

ASG Group Limited

FINANCIAL RESULTS PRESENTATION - H1 FY2006

Geoff Lewis

MD and CEO

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Chief Financial Officer



Agenda

- Corporate Overview
- ASG Group / Operations
- Major Contracts
- Financial Performance
- Value Strategy
- Outlook

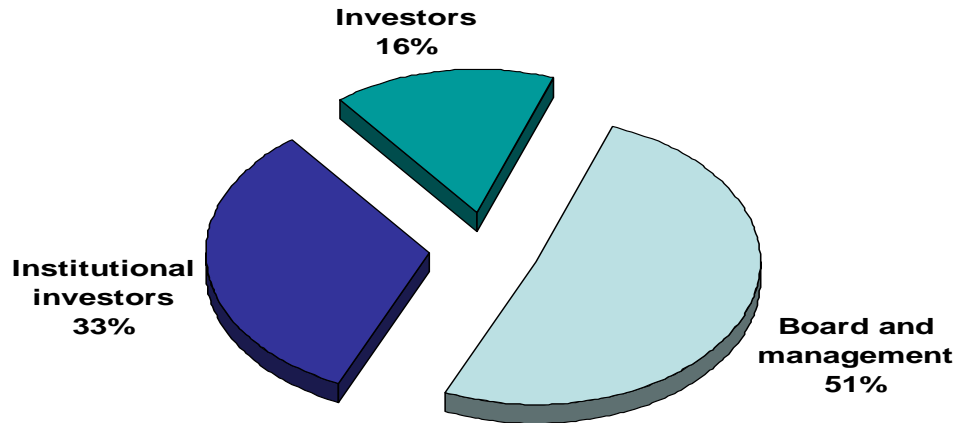
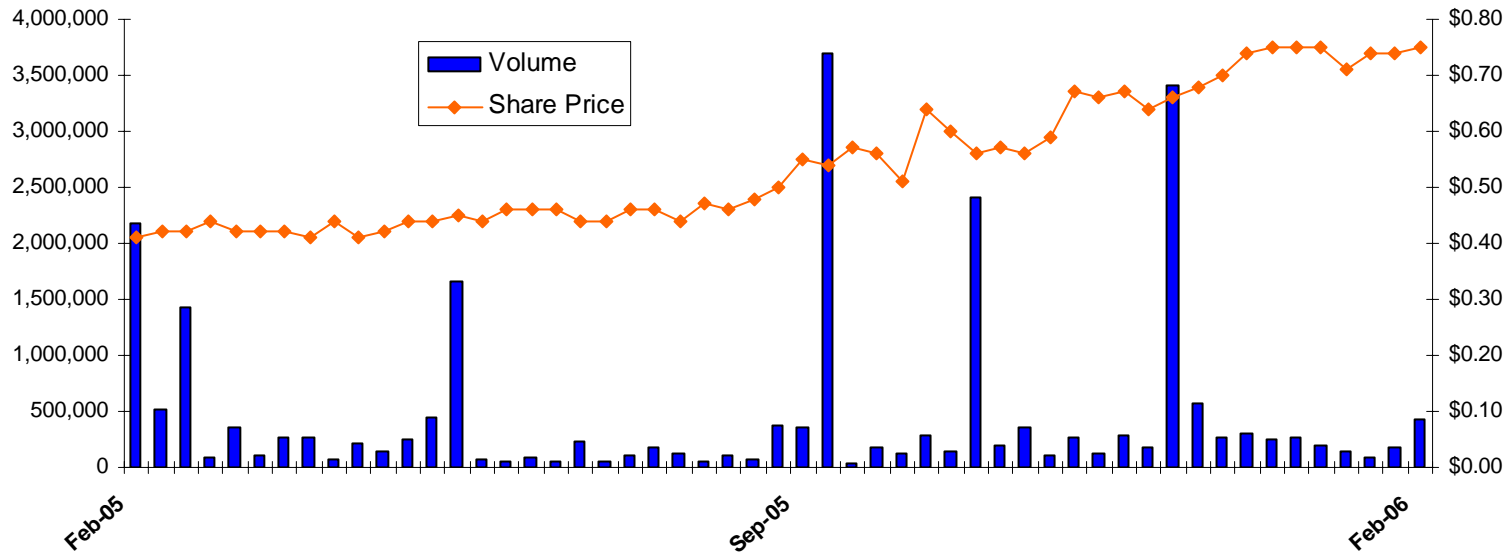
Corporate Overview

• Listed	Jan 2000
• ASX code	ASZ
• Shares on issue	113.0 million
• Options on issue	10.7 million
• Share price (2 March 06)	\$0.75
• 12 month trading range	\$0.40 – \$0.79
• Market capitalisation	\$85 million
• FY05 Dividend yield (FF)	2.9%



