

ASG Group Limited

FINANCIAL RESULTS PRESENTATION – H1 FY2009

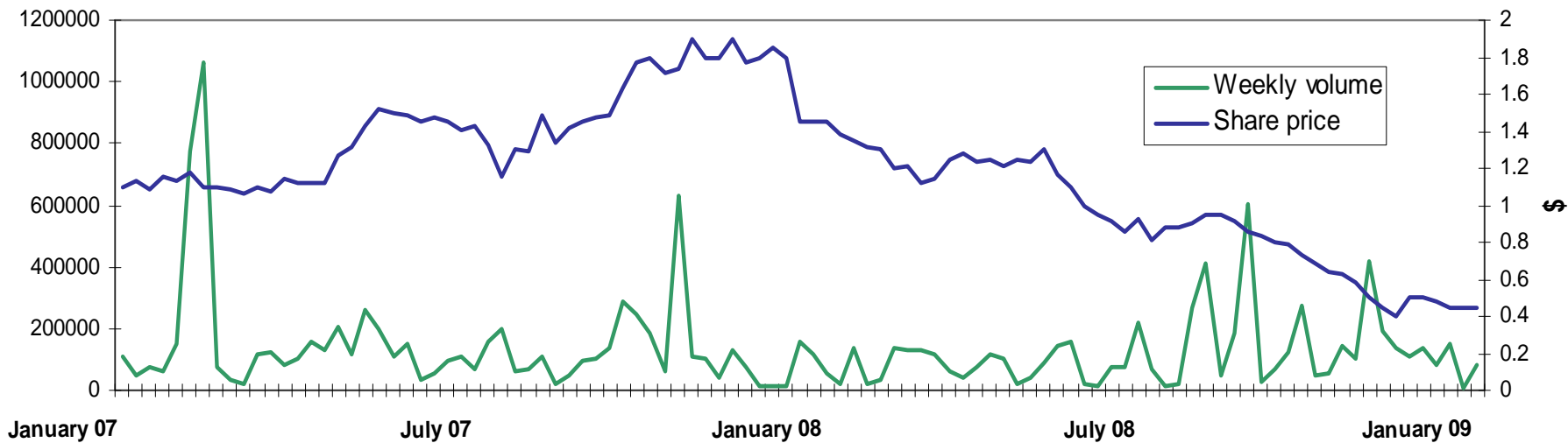
Geoff Lewis **CEO**

Dean Langenbach **CFO**

- **Highlights**
- **Corporate Overview**
- **Financial Performance**
- **Market Conditions**
- **Value Strategy**
- **Growth Strategy**
- **Outlook**

- Revenue of \$64.1 million – up 25.7%
- EBITDA of \$9.1 million – up 26.1%
- NPAT of \$4.9 million - up 16.3%
- Earnings per share of 3.7 cents – up 12%
- Fully franked interim dividend of 1 cent per share
- Record results achieved by all measures
- Contract wins including Symbion Pharmacy Services and Federal Government
- Strong balance sheet providing flexibility to pursue new contracts

ASX code	ASZ
Shares on issue	134.1 million
Options on issue	22.8 million
Share price (27th February 2009)	\$0.48
12 month trading range	\$0.33 – 1.41
Market capitalisation	\$64 million



- **Australian industry leader in IT services and solutions**
- **Focused on long term, multi-year prime contracts generating recurring revenue in growth sectors**
- **Strong track record of profitable growth, both organically and through acquisition**
- **Integrated, experienced established management team**
- **Well positioned for further strong growth in FY10**

