



SUPPLY NETWORK LIMITED

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23 November 2007

The Manager
Companies Announcement Office
Australian Stock Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Re: Chairman's Address to Shareholders

Please find attached the Chairman's Address to Shareholders at the Annual General Meeting being held at 2.00pm today.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Peter Gill', written in a cursive style.

Peter Gill
Company Secretary



Chairman's Address 2007 AGM

Welcome to the 2007 Supply Network Annual General Meeting.

I am pleased to advise shareholders that Supply Network is on track to deliver significantly improved results in the current financial year.

Sales revenue has increased in all divisions and Group revenue is up 12% when compared with the same period last year. Based on management accounts EBIT year-to-date at the end of October is \$766k, up from \$240k for the same period last year, and we expect earnings after tax of around 2 cents per share over the first half-year. Management has forecast a similar result in the second half and full year EBIT of around \$1.6m.

Recent Board announcements have reported on new strategies being implemented to improve results in difficult and competitive market conditions. These strategies are now delivering solid growth in key customer segments and are strengthening the foundations of Multispare and Globac. Daconti has not commenced trading and there are no plans for further investment in this company while management remains focused on more substantial opportunities elsewhere.

The Board has previously advised that it was assessing a range of capital management options to increase shareholder value. Supply Network has a significant franking credit balance and considering the company's strong business foundation, the Board expects profits and franking credits to increase over the long term.

In view of this position, the Board is pleased to announce a fully franked Special Dividend of 4 cents per share in conjunction with a Dividend Reinvestment Plan (DRP) to be partially underwritten by Taylor Collison Limited stockbrokers. Subject to the availability of cash or suitable underwriting of the DRP, it is intended that this Special Dividend will be paid annually for 4 years commencing February 2008. DRP details will be distributed to all eligible shareholders shortly.

These proposed Special Dividends will be in addition to the normal interim and final dividends of the company. The Board intends to continue with its policy of paying an average of 50-60% of the company's after tax earnings as fully franked interim and final dividends.

Shareholders will be aware of the announcement of a share buy-back in June this year. Given the positive trend in monthly results since that announcement and consideration by the Board of the Special Dividend, we have refrained from buying activity in recent months. Now that profit trends have been confirmed and the Special Dividend announced we may re-enter the market to buy SNL shares if the Board considers this an appropriate use of capital.

Supply Network provides an essential service to the road transport industry. Although there are many competitors across our range of products, our established distribution channels and overall level of investment gives us a competitive edge and a sustainable long-term position. We will continue to build organically from this strong base.

As reported on many occasions, we have been considering expansion through acquisition. All potential acquisitions are assessed against strict criteria laid down by the Board to ensure relevance, an appropriate balance of risk and effort and, most importantly, significant value for our shareholders.

The Board appreciates the support of shareholders while new strategies have been developed to address flat revenue results and new market challenges. As you can see we have made real progress on business profitability. While the year-to-date results are a significant improvement, you may be assured your Board and management will continue to drive business development and shareholder returns.

I wish to thank staff and management for their efforts and acknowledge their success at implementing change and new approaches in our business. Thanks to these successes we can look forward to an improved result in 2008.

Garry Lingard

Chairman