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**ASX ANNOUNCEMENT  
13 JUNE 2008**

## **Merrill Lynch Emerging Companies Conference 2008 Managing Director's Presentation**

Please find attached a copy of the presentation being made to the attendees of the Merrill Lynch Emerging Companies Conference held in Sydney on Wednesday 18 June 2008.

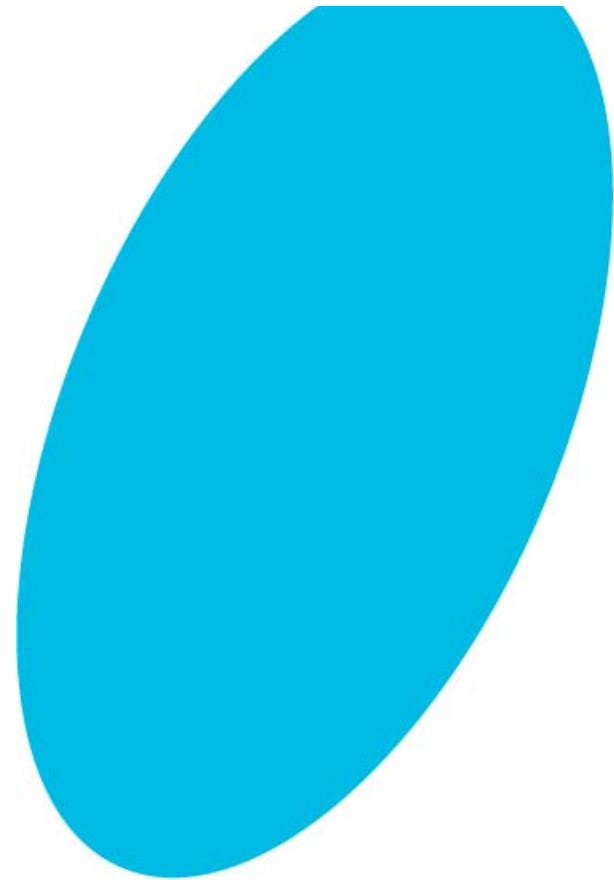
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# **ASG Group Limited**

## **Merrill Lynch Emerging Companies Conference 2008**

**Geoff Lewis**

**Managing Director**

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- Revenue of \$51 million – up 54%
- EBITDA of \$7.2 million – up 70%
- NPAT of \$4.2 million – up 46%
- Earnings per share of 3.3 cents – up 33%
- Fully franked interim dividend of 2 cents per share
- EBITDA growth exceeded revenue growth
- Platform for strong FY08, continued growth in FY09