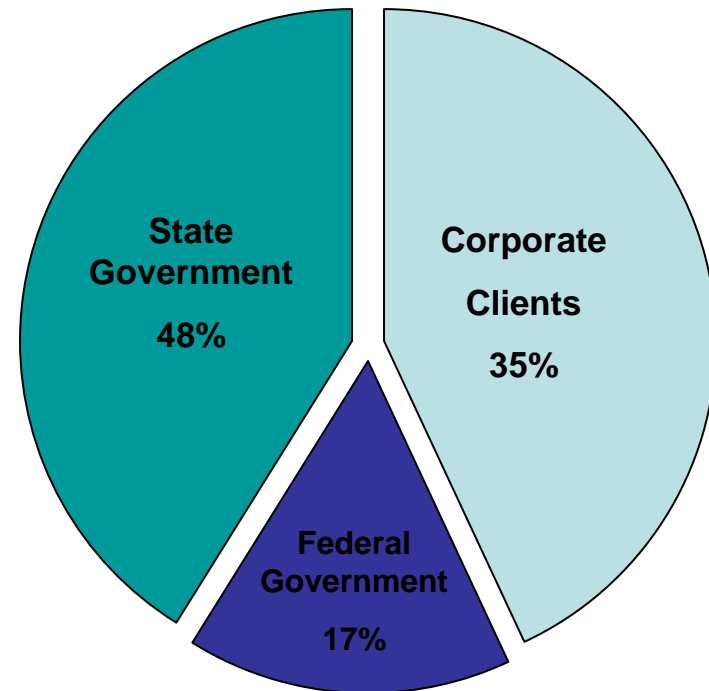
- **Unique business model in the Australian market**
- **Vision to invest in infrastructure and shape new utility style of IT Managed Services**
- **Focused on areas of non-discretionary and recurrent spending**
- **Concentration on high growth specialties (eg Health, Shared Services)**
- **Prime contractor position**
- **Deep and successful client relationships**
- **Referenceability and capability – track record on major clients**

Provision of IT services to federal and state government departments and major blue chip companies

