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Fredericton-based ADI Systems constructing MillerCoors system

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When MillerCoors found out it would have to upgrade its wastewater filtration system at its brewery near Elkton, Va. to meet newly legislated environmental standards, the beer maker started to shop around.



David Smith/for the Telegraph-Journal

Graham Brown, president of ADI Systems Inc., at his Fredericton office Wednesday. ADI systems will begin construction of the MillerCoors project this spring, and should be finished before the end of 2009.

The company eventually chose Fredericton-based ADI Systems Inc. to design and build the membrane bioreactor it will need to have in place by 2011.

"Part of it is their ongoing relationship and familiarity of our processes," said Mark Dwyer, project manager for MillerCoors.

ADI Systems had set up a previous industrial waste unit at the brewery for Coors, prior to the 2005 merger of the Adolph Coors Company and Molson Inc., which formed Molson Coors Brewing Company (TSX:TAP; NYSE:TAP). Then in July 2008 the American operations of both Molson Coors and SABMiller plc, (LSE:SAB) formed the joint venture MillerCoors.

ADI systems will begin construction of the project this spring, and should be finished before the end of 2009.

"They're being a very responsible corporate environmental citizen by getting a head of the curve by installing this technology now, rather than when it becomes absolutely necessary down the road," said ADI systems president Graham Brown, of his client.

Dwyer said MillerCoors wanted the new system in place well in before the 2011 deadline. This gives the beer company a chance to test the system in the summer, its highest production season.

The company, owned by ADI Group Inc. will also implement the same system at a Golden Flakes Snack Foods Inc. plant in Birmingham, Ala.

"We've looked at other systems," said David Jones, executive vice-president of operations for Golden Flakes. "They just don't measure up to the membrane technology ADI systems has."

Despite being a smaller operation than some of its competition, Brown said his company has a lot of expertise in the technology.

"The technology is what drives the projects," he said

Golden Flakes connected with the industrial waste engineering firm at a snack food expo in San Antonio, Texas.

"This was one of the booths we stopped by that had something completely different than what you usually see at these things," Jones said.

After running a three-month test that ADI systems provided, Golden Flakes was sold.

These two new installations join a list of about 200 others the company has completed in 30 countries, over the last 20 years. Signing contracts for projects in the United States is nothing new for ADI systems, which usually does about 60 per cent of its work in that country. The company only signs contracts in Canada about 10 per cent of the time with the remaining 30 per cent usually in Europe.

As the president of a company that exports 90 per cent of its product, Brown realizes the global economic downturn will affect ADI Systems.

"The downturn has certainly hurt us, because it has hurt our customers." Brown said. "For ADI Systems, like a lot of companies, 2009 is going to be a challenging year."

But since about half of ADI Systems' customers are in the consumable foods business, which hasn't been nearly as hard hit, and in some cases has benefited from the downturn, Brown's company may fair quite well.

ADI Systems, which has annual revenues between \$20 million and \$40 million depending on the year, and averages about 10 to 12 projects a year, already has these two American projects on the way and others in Australia and Thailand.

"We've already got a pretty good backlog of work and we're looking to add to that in 2009 with new orders," Brown said.

With the 22 staff at ADI Systems working on current projects or chasing new ones, Brown said he is hoping to have an average year with about \$30 million in revenue.