

ASG GROUP LIMITED
ASX ANNOUNCEMENT: H1 RESULTS
RELEASE DATE: 15 February 2010

**SERVICE CONTRACT GROWTH, COST EFFICIENCIES DRIVE
ASG GROUP TO RECORD INTERIM PROFIT**

Highlights:

- EBITDA up 14.5% to \$10.4 million
- Record NPAT up 32.5 % to \$6.5 million
- Revenue down 9.3% to \$58.2 million (Services revenue up 7.4%)
- Earnings per share up 24.3% to 4.7 cents
- Interim dividend up 50% to 1.5 cents per share, fully franked
- Strong balance sheet, strong cash flows, low net debt
- Growth in services revenue, tight cost management key profit drivers
- Strong start to second half, \$58 million in new contracts, preferred tenderer status on two more
- Positioning for Acquisitions
- Pursuit of business broadening initiatives e.g. SAP, Business Intelligence
- Asset bank of \$450m in confirmed, contracted revenue

IT services provider **ASG Group Limited** (ASX: ASZ) today announced earnings before interest, tax, depreciation and amortisation (EBITDA) of \$10.4 million for the six months to 31 December 2009, a 32.5% increase on the prior corresponding period (pcp).

The profit was 14.5% higher than EBITDA in the first half of FY09 and the EBITDA margin was 17.9%.

Continued strong growth in revenue from managed services contracts and cost control initiatives put in place to respond to the economic downturn were key drivers of strong operating performance and the record profit.

Net profit was up 32.5% to \$6.5 million. Group revenue was 9.3% lower at \$58.2 million, reflecting lower product sales and revenue from capital projects offset by continued growth in our major services business.

However, ASG's overall profitability grew strongly, with the Company benefitting from lower overheads and efficient national delivery of long-term service contracts.

Earnings per share were 4.7 cents (up 24.3%) and the Directors have declared an interim dividend of 1.5 cents per share, fully franked (up 50%). The Board has confirmed that it is their intention as in previous periods, that the full year dividend will reflect movements in the full year result.

ASG Managing Director Geoff Lewis said the result reflected the strength of the Company's business base and the benefits of having an efficient national IT platform.

"We have performed well in very challenging market conditions because of the calibre of our customers and service contracts," said Mr Lewis.

"In addition, the cost cutting measures we put in place back in late 2008 as a result of the GFC have delivered us a significant advantage, allowing ASG to grow profitability given that the economic downturn had only limited impact upon our key businesses.

"Our cash flows remain very strong and our balance sheet continues to strengthen, giving us a great platform to pursue organic and acquisitive growth.

"In particular, we are pleased that we have grown our operating margins, testament to the capability and efficiency of our national IT infrastructure and the cost-related efficiency measures."

Mr Lewis said the interim result underlined the fact that ASG's success is based on delivering quality, efficient services to its customers.

It also demonstrated ASG's ability to consistently convert new business wins into improved earnings.

"We have aggressively pursued new contracts and new growth opportunities, but we have done so with an unswerving focus on pursuing only business opportunities that are profitable," he said.

"ASG has now an established, proven track record of delivering earnings from its growth initiatives, be they new contract wins or acquisitions.

"This will serve ASG well as we pursue new opportunities in the year ahead."

Since the New Year, ASG has already announced major contract wins with WA utility Western Power (\$35 million) and the WA Department of Education (\$23 million). These new contracts lifted ASG's contract asset bank to \$450 million.

ASG has also been nominated as Preferred Tenderer on two further major contracts and is now engaged in exclusive negotiations, with completion expected in the March quarter.

"We are very confident of converting a substantial portion of our sales pipeline into confirmed contracts over the next 12 months," said Mr Lewis.

"Coupled with other growth initiatives, we believe ASG can look forward with confidence to profitable expansion of the business."

Mr Lewis said ASG's balance sheet primed the company for strong growth in FY11 and FY12.

“During the major phase of the global economic downturn, we maintained a conservative balance sheet with a focus on preserving cash reserves,” he said.

“We now have an outstanding platform for growth, with minimal net debt and significant capability to fund new initiatives.

“We are currently assessing a number of acquisition opportunities and expect to be able to make further announcements during the second half of FY10.