Offerings

1. Selective outsourcing
2. Systems integration
3. Specialist technical services
4. Internet and e-commerce security

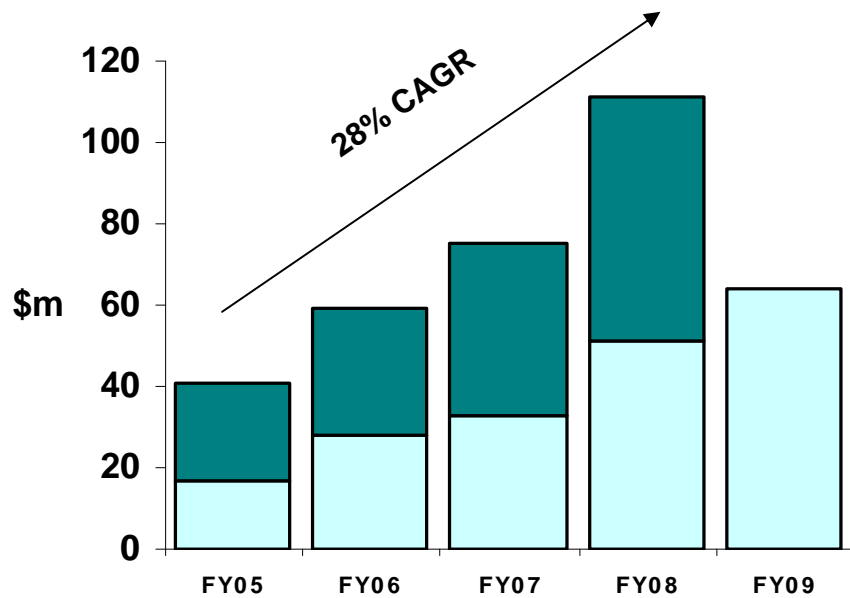
Client Base



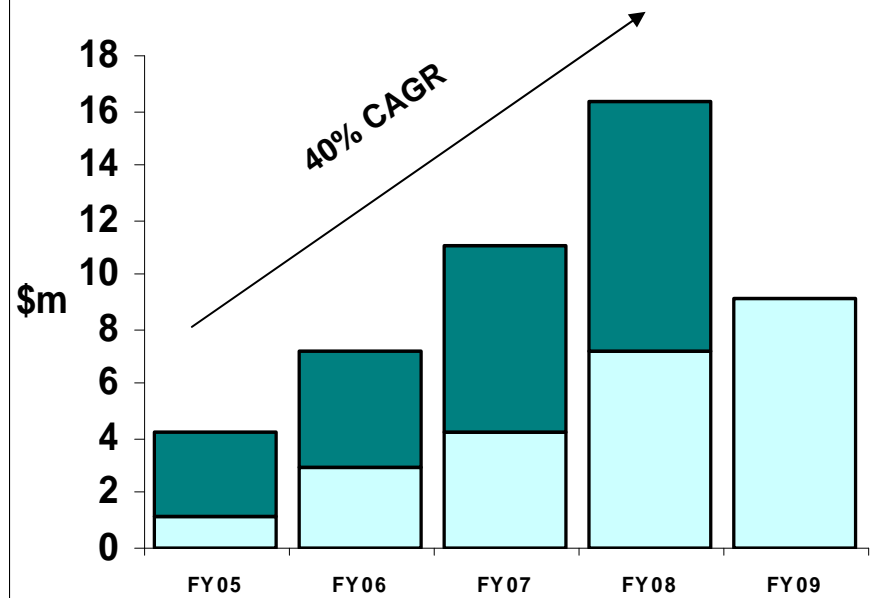
	Dec 2007	Dec 2008	% Change
Revenue	\$51.0 million	\$64.1 million	+ 25.7%
NPAT	\$4.2 million	\$4.9 million	+ 16.3%
EBITDA	\$7.2 million	\$9.1 million	+ 26.1%
EPS	3.3 cents	3.7 cents	+ 12.0%
Dividend	2.0 cents	1.0 cents	- 50%

- Leverage of the national delivery model
- Relatively fixed overhead base
- Acquisition synergies

