



Comdek Limited

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28 November, 2003

Address given by Mr Hendy Cowan

Chairman of Comdek Ltd at the

Annual General meeting

Held at 2:00pm 28 November 2003

Ladies and Gentlemen, as the time is 2:00pm and a quorum is present, I declare the meeting open and welcome you all to the 2003 Annual General Meeting of Comdek Ltd.

I am Hendy Cowan, Chairman of Comdek. I would like to take this opportunity to introduce my fellow Directors. Beside me is Haydn Collins, Managing Director. Alongside him is Jeff Garrett, the founder of the company and David Falconer.

As provided in the Notice of Meeting, we are here to consider and receive the 2003 financial year Annual Report and to consider the Re-election of Jeff Garrett as a Director of the Company.

Prior to consideration of the 2003 year result it is appropriate to comment on the float of Comdek upon the Australian Stock Exchange on 31 October 2003. In accordance with the Corporations Act requirements governing disclosure documents, Comdek issued a prospectus on 26 August 2003. The Initial Public Offer resulted in a capital raising that led to the listing of the Company on the ASX. The impact of this on the future operations of the Company is significant and it creates exciting opportunities for the company.

Comdek was established in 1985 and has, over the last 18 years, relied upon the sale of computer hardware for core revenues. In 2001, a satellite communications division was added to the company. The then Directors, Haydn Collins and Jeff Garrett identified an opportunity to deliver voice and data via satellite to remote minesites in Western Australia. This business has since developed and progressed to a point where it now represents the future of Comdek, the newly listed public entity.

The float on the ASX is beneficial in three areas:

1. Firstly, it provides sufficient capital to accelerate the rollout of the company business plan that focuses on the delivery of voice and data to remote sites. The injection of capital permits the development of necessary infrastructure as well as provides the basis for improved marketing and customer acquisition.



2. Secondly, the profile of Comdek has been raised. This has the potential to facilitate the expansion of the company's customer base in the national and international arena.
3. Finally it has provided Comdek with the ability to participate in new opportunities to grow the company

The float was achieved after a great deal of hard work that commenced last year when the economic environment and market sentiment was not as buoyant as it is today. Fortunately, the Company now finds itself in a positive market with its prime target customers from within the resources sector, performing strongly.

Satellite Division

In 2001, the company implemented a 3 year plan to expand the satellite division, making it the prime focus of growth and profit for the future of Comdek. The division, since its establishment, is now producing profits. As a demonstration of the growth of this division, revenue from the division in 2003 has almost trebled the level of revenue it delivered to the company in 2002. The business now has sufficient customers to maintain profitable operations. It is our intention to expand revenues and profits from the satellite division.

The recurring revenue model of the satellite business where the company sells or rents infrastructure to customers and then supplies data and telephony services on a monthly basis, has proved to be a very good business. Typically, our customers have few alternatives for communications and it is clear that Comdek provides the most flexible, custom designed systems at competitive prices in this niche market.

Comdek's expansion plans for the satellite division will occur both internationally and within Australia.

Hardware Division

Hardware manufacture and sales has been the core business of Comdek for over 18 years. However the establishment, performance and growth of the satellite division, has required a restructure of the hardware division. The hardware business will remain an important division of the company, but the higher margins earned by the Satellite division have brought changes.

Staff numbers have been reduced by 50%, resulting in significant cost savings. These savings will be fully realised in the 2004 financial year. The restructure has resulted in a contraction of the hardware business.

Comdek has been a significant participant in the Western Australian computer hardware market for the past ten years. Management will continue to focus on the most profitable areas of the hardware business to generate a return for the company. Key customers and markets will be maintained, as will tight cost controls and customer service delivery.

Comdek will continue its transformation from being solely a wholesale hardware seller to a diversified company concentrating on satellite communications systems. 2004 and beyond will see an increasing focus on and dominance of the satellite division.

Regulatory landscape

Changes to the regulatory landscape will require ongoing resources to ensure compliance.



Firstly, international accounting standards will apply to Comdek from 1 July 2004. A new accounting software package is being installed. There is also a review of controls and day to day accounting procedures. This is expected to result in improved controls over day to day activities and a lowering of overheads in respect of accounting procedures. In the New Year Comdek will assess the financial impact of compliance with international accounting standards. It is not expected that the financial position and cashflows will be materially affected.

The company is also assessing the benefits of consolidating all entities for tax purposes. The benefits of this will be simplification of returns and lower overall costs for the Company. Because of these advantages it is likely that Comdek will adopt a consolidated approach to tax.

Australian regulatory authorities have placed greater requirements on companies in respect to corporate governance. The directors of the company have appointed a governance committee to ensure Comdek applies the highest standards of corporate governance to its operations.

Conclusion

This is a brief review of important events in 2003. It should be noted that Comdek has entered a new phase. The restructuring of the Company and its listing on the ASX are important milestones. As a consequence the Company has been strengthened and its opportunities have been significantly enhanced. Now that these milestones have been reached, the Directors are confident that management will focus solely on our core business which will deliver positive results and increase share value.

Enhanced customer acquisition strategies, a positive economic environment and a strong Australian dollar are all beneficial to Comdek.

I thank all shareholders for their support, especially those who supported the company prior to the float and look forward to a prosperous and successful New Year.

Hendy Cowan
Chairman (Comdek Ltd)