“This is a great time for ASG to re-invest in the business and set the platform for the next wave of growth.”

ASG is currently seeking to develop capability in the SAP space where there is opportunity to leverage the Company’s deep customer relationships and IT infrastructure.

Mr Lewis said that ASG was confident full year earnings would show growth over FY09, though would be impacted to some degree by investment in new growth initiatives.

“We expect to see further strong profitability benefits from by our asset bank of long term managed services contracts as well as a number of new contracts secured during the year,” he said.

“ASG is on a constant investment program to ensure that we can continue to capture and deliver these long term contracts.”

“We feel positive about the current period and believe we will see a continuation of our unbroken record of 9 years of growth in revenue and earnings.

“We look forward to the remainder of the year and to delivering further value for our shareholders.”

– ENDS –

Contact:

Mr Geoff Lewis
Chief Executive Officer
ASG Group Limited
(08) 9420 5420

Gemma Wilson
FD Third Person
(08) 9386 1233

Appendix 4D

Half Year Report to the Australian Stock Exchange

Name of Entity	ASG Group Ltd
ABN	57 070 045 117
Half Year Ended	31 December 2009
Previous Corresponding Reporting Period	31 December 2008

Results for Announcement to the Market

	\$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	58,040	(9%)
Profit / (loss) from ordinary activities after tax attributable to members	6,453	32%
Net profit / (loss) for the period attributable to members	6,453	32%
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	1.5 cents	100%
Record date for determining entitlements to the dividends (if any)	31 March 2010	
Total issued and paid up ordinary shares	139,297,745	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Revenue for the six months to December 2009 was \$58.1 million, a decrease of 9.3% compared with the previous corresponding period. EBITDA at \$10.4 million provided an increase of 14.5%. NPAT, at \$6.5 million was up by 32.5%. Basic earnings at 4.7 cents per share were up 24.3%.

Our main strategic services business, which represents 92% of our total business base, increased its revenue by 7.4%. This increase has been underpinned by organic expansion of our activities across the country. The decrease in total revenue was driven primarily by reductions in product sales and capital projects impacted by curtailed capital investment across the broad marketplace. The change in business mix towards our recurrent revenue categories also generated a further increase in our EBITDA expressed as a percentage of revenue.

Costs have again been held under tight control, with reductions more than offsetting the

impact of revenue decreases in capital areas. Employee expense increases were held to around 3% compared with last year, whilst the labour intensive services businesses expanded turnover by more than 7%.

The period saw some delays in the letting of new major projects. However, later in the half year decisions are coming through and ASG has performed well, achieving a number of preferred bidder positions. Further bids are due to be announced in the short term and the Company is optimistic that recent bid expenditure will be rewarded with new contracts.

Operating cash flow was again strong with the services businesses performing well. Again, no capital raisings were necessary to support the business, shares only being issued for instalments on prior period acquisitions and pursuant to the exercise of pre-existing options. Capital expenditure was down on the previous period, resulting in comfortable coverage of debt repayments and dividends. As expected, debt remains in approximate balance with cash on hand.

The Board has decided to declare an increased dividend of 1.5 cents per share, an increase of 50% over last year. In keeping with its past practice the board expects the final dividend to vary consistent with the full year result.

ASG remains well positioned from both debt and equity viewpoints as it moves ahead with its acquisition objectives during the remainder of the year.

Although global and local economic activity remains constrained and clients remain conservative, it appears that major bids will continue to become available to the IT Services market, and therefore we are optimistic that our sector can continue to grow during the second half of FY2010. ASG continues to be well positioned within its target markets, both for business opportunities and for acquisition prospects.