Revenue



EBITDA

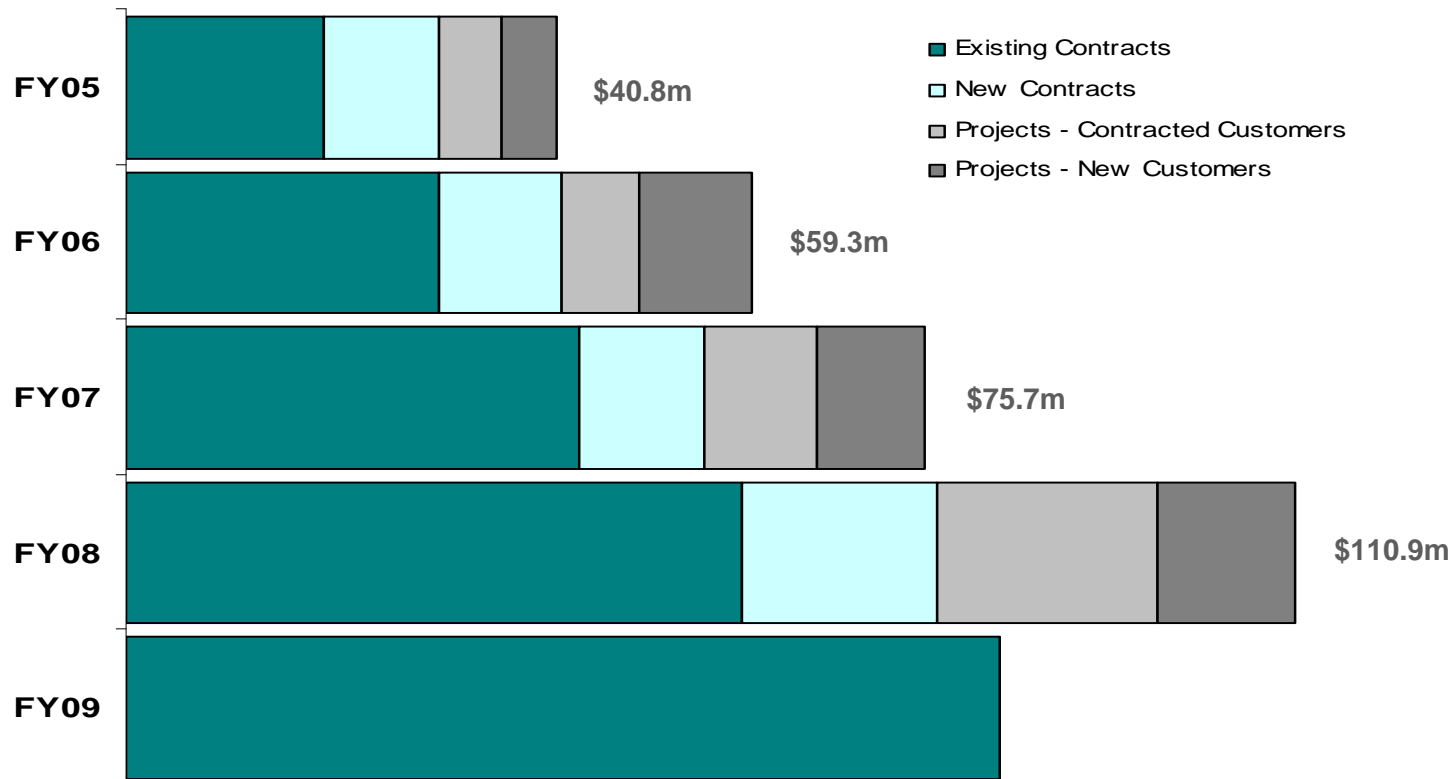


	H108	H109
Opening Balance	\$6.7m	\$6.2m
Net operating cash	\$3.0m	\$5.7m
Share Issue proceeds	\$0.4m	\$0.1m
Acquisitions	(\$1.8m)	(\$2.5m)
PPE	(\$0.6m)	(\$0.2m)
Internal Investment	(\$4.5m)	(\$3.1m)
Net borrowings	(\$1.1m)	\$3.0m
Dividend paid	(\$1.6m)	(\$2.6m)
Closing Balance	\$0.6m	\$6.6m

- **Net Operating Cash up 90%**
- **Operations self-supporting, including dividend, Capex and IP investment**
- **Net Borrowings matched to acquisition funding**
- **Continuing dividend growth**
- **Internal IP investment down from FY08 peak**

- **Modest and stable fixed term debt position of \$13.9 million**
- **Existing debt facilities locked in until 2011**
- **Cash advance facility increased to \$4 million**
- **Interest cover remains strong at 14.5**
- **Predicted trading profile well within banking covenants**

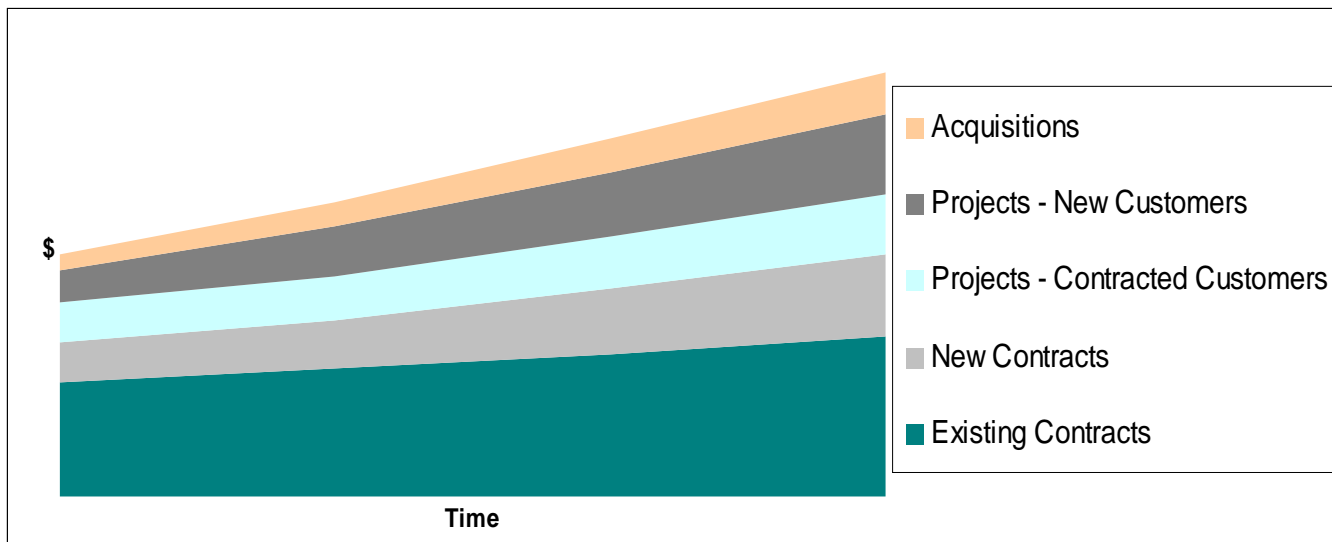
Forward revenue locked in through long-term contracts