**ASX code**

**ASZ**

**Shares on issue**

**128.95 million**

**Options on issue**

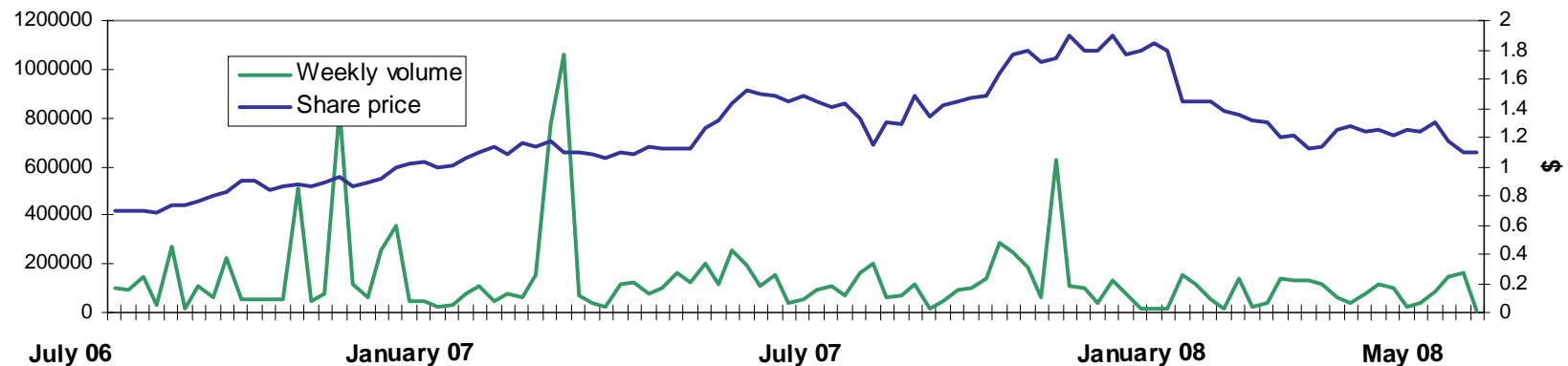
**17.46 million**

**12 month trading range**

**\$1.05 – \$2.00**

**Market capitalisation**

**\$143 million**



- **Leading Australian player in IT services and solutions**
- **Focus on long term, multi-year prime contracts generating recurring revenue in growth sectors**
- **Efficient, low cost timely delivery through a national platform**
- **Established provider of IT application and infrastructure managed services**
- **Geographical diversity – strong presence in major markets**
- **Strong government and private sector client base**
- **Strong track record of profitable growth both organically and through acquisition**
- **Key vendor relationships positioning our service offerings and application technology leadership**
- **Very large scope for growth**

- **ASG Manages the Clients' Strategic Information Assets**
- **Growing bank of long-term contracts (up to 10 years)**
- **Fee based structure for supplying and/or managing customers Infrastructure and Application related assets**
- **Investment in national IT platform supports delivery of large scale IT utility services**
- **Scaleable platform supports significantly higher activity levels**
- **Secure, long-term annuity revenue streams with government and blue chip corporates**

- **Cumulative Revenue Model delivers revenue, earnings certainty**
- **Long-term IT contracts de-risks high growth rate**
- **Investment in national IT platform supports high growth with margin protection**
- **Focus on building long-term revenue streams with enduring asset value**
- **Natural hedge against changes in sentiment, pricing decisions in short term contract market**
- **Greater investor confidence in long term growth, sustainability of the business model**