Dividends

Date the dividend is payable	15 April 2010
Record date to determine entitlement to the dividend	31 March 2010
Amount per security	1.5 cent
Total dividend	\$2,089,466
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	Dividend fully eligible DRP discount of 5% will apply
The last date for receipt of an election notice for participation in any dividend reinvestment plans	31 March 2010

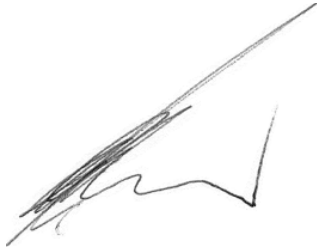
NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	6.4 cents	2.78 cents

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification:			

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	Half Year Financial Report
2	Review Report
Signed By (Director/Company Secretary)	
Print Name	Mr Geoff Lewis
Date	12 February 2010



**ASG Group Limited
and its Controlled Entities
ACN 070 045 117**

INTERIM FINANCIAL REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2009



**ASG Group Limited and its Controlled Entities
ACN 070 045 117**

DIRECTORS' REPORT

Your Directors submit the financial report of the consolidated group for the half-year ended 31 December 2009.

DIRECTORS

The names of the Directors who held office during or since the end of the half-year:

Mr Ronald Baxter
Mr Ian Campbell
Mr John McConnell

Mr Geoff Lewis
Mr Stephen Johnston

Review of Operations

A review of the operations of the consolidated group during the financial period is set out on pages 1 to 3 of the announcement attached to the Appendix 4D.

Events Subsequent to Reporting Date

The Board resolved to pay a 1.5 cent fully franked dividend on the 15th of April 2010.

Auditor's Independence Declaration

The Auditor's Independence Declaration on page 16 forms part of the Director's Report for the half-year ended 31 December 2009.

Rounding of Amounts

The consolidated group has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the Directors' report have been rounded off to the nearest \$1,000.

Dated at Perth this 12th day of February 2010.

Signed in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to read 'Geoff Lewis', written over a horizontal line.

Mr Geoff Lewis
Director



ASG Group Limited and its Controlled Entities
ACN 070 045 117

Statement of Comprehensive Income
For the Half-Year Ended 31 December 2009

	Consolidated	
	December	December
	2009	2008
	\$'000	\$'000
Revenue from sale of goods and services	58,040	63,516
Other income	123	633
Change in inventories of finished goods and work in progress	816	395
Raw Materials and Consumables used	(1,032)	(7,095)
Employee benefits expense	(44,249)	(42,873)
Depreciation and amortisation expenses	(2,489)	(1,663)
Finance Costs	(409)	(655)
Operating lease payments	(1,929)	(2,333)
Other expenses	(1,383)	(3,137)
Profit before income tax expense	7,488	6,788
Income Tax Expense	(1,035)	(1,910)
Net profit and Comprehensive income for the half year attributable to members of ASG Group Limited	6,453	4,878
	Cents	Cents
Basic earnings per share	4.66	3.75
Diluted earnings per share	4.62	3.72

The above Income Statement should be read in conjunction with the accompanying notes.



ASG Group Limited and its Controlled Entities
ACN 070 045 117

Statement of Financial Position
As at 31 December 2009

	Consolidated	
	December 2009 \$'000	June 2009 \$'000
CURRENT ASSETS		
Cash and Cash Equivalents	10,323	8,789
Trade Receivables	25,309	22,920
Inventories	903	813
Other	2,067	2,207
Total current assets	38,602	34,729
NON-CURRENT ASSETS		
Plant and equipment	3,927	4,096
Deferred tax assets	4,077	4,465
Intangible assets	59,028	57,897
Total non-current assets	67,032	66,458
TOTAL ASSETS	105,634	101,187
CURRENT LIABILITIES		
Trade Payables	14,883	13,182
Financial Liabilities	2,278	2,366
Provisions	1,218	1,365
Current tax liabilities	1,536	1,700
Other	629	673
Total current liabilities	20,545	19,286
NON-CURRENT LIABILITIES		
Financial Liabilities	11,226	12,244
Deferred tax liabilities	5,871	5,490
Provisions	-	192
Total non-current liabilities	17,097	17,926
Total liabilities	37,642	37,212
NET ASSETS	67,992	63,975
EQUITY		
Contributed equity	67,012	63,290
Retained Earnings (accumulated losses)	(184)	(452)
Reserves	1,164	1,137
TOTAL EQUITY	67,992	63,975

The above Balance Sheet should be read in conjunction with the accompanying notes.



