

2009 ANNUAL GENERAL MEETING Chairman's Address

In stark contrast to my address at the 2008 Annual General Meeting where I expressed extreme disappointment at our first quarter result, today I am pleased to report a solid and substantial performance for the first three months of the current financial year – providing us with a good platform on which to build an improved and more credible full year's result.

Improvement was certainly necessary on last year's results when the slump was mainly caused by fuel price hikes and the resultant change in demand towards small vehicles – in both new and used vehicle markets. Our Group, like most of the industry, suffered from out of balance inventories and over-stocking of larger cars. This imbalance and over-stocking resulted in lower grosses and lower volumes, with excessive costs.

It is even more pleasing to report such a strong start to the new financial year at a time when vehicle markets in Australia are not strong.

In fact, the national auto market for the 2009 calendar year is currently down 13.1% in total which includes a truck market decline of 24% and within that 24% downturn, the important over 15-tonne segment is down a massive 32%.

By achieving good results against that generally weaker market trend shows that our Group has dramatically improved operating efficiencies and reduced expenses.

You will recall that our financial results recovered well in the last three quarters of the past financial year. One of the main reasons for that improvement was the reliable strength of our car and truck parts and service divisions, which were as usual, little affected by financial conditions. They performed most credibly, accounting for a very large proportion of the full-year profit.

Now, with our much improved inventory management in both new and used sales divisions, those fixed operations performance will as usual underpin our profit for this current financial year.

As is often the case when new vehicle markets are down, we see used vehicle sales on the rise, and in the current financial year our large used car operations on multi sites in Adelaide are looking forward to an excellent year.

The outlook for used trucks is also very positive. In fact, our used trucks inventory is in the best condition it has ever been and we expect our Melbourne, Sydney and Adelaide used truck operations to have an excellent year.

It would be remiss of me not to mention one outstanding aspect of our impressive turnaround in calendar 2009 – the performance of our group's Hyundai dealerships. In an Australian vehicle market that is down by 13%, Hyundai recorded a massive lift of 36.4% for calendar 2009 over calendar 2008. Despite the Korean Won exchange rate advantage, it was in any event a spectacular performance from Hyundai and we are fortunate to have four of their dealerships in Adelaide.

Generally, we expect to have an excellent car result through our Adelaide operations in this current financial year, barring any unforeseen circumstances.

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
Stillwell Small Cars and SUV
Adelaide Cheerful Car Service
Cornes Toyota
Cornes Toyota 4x4 Centre
Stillwell Trucks Regency Park



(ADG)

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

SYDNEY
Stillwell Trucks
The Truck Centre
Adtrans Hino

As far as the truck performance goes in this current financial year, each of our manufacturers is in a slightly different position and we expect some problems in supply of some of the most desirable products.

Nevertheless, our first quarter truck performance has overall been good and exactly to our pre-year expectations. Even though our new truck sales performance has had some product pressure, it has still performed well and we do expect new truck markets to progressively improve as Australian company profits improve.

The government's investment allowance incentive will aid our performance right through the remainder of this financial year, particularly in trucks where we already hold a substantial number of orders.

Overall – and despite the supply difficulties of some truck manufacturers - we have the product to support a solid truck performance and, as already mentioned, we expect car and truck parts and service to have an excellent year.

So, in summary, the Adtrans Group is expecting an excellent year from our car dealerships and solid profit from our truck dealerships.

Because of last year's awkward and unpredictable market conditions, it is appropriate that on this occasion we provide our shareholders with some profit guidance. We currently expect in this current financial year to have a profit improvement of at least 20% over last year's performance and of course will undertake to update you around the end of February 2010.

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