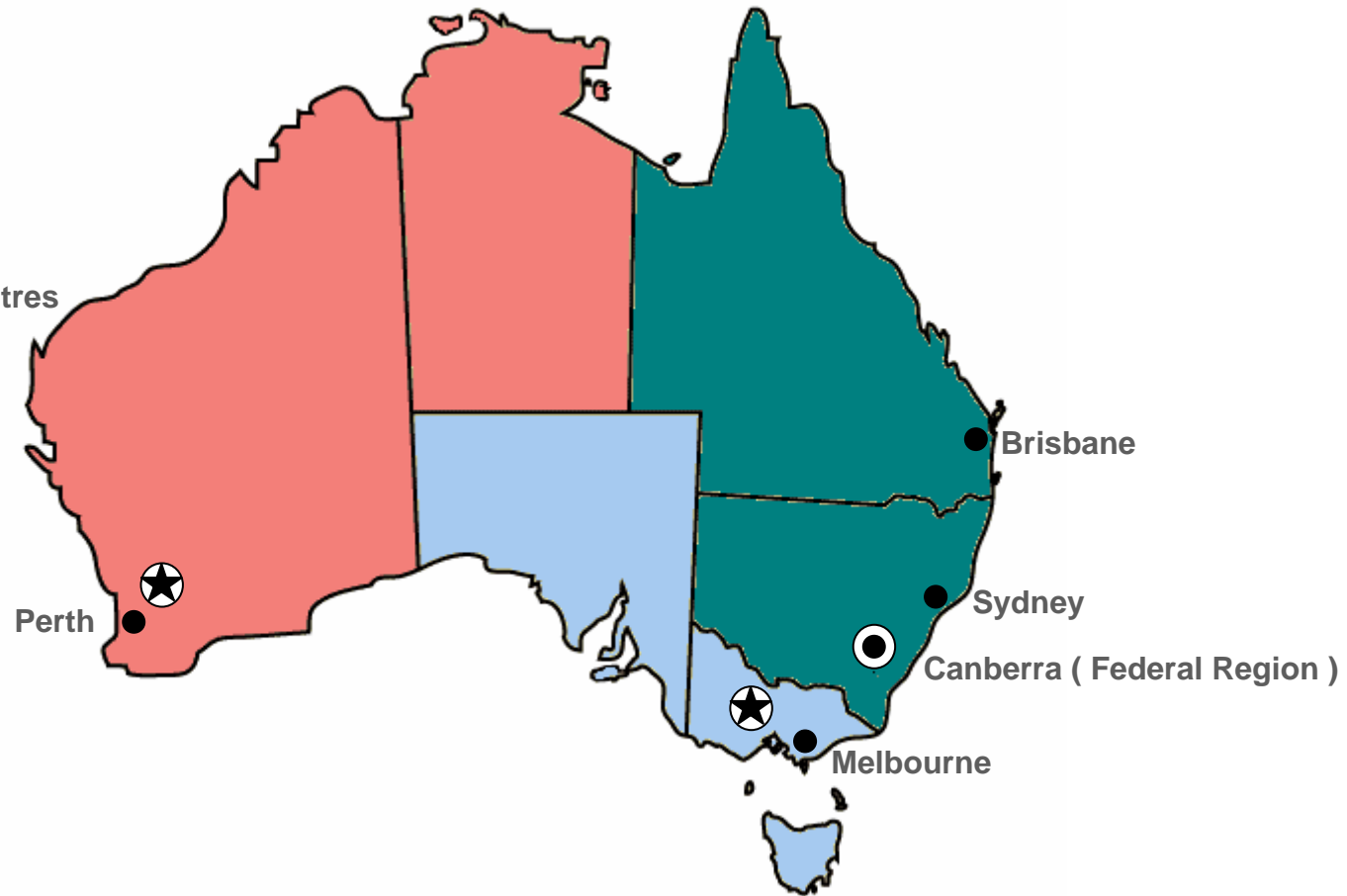
Western Region

Southern Region

Northern Region

National Service Centres

ASG Offices





Royal Perth Hospital



Department of Corrective Services  
Government of Western Australia



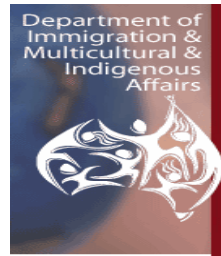
Australian Government  
Department of Infrastructure, Transport,  
Regional Development and Local Government



AIRSERVICES AUSTRALIA



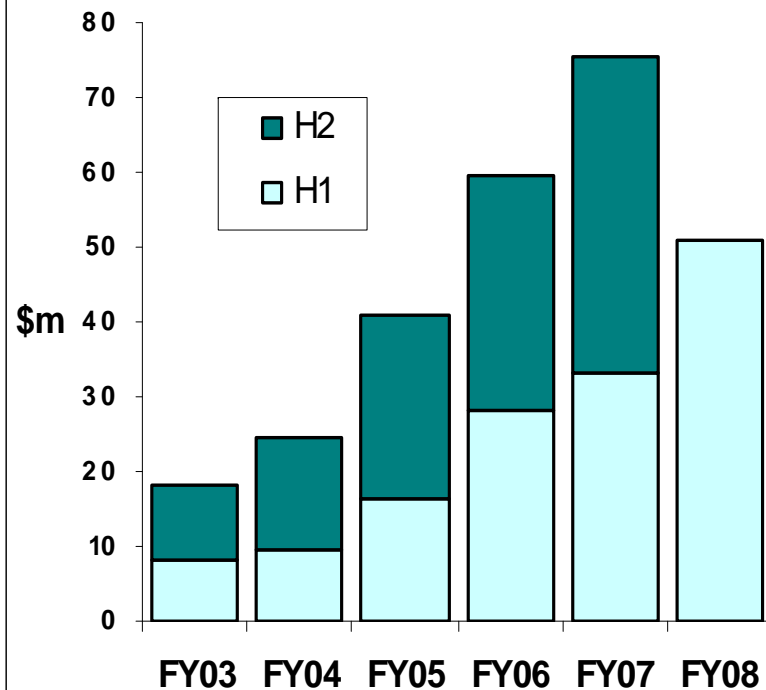
Australian Government  
Department of the Prime Minister and Cabinet