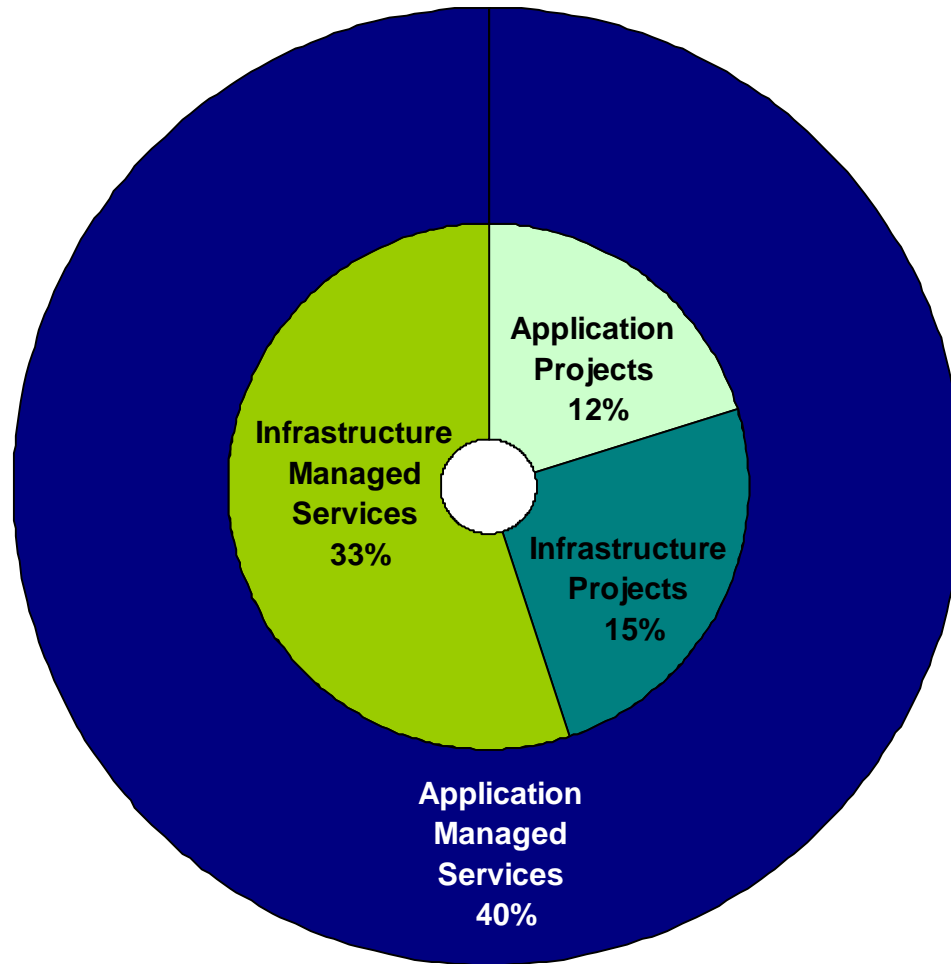


Annual Revenue	2004	2005	2006	2007	2008
% Contracted Customers	78%	73%	70%	72%	70%
% Projects from Contracted Customers	13%	14%	12%	14%	18%
Total	91%	87%	82%	86%	88%

- **Convert strong opportunity pipeline into new business**
- **Pursue specialist application areas in high growth sectors such as Education, Health and Shared Services**
- **Target select acquisitions that meet strict criteria:**
 - **Access to profitable client-base**
 - **Consistent with ASG strategy**
 - **EPS accretive**
- **Focus on building cumulative revenues, delivery of long term utility style services**

- **Cumulative revenue model:**
 - Up to 70% of revenue rolls forward
 - Accumulating multi-year contract book
- **Organic growth:**
 - Expansion on existing contracts
 - Strong 12 month Pipeline
- **Acquisitive growth**







Office of Shared Services



Royal Perth Hospital



Department of Corrective Services
Government of Western Australia



Australian Government
National Water Commission



Australian Government
Department of Foreign Affairs and Trade



Australian Government
Department of Infrastructure, Transport,
Regional Development and Local Government



