

**ASX ANNOUNCEMENT**  
**Perth, 21 November 2007**
**Annual General Meeting**

ASG Group Limited today conducted its Annual General Meeting in Perth. Addressing the meeting, the Chairman Mr Stan Lewis reviewed the recent progress against the Company's development plans and outlined key developments, plans and objectives for the current year.

**Highlights included:**

- **Record Revenue, Profitability and Dividends**
- **National Leverage Driving Increasing Profitability Rates**
- **Strong Balance Sheet, Self-Sustaining Cash Generation**
- **Prime Contracting Control in Major Bids**
- **Superior Application-based Market Positioning**
- **Positive Economic Outlook and Growing Market Strength**
- **Strongest Ever Marketing and Sales Outlook - \$600m Prospect List**
- **Confident of Continuation of Profitable Growth**

A full text of Mr Lewis' address accompanies this release.

The outcome of the Resolutions put to the meeting was as follows:

	<b>Resolution</b>	<b>Outcome of Resolution</b>
1	Adoption of Remuneration Report	Approved at the meeting
2	Election of Mr Stan Lewis	Approved at the meeting
3	Election of Mr Ian Campbell	Approved at the meeting
4	Fixing of Remuneration of Non-Executive Directors	Approved at the meeting
5	Appointment of Auditor	Approved at the meeting

All resolutions were decided upon by a show of hands. The Proxy details received for each resolution were as follows:

<b>Resolution</b>	<b>Total Proxies Received</b>	<b>In Favour</b>	<b>Against</b>	<b>Abstain</b>
1	49,954,883	48,038,286	1,232,715	683,882
2	49,954,883	49,378,775	576,108	-
3	49,954,883	49,928,817	26,066	-
4	49,950,998	49,915,612	15,386	20,000
5	49,954,883	49,924,883	10,000	20,000

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## **Chairman's Address to the FY2007 Annual General Meeting on 21st November 2007**

Ladies and Gentlemen, I am delighted to report that ASG has completed its fifth successive record year.

Again, we have met all of our financial goals, and achieved growth in revenue and profitability driven by our strength, profile and performance across the entire Australian market.

Today, I would like to provide a perspective on the significant gains that your Company has made during the 12 months since our last meeting.

I would like also to focus on our positioning in the market for growth and the outlook for the 2008 financial year and beyond.

Our outlook is very promising, with an expectation that we will continue to add to our already strong contracted revenue base and protect our operating margins as we grow.

Underpinning this progress is the strength of the selective outsourcing market and ASG's growing status within it.

I am very pleased to say that today ASG has announced profit guidance for the first half of the current financial year, forecasting EBITDA of at least \$7 million for 6 months to 31 December 2007 – a rise of 66% year on year.

Clearly, ASG is performing very strongly and is living up to the promise that was evident at the beginning of the 2007 financial year. We built upon our existing base of long term business, establishing a number of new and significant contracts with major clients.

Our investment in a national infrastructure base was a key factor in securing the additional business.

Importantly, we also protected margins as we grew, with EBITDA rising 53% during the year.

This growth rate, at a time of expanding revenue, delivers increasing earnings per share and higher dividends for shareholders.

At 4 cents per share for the full year, our fully franked dividend was 25% higher than in 2006, continuing 4 years of solid dividend growth and adding further to our growing shareholder value.

From a balance sheet and cash generation viewpoint, ASG has also strengthened further over the past year. We have again supported the working capital needs of our organic growth plus we have delivered positive cash flow from operations.

The business is financially well balanced, and the Board expects ASG to be self supporting from a working capital viewpoint, with debt or new capital injection required only to support acquisitions or extremely large contract wins.

We now have a great platform – operationally, corporately and financially – to pursue the next level of growth opportunities.

Our key strategic assets can be summarised as positioning, capabilities and the business outlook.

Much of ASG's priority and emphasis over the past few years has been to broaden as much as possible our client base and geographic coverage.

Our strategic combination of organic growth and carefully selected acquisitions has proven successful.

Geographic diversity has again strengthened during the past year with each of our key regions well established and growing satisfactorily. In each market, we have a good balance of clients across Federal and State governments and the corporate sector.

This diversity allows ASG to participate in opportunities across the whole economy and also prevents over-reliance on particular industries, sectors or individual clients.

We have been particularly pleased with the success of the Vindaloo Systems acquisition, which we announced exactly a year ago, which has both expanded our client base and greatly enhanced our service capabilities on the eastern seaboard.