Department of the Attorney General  
Government of Western Australia



## ASG Historical Annual Revenue



- **Cumulative revenue model:**
  - Predictable cash flows
  - Operating rather than capital budget
  - Up to 70% of revenue rolls forward
  - Accumulating multi-year contract book
- **Established high quality customer base**
- **Strong federal and state government emphasis**

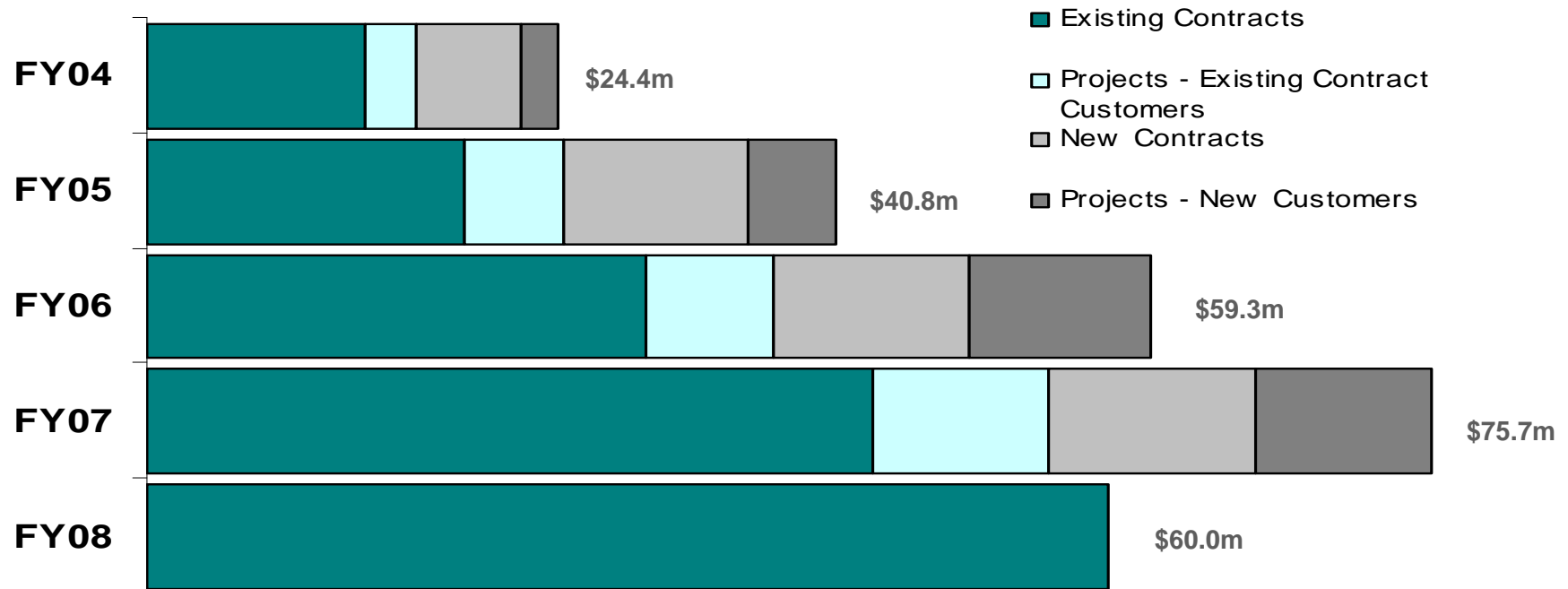


## Record Financial Performance

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	<b>Dec 2006</b>	<b>Dec 2007</b>	<b>% Change</b>