Australian Government
Future Fund



Department of Health
Government of Western Australia



THE UNIVERSITY OF
MELBOURNE

AIRSERVICES AUSTRALIA



Australian Government
Department of the Prime Minister and Cabinet



Department of
Education



Department of
Immigration &
Multicultural &
Indigenous
Affairs



Australian Government
Department of Human Services



AIATSIS



Department of
Treasury and Finance



Department of the Attorney General
Government of Western Australia

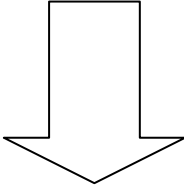
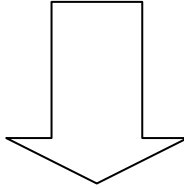


Economic Climate

- Softer economic climate but impact on overall economy and broader IT services market uncertain
- Tighter conditions in financial markets
- Expect capital project cut backs from government & large corporates
- Still significant opportunities in pipeline

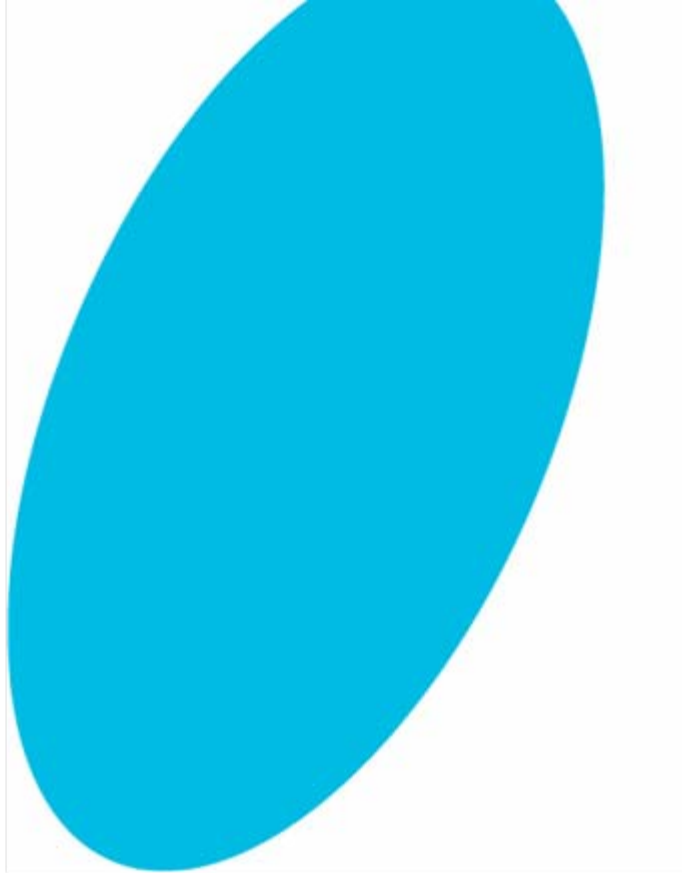
ASG's Position

- Focused on areas of non-discretionary and recurrent spending
- Strong focus on cash generation and conservation
- Confident of securing new contracts
- Positive outlook for remainder of FY09 & FY10

What's Hot	What's Not
Multi-year contracts	New and standalone projects
Contracted 'locked in' revenue	Ad-hoc provision of resources and services
Work funded from recurrent budgets	Work funded from Capex budgets
Rollover and repeat business	Once off projects
Applications knowledge-based outsourcing	Commodity/Price based work
Prime Contractor Control position	Sub-contractor/ servant relationship
	
ASG's Strategic Focus	Non Strategic for ASG

- **Strong, sustainable business model against backdrop of tough market conditions**
- **Cumulative Revenue Model delivers revenue, earnings certainty**
- **Access to multi-year IT contracts funded by recurrent budgets - a major point of differentiation**
- **Investment in national IT platform supports high growth with margin protection**
- **National presence and scale take ASG to a new level of contract size**
- **Resilient from external conditions**

- **Budgeting for growth in revenue and earnings for FY09 and FY10**
- **ASG business model resilient from external conditions**
- **Continued uncertain market outlook, though ASG confident on its segments**
- **Exploiting solid opportunity pipeline**
- **Advanced in discussions for major new contracts**
- **Confident of business model and earnings strength over next 1-2 yrs**



ASG Group Limited

FINANCIAL RESULTS PRESENTATION – H1FY2009

Geoff Lewis **CEO**

Dean Langenbach **CFO**