From a capability viewpoint, ASG has further consolidated management and delivery strength. There is a full complement of experienced management in control of each of our regions, with responsibility for establishing, maintaining and developing client relationships.

This executive team has been particularly successful in the pursuit of large, multi-year contracts. From a delivery and client satisfaction viewpoint, our national delivery platform is paying dividends in the form of productivity, efficiency and repeatable quality in the services that we are providing to clients.

These capabilities, and the client references that flow from them, position ASG well to compete for the major contracts that are becoming available throughout Australia.

The selective outsourcing trend continues to gather strength, with large clients increasingly electing to divide their outsourced work into smaller components. This opens up the business to well positioned suppliers such as ASG.

As a result of client action and preference, ASG's available segment of the market is growing much more quickly than IT services in general. To illustrate this, industry analyst, the Gartner Group, estimates the revenue growth of the overall market to be 4.8% per annum compounding, for the period 2005 to 2010.

ASG's compound annual growth rate for the past four years has been 38% - and we expect this growth to continue going forward as we continue to leverage our market positioning and geographic expansion.

References from existing clients and our ability to match the capabilities of the multinational suppliers have placed us in a leading position with many sales opportunities.

Importantly we continue to position ourselves as the prime contractor in winning consortia. Such bidding structures have the advantage of allowing the client access to the suppliers and offerings that best suit their needs, through a single end-to-end bid.

From the ASG viewpoint, it places us in a very influential position to control the relationship with the client, ensuring client satisfaction and allowing access to future project and development opportunities throughout the life of the contract.

ASG is also increasingly recognised for its expertise in specialist application areas, a major driver of client decisions on IT.

We are especially known for our expertise with Oracle and its associated applications, we are particularly recognised for our knowledge and experience in areas such as Education, Health and Shared Services.

All of these segments are expected to be the subject of multiple major bidding opportunities throughout Australia in the short term.

This market recognition of ASG's experience and expertise has wide-reaching implications. Clients looking for safe hands, to which they can entrust their key systems, are increasingly looking for a Prime Contractor that can take overall responsibility for a contract.

This extends further than just the applications, expanding to include all of the infrastructure outsourcing and associated projects as well. This has the impact of highlighting our skills and allowing us to protect our more generic business in the infrastructure outsourcing area.

We believe that ASG is unique among Australian companies for its ability to 'prime' these large projects. It is a testament to ASG's market strength and our credibility with both clients and major suppliers that we can include major multinational suppliers in our successful bidding consortia.

Looking forward, we see a continuation of current strong market conditions and opportunities for ASG.

Industry observers and analysts see a continuation of strong economic conditions, driving increasing demand for the type of services offered by ASG.

As I noted earlier, many large government and corporate clients are seeking improved systems and services with the objective of improving their own efficiencies to benefit their customers or constituents.

Many are experienced clients who are moving into second or later generations of outsourcing with a clear definition of their requirements and the types of supply arrangements which will best suit their needs.

We are competing in a very large and expanding market, and for ASG there are no practical limits to expansion even at our current high rate of growth.

Against a backdrop of recent significant wins, ASG has more than \$600 million in opportunities in the prospect pipeline, some elements of which comprise completed and submitted bids already under consideration by the client.

A large number of additional major contracts will be coming up for competitive bid and decision over the next 12 months. ASG is confident of maintaining its track record of previous years by winning a significant share in this new business.

ASG also continues to examine acquisition opportunities as a matter of course with a view to building on our established track record of recent years. Our acquisition criteria are straightforward: they must complement our business model and be earnings accretive.

As always, access to a reliable supply of suitably qualified and experienced staff is key to our ability to win new business and then successfully meet the delivery criteria of our increasing services client base. ASG emphasises the effective management of its human resources as a major priority. The means of acquiring new resources are under continuous review and refinement and access to new staff is not currently proving to be a limitation on expansion of our business base.

As the final point on the subject of resources, ASG's key position as prime contractor allows access to the very large combined resource base of our sub-contractors and partners – vitally important given the tightness of the labour market and the rapid revenue expansion that we expect over the next year.

Our people are fundamental to our success and I would like thank all of our employees for their contribution to the growth and success of ASG in 2007.

In the past year, we have grown our total staff complement from 498 to 648 and it is a tribute to our people that they have maintained the quality and effectiveness of ASG's services while the Company has grown so quickly.

With our strategies on track and a strong economy, we see ASG as better positioned than ever before.

We look forward to the remainder of this year and beyond with confidence of growing revenue and earnings, and the continued protection of our operating margins.

I thank you for your continued support of the Company.