<b>Revenue</b>	\$33 million	\$51 million	<b>+ 54%</b>
<b>NPAT</b>	\$2.9 million	\$4.2 million	<b>+ 46%</b>
<b>EBITDA</b>	\$4.2 million	\$7.2 million	<b>+ 70%</b>
<b>EPS</b>	2.5 cents	3.3 cents	<b>+ 33%</b>
<b>Dividend</b>	1.5 cents	2 cents	<b>+ 33%</b>

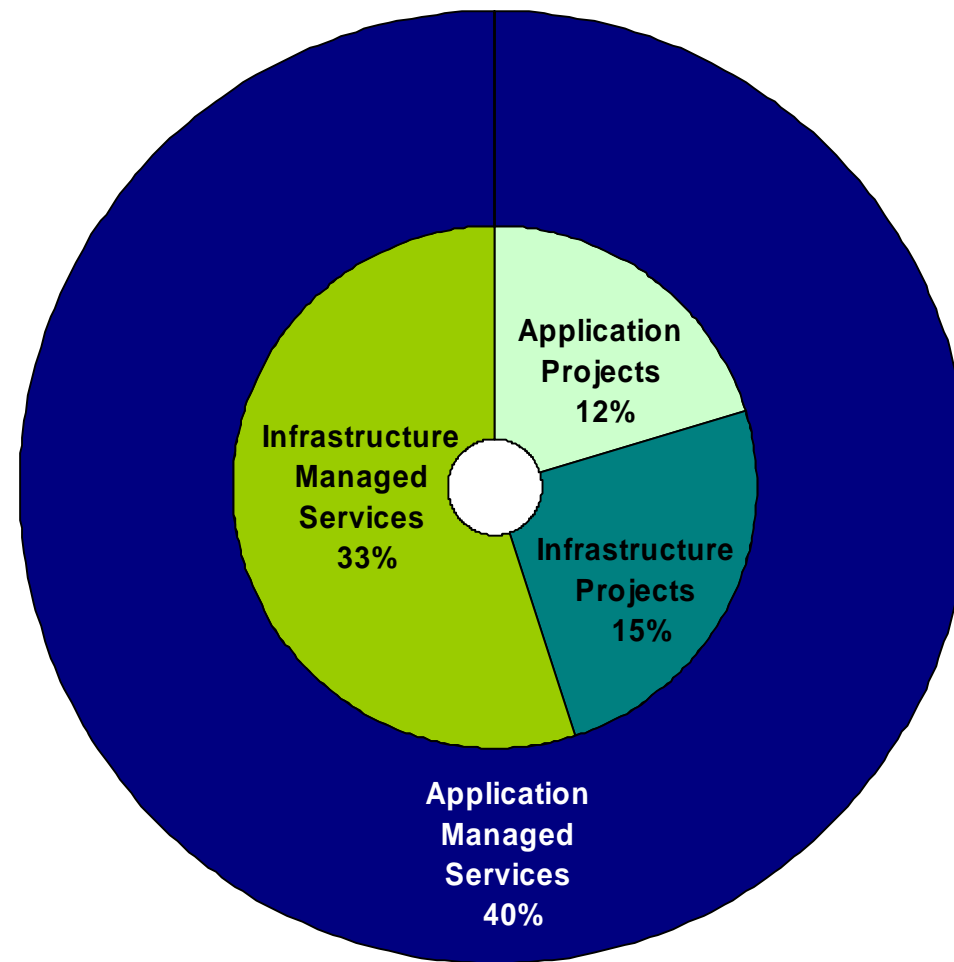
## Forward revenue locked in through long-term contracts



- Revenues based on non-discretionary spending by clients
- Shift to prime contractor status
- Specialisation in growth sectors of the market