Performance & shareholder mix

Weekly Volume

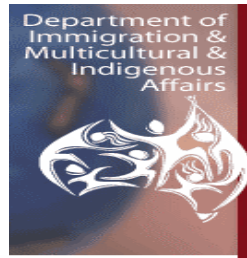


ASG Group

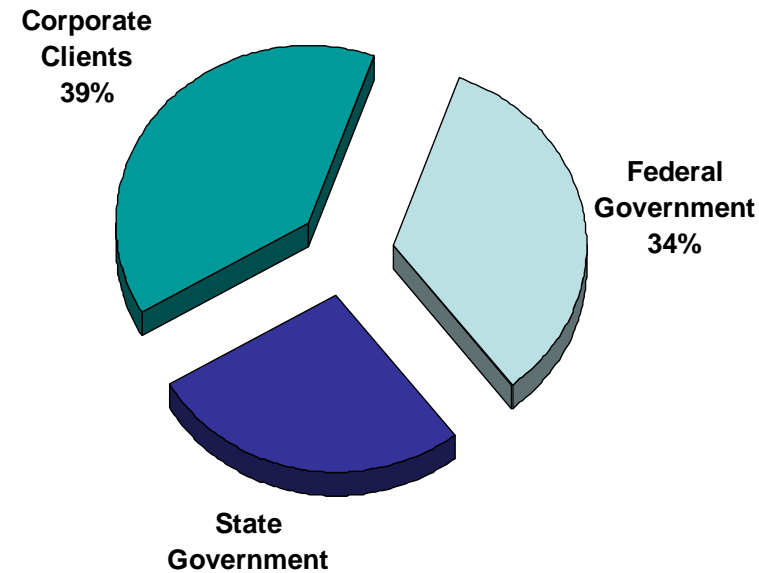
- Outsourced IT infrastructure services
- Established 1996, 400 personnel
- National Operations
- Proven management team
- Strong geographical spread
- Strong Govt and private sector client base
- Long-term Multi-year contracts
- Major Wins, Good Prospects



Major Contracts



Australian Government
Department of Foreign Affairs and Trade



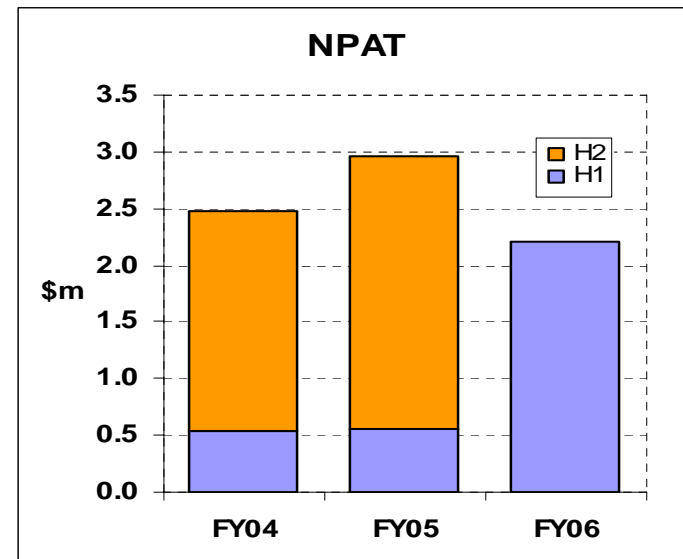
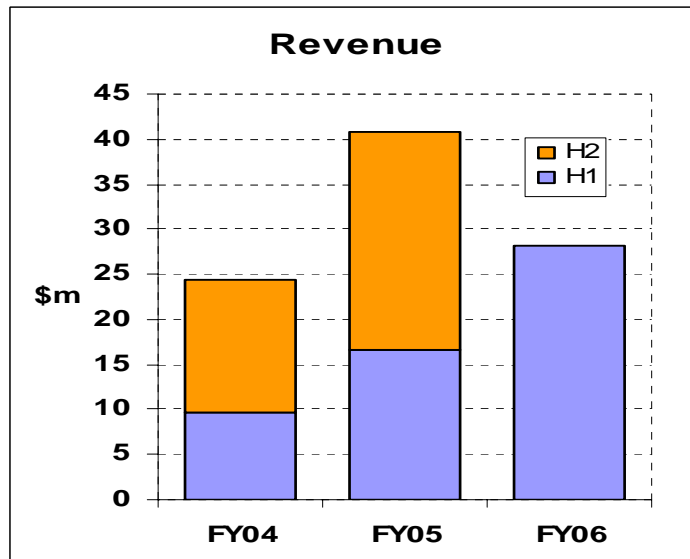
First Half FY2006 – Key Highlights

- Revenue up 69%, NPAT up 325%
- EPS up 200%+
- Strong cash generation
- Balance sheet continues to strengthen
- Reaping benefits of Infrastructure Investment
- Strong New Business performance
- Additional Strength for Executive Team
- Interim Dividend Declared
- Positive Outlook for Second Half



