.

In this first quarter just ended, we are also pleased to report the obtaining and signing of major franchise agreements to be the sole dealer for all of Sydney and its near environs with Western Star (which is Australia's leading premium bonneted truck), MAN, Foton (which is one of the best Chinese trucks) and in the near future, Dennis Eagle, which is about to launch a revolutionary refuse truck.

To handle these four franchises we have taken a long-term lease on a Sydney site where we will build our new dealership. As this new dealership will take time to build, we have leased temporary premises adjoining our Narellan Hino dealership from 1 November (when the four franchises

ADTRANS GROUP LIMITED

ADELAIDE

Stillwell Ford
Adrian Brien Ford
Rebel Ford
Stillwell Hyundai
Adrian Brien Hyundai
Reynella Hyundai
Stillwell Kia
Adtrans Kia

ADELAIDE

Adrian Brien Chrysler/Jeep/Dodge
Graham Cornes Used Cars
Adtrans Used Cars
Cornes Toyota
Cornes Toyota 4x4 Centre
Stillwell Trucks Regency Park
Stillwell Hyundai Trucks



MELBOURNE

Adtrans Truck Centre
Melbourne International Truck Centre
Whitehorse Truck and Bus
Whitehorse Truck Centre
Australia Wide Transport Spares
Melbourne International Truck and Bus

SYDNEY

Stillwell Trucks
The Truck Centre
Adtrans Hino
Sydney Truck Centre
Adtrans Higer

commence) until the new dealership is finished at Preston. We expect from 1 November to generate extremely good profits from these four franchises.

In addition, we have franchises for Hyundai trucks in both Melbourne and Adelaide.

Following our success with BCI Buses in Melbourne over the past three years, we have been appointed the White Higer bus franchise in Dandenong (Melbourne) and Adelaide.

In cars, we expect to have a good year with Toyota, albeit we are in the middle of re-building the whole dealership which we are managing with minimal business interruption. Volumes remain tough on Ford which announced in Sydney last week the exciting range of innovative product coming through in the next two years which it hopes will restore Ford's proper penetration in the car market.

We expect our Hyundai dealerships to continue in a prosperous manner even though competition is increasing.

Despite our most disappointing results overall for the latest opening quarter, our car and truck parts and service divisions again had significant year-over-year profit increases and our used truck improvement was massive. We expect all of these divisions to continue producing good profits through the next financial year.

Looking ahead, we can report that the AP Eagers takeover offer has succeeded in achieving over 90% of the shareholding in Adtrans so the takeover is assured. The closing date for the takeover offer is 5 November and the cash (if this is what shareholders chose) or the cash and scrip will be mailed to our shareholders on 22 November.

Whilst the retiring Board directors will likely be re-elected today, the current directors of Adtrans, due to the takeover, will be retiring in the coming weeks. We owe a debt of gratitude to the directors for their diligent service to shareholders and the honest manner in which they have always acted in the best interests of all Adtrans shareholders.

For many of the shareholders - some of whom, like me, have been shareholders since Adtrans' inception in 1987 - it has been an interesting 23 years and with dividends and share price increases, we have enjoyed substantial total shareholder returns. It should be noted that our Board unanimously approved the AP Eagers offer as we were totally confident it was in the best interests of our shareholders.

My appreciation to our diligent staff, many of whom are and will remain personal friends of mine and I think, have done a great job over the 23 years.

Martin Ward, the CEO of AP Eagers Limited, has assured our Group that they have no intention of interfering with the smooth running of their soon-to-be subsidiary, Adtrans Group.

I look forward to the future with great confidence – just as I did when Adtrans started on its successful journey all those years ago.

We'll now move to "Ordinary Business" on the agenda.