



## **SWEPDRI LIMITED**

### **CHAIRMANS ADDRESS – 30 November 2004**

Since incorporation the principal activity of SDL (the Company) has been to extend the commercialisation and distribution of Drizoro Products in the Australian – Pacific Region.

Over a very short period of time SDL has signed supply contracts with several groups of companies representing a total of over 2000 store outlets.

Completion of the Company's June 2004 Audit was delayed primarily due to the formalisation of the Company's arrangements and other structural issues that needed to be resolved.

These issues have now been addressed and satisfied.

### **Events**

Some stock arrived in early August 2004 as part of a 200-ton order made by the Company with moneys raised by the Company. Additional stock arrived in mid September and the last of this order arrived late in October 2004. The products are being moved to customers as expeditiously as possible.

Sales were also achieved in this period to Vanuatu and Fiji.

Our roll out program commenced in mid September 2004 and we are adding stores at the rate of 4 to 5 every day.

Our customer base has increased from 214 stores this time last year to 354 with active roll out proceeding both in Victoria and Queensland.

At the present time a marketing drive has commenced in South Australia with the appointment of Harsmith Building Products to carry out marketing in this state with sales expected to commence to our South Australian customers by the end of November 2004.

In Western Australia we have appointed Campbell Wholesale Pty Ltd to act as our distribution agent.

Formal proposals have been prepared, some product has been shipped and a Distributor and reseller training program is taking place.



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The Company's prospects are gradually improving with more and more stores committing orders. Sales are increasing as more stock arrives and the rollout program continues.

To facilitate the purchase of product required to supply the additional outlets SwepDri Limited requires and will continue to require a combination of equity and short term rolling debt facility funding.

The Company is working on further capital raising to keep the stock rolling to customers and ensure that the Company has sufficient working capital to meet its obligations. A marketing and advertising program is being implemented to increase consumer awareness of the product range.

The Company believes it will achieve forecasts and remains enthusiastic that the Company will realise the full market potential that the market promises.

I would also like to take this opportunity to thank Anne Jensen, our advisors and the Staff for their excellent support.

Thank you also for your continued support.

30 November 2004