**ASG Group Limited and its Controlled Entities
ACN 070 045 117**

**Statement of Changes in Equity
For the Half-Year Ended 31 December 2009**

	Contributed Equity	Share Base Payment Reserve	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2008	(60,416)	(1,695)	6,512	(55,599)
Total Comprehensive Income for the half year	-	-	(4,878)	(4,878)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	(1,410)	-	-	(1,410)
Shares issued for Acquisition of Subsidiary	(1,413)	-	-	(1,413)
Dividends paid	-	-	3,876	3,876
Employee Share Scheme	-	7	-	7
	(2,823)	7	3,876	1,060
Balance at 31 December 2008	(63,239)	(1,688)	5,510	(59,417)

	Contributed Equity	Share Base Payment Reserve	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2009	(63,290)	(1,139)	452	(63,977)
Total Comprehensive Income for the half year	-	-	(6,453)	(6,453)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	(2,284)	-	-	(2,284)
Shares issued for acquisition of subsidiary	-	-	-	-
Shares issued under dividend reinvestment plan	(1,438)	-	-	-
Dividends paid	-	-	6,185	4,747
Employee share scheme	-	(25)	-	(25)
	(3,722)	(25)	6,185	2,438
Balance at 31 December 2009	(67,012)	(1,164)	184	(67,992)

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.



ASG Group Limited and its Controlled Entities
ACN 070 045 117

Statement of Cash Flows
For the Half-Year Ended 31 December 2009

	Consolidated	
Notes	December 2009 \$'000	December 2008 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	55,469	66,051
Cash payments to suppliers and employees	(45,677)	(59,227)
Interest received	107	26
Payment of interest	(409)	(655)
Income tax paid	(424)	(531)
Net cash provided by operating activities	9,066	5,665
 CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant, property and equipment	(212)	(162)
Loss from sale of plant, property and equipment	-	(6)
Payments for Software	(255)	(441)
Payments for Development Costs	(2,808)	(2,658)
Payments for Subsidiaries, net of cash acquired	7 (196)	(2,491)
Net cash used in investing activities	(3,471)	(5,757)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	2,284	90
Proceeds from borrowings	-	4,000
Dividends Paid	(4,747)	(2,557)
Finance lease payments	(436)	(231)
Repayment of borrowings	(1,162)	(745)
Net cash used in financing activities	(4,062)	557
 Net increase/(decrease) in cash held	 1,534	 465
 Cash at the beginning of the financial period	 8,789	 6,177
 Cash at the end of the financial period	 10,323	 6,642

The above Cash Flow Statement should be read in conjunction with the accompanying notes.



**ASG Group Limited and its Controlled Entities
ACN 070 045 117**

**Notes to the Financial Statements
For the Half-Year Ended 31 December 2009**

Note 1 Basis of Preparation of Half-Year Financial Statements.

The general purpose financial report for the interim half-year reporting period ending 31 December 2009 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with annual report for the year ended 30 June 2009 and any public announcements made by ASG Group Limited during the interim period reporting in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

Business combinations

AASB 3 (revised) continues to apply the acquisition method to business combinations, but with some significant changes. All payments to purchase a business are now recorded at fair value at the acquisition date, with contingent payments classified as debt and subsequently remeasured through the income statement. Under the Group's previous policy, contingent payments were only recognised when the payments were probable and could be measured reliably and were accounted for as an adjustment to the cost of acquisition.

Acquisition related costs are expensed as incurred. Previously, they were recognised as part of the cost of acquisition and therefore included in goodwill.

If the Group recognises acquired deferred tax assets after the initial acquisition accounting there will no longer be any adjustment to goodwill. As a consequence, the recognition of the deferred tax asset will increase the Group's net profit after tax.

Segment reporting

The group has applied AASB 8 *Operating Segments* from 1 July 2009. AASB 8 requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in an increase in the number of operating segments identified by the group, although the segment information as disclosed in the accounts has not changed significantly as management have determined that the six segments identified meet the AASB 8 aggregation criteria.

Note 2 Dividends

	Half Year Ended	
	2009	2008
	\$'000	\$'000
Dividends paid during the half year	6,185	3,876

Note 3 Contingent Liabilities

There have been no changes to the contingent liabilities from the previous financial year.