H1.FY2006 – Financial Performance

- NPAT \$2.21 million (+325%)
- EBITDA \$2.92 million (+147%)
- Revenue \$28.1 million (+69%)
- Interim dividend 1.0 cent



PCP Comparison

	H1.FY06	H1.FY05
Revenue	\$ 28.1m	\$16.6m
EBITDA	\$ 2.92m	\$1.18m
Profit after tax	\$ 2.21m	\$0.52m
EPS	2.04 cents	0.63 cents
Dividend FF	1.0 cents	n/a

Cash Flow Overview

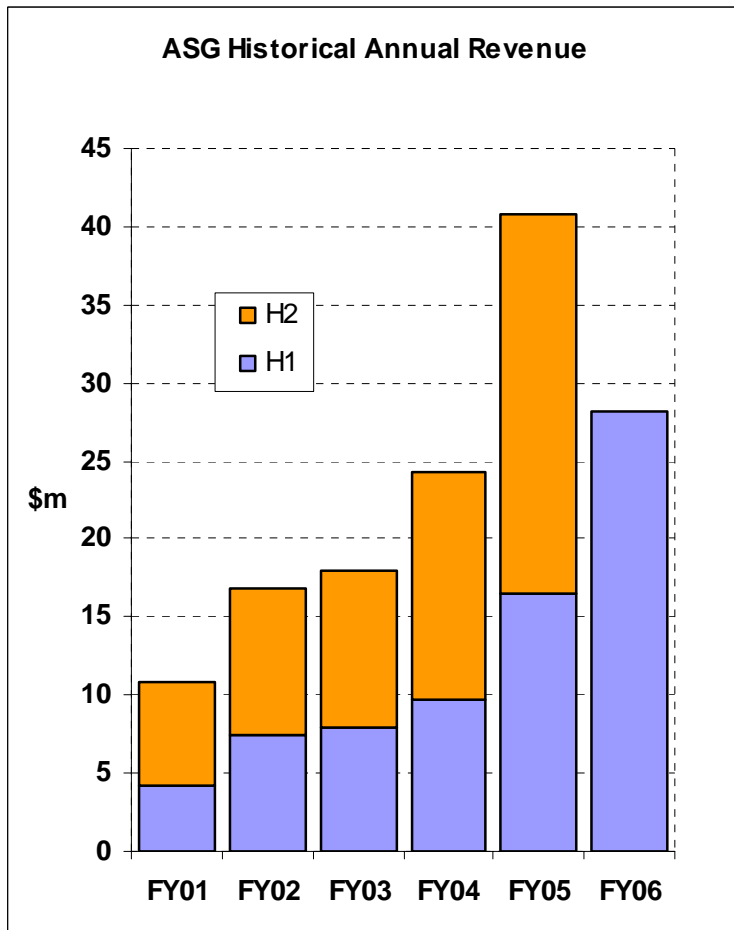
Cash balance @ 1 July 2005	\$3.54m
Net operating cash	\$2.59m
Share Issue proceeds	\$0.97m
Investments	(\$0.49m)
Net borrowings	(\$0.89m)
Dividend paid	<u>(\$1.35m)</u>
Cash balance @ 31 December 2005	\$4.37m



Balance Sheet Strength

	H1.FY06	FY05
Cash	\$4.37m	\$ 3.54m
Net current assets	\$6.48m	\$ 4.61m
Gross debt	\$3.09m	\$ 3.68m
Net interest	\$82,000	\$170,000
EBITDA to interest cover	35x	27x
Gross debt to equity	9%	14%

Revenue Growth



- Cumulative revenue model:
 - Predictable cash flows
 - Recurrent budget
 - Repeat revenue
- Established high quality customer base
- Strong federal and state government emphasis

Cumulative Revenue Model

- Strong platform for growth
- Around 70% of revenue rolls forward
- Rolling renewals / conversions
- Customer loyalty
- Accumulating Multi-Year Contract book
- Strong emphasis on Recurrent Budget



Value Strategy

- Long term Stable Contracts
- Growing National Presence
- Emphasis on Strong Executive Team
- Robust National Infrastructure
- Mix of organic and acquisitive growth
- Strict acquisition parameters
- Disciplined approach to business development



Market Advantage

- Focussed Core Business
- Australian, vendor independent
- Diminishing Australian Market Participants
- Resistant to economic cycles
- “Blue chip” Client Base
- Continuing Selective Outsourcing Trend
- Remote Service Model, economies of scale
- Client Loyalty
- National Organisation, Infrastructure



Growth Strategy

- Target Major Government and Corporate Contracts
- Organic Growth from Strong regional Bases
- Pursue acquisitions that meet criteria:
 - Access to profitable client-base
 - Consistent with ASG strategy
 - EPS Accretive



FY2006

- Strong Outsourcing market
- New Business opportunities
- Leverage established National Infrastructure
- Implementation OSS Project
- Strong Full Year expected
- Continued Drive for Profitability
- Acquisition Strategy to continue