**ASG Group Limited and its Controlled Entities
ACN 070 045 117**

**Notes to the Financial Statements
For the Half-Year Ended 31 December 2009**

Note 4 Segmental Information

Management has determined the operating segments based on the reports that are provided monthly to the executive team, which has been identified as the Chief Operating Decision Maker (“CODM”) of the group. The executive team consists of those personnel responsible for national delivery, national sales, and financial and human resources management.

When making strategic and operational decisions and reviewing performance, information reviewed by the executive team may consist of results by cost centre, results by state, results by division, and other information as required for the executive team to make an informed decision. The executive team monitors the group using this variety of information and also by the six geographic regions in which the group operates. As the most consistent breakdown in internal reporting is geographically, management have identified the six regions in which the group operates as individual operating segments within the group. Management has considered the aggregation criteria under AASB 8 *Operating Segments* and has determined that the group has only one reportable segment as aggregation criteria for these geographic segments have been met.

Note 5 Subsequent Events

The Board resolved to pay a 1.5 cent fully franked dividend on the 15th of April 2010.

Note 6 Equity Securities Issued

Issue of ordinary securities during the half year	2009 \$'000	2008 \$'000	2009 No of shares (‘000)	2008 No of shares (‘000)
Issue of ordinary shares in relation to Vindaloo Systems	-	574	-	1,191
Issue of ordinary shares in relation to Acknowledge-DB	-	840	-	1,750
Issue of ordinary shares under the Dividend Re-investment Plan	1,438	1,319	1,498	1,968
Issue of ordinary shares for options converted	2,284	91	3,540	135
	3,722	2,824	5,038	5,044

Note 7 Business Combination

Acquisition of AcknowledgeDB

On the 30th September 2008 ASG Group Limited acquired all of the shares in AcknowledgeDB Pty Ltd, Igatech Corporations Pty Ltd, Igatech Systems Pty Ltd and Igatech Consulting Pty Ltd. An initial purchase consideration was made for \$900,000 in cash and \$840,000 in issued capital. A deferred vendor payment of \$196,000 was made during the period relating to a share price guarantee between the two parties as at 30th September 2009. This amount was paid in cash to the vendors on 15th December 2009.

Revised accounting standard for business combinations

As explained in note 1, ASG Group Limited has changed its policy on accounting for business combinations as of 1 July 2009. In accordance with transitional provisions in AASB3 (revised), the new policy is applied prospectively to business combinations occurring on or after 1 July 2009. As a consequence, ASG Group Limited has not restated the accounting for the September 2008 acquisition of AcknowledgeDB.



**ASG Group Limited and its Controlled Entities
ACN 070 045 117**

DIRECTORS' DECLARATION

The directors of the company declare that;

- a) The financial statements and notes, as set out on pages 9 to 14 are in accordance with the Corporations Act 2001, including:
 - (i) Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) Give a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date.
- b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated at Perth this 12th day of February 2010.

This declaration is made in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to be 'Geoff Lewis', written over a horizontal line.

Mr Geoff Lewis
Director

The Directors
ASG Group Limited
Level 1
267 St Georges Terrace
PERTH WA 6000

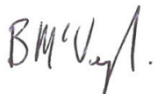
12 February 2010

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF ASG GROUP LIMITED

As lead auditor for the review of ASG Group Limited for the half-year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of ASG Group Limited and the entities it controlled during the period.



Brad McVeigh

Director



BDO Audit (WA) Pty Ltd

Perth, Western Australia

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ASG GROUP LIMITED

Matters Relating to the Electronic Presentation of the Half-Year Financial Report

This auditor's report relates to the half-year financial report of ASG Group Limited for the half-year ended 31 December 2009 included on ASG Group Limited's web site. The disclosing entity's directors are responsible for the integrity of ASG Group Limited's web site. We have not been engaged to report on the integrity of ASG Group Limited's web site. The auditor's review report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this half-year report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information included in the reviewed half-year financial report presented on this web site.

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of ASG Group Limited, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies' other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of ASG Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

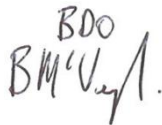
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's review report was made.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of ASG Group Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

BDO Audit (WA) Pty Ltd

Handwritten signature of Brad McVeigh, with 'BDO' written above it.

Brad McVeigh

Director

Perth, Western Australia

12 February 2010