## Revenue Breakdown (FY08E)



- **Ability now to bid for a broader range of contracts – more in number, bigger in size**
- **Leveraging investment in national infrastructure and technology platform**
- **Numerous opportunities in the pipeline in both government and corporate sectors**
- **Confident of securing a sizeable portion of contract opportunities now in the market**



# FY08/09 Opportunity Pipeline

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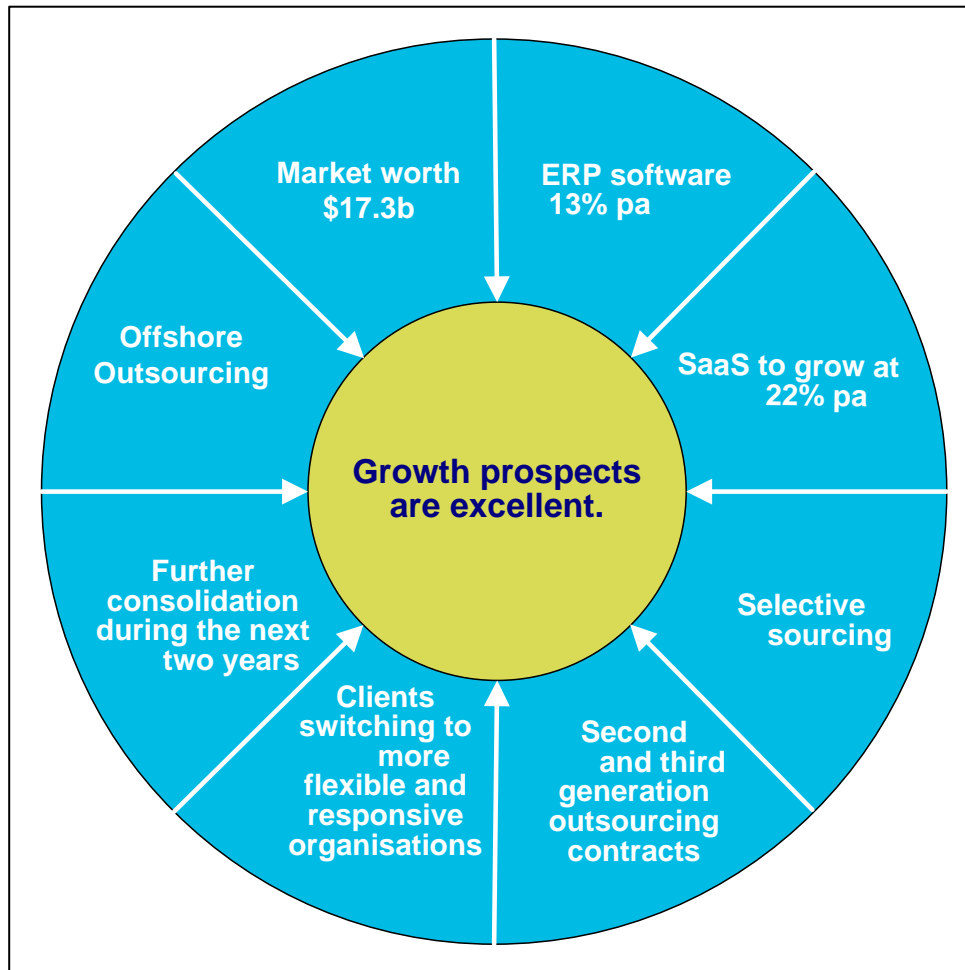
	WESTERN	NORTHERN	SOUTHERN	FEDERAL
<b>Government</b>				
Outsourcing (Managed Services)	\$78M	\$91M	\$90M	\$147M
SI (Projects)	\$45M	\$22M	\$3M	\$28M
<b>Total</b>	<b>\$123M</b>	<b>\$113M</b>	<b>\$93M</b>	<b>\$175M</b>
<b>Corporate/Commercial</b>				
Outsourcing (Managed Services)	\$20M	\$111M	\$30M	\$2M
SI (Projects)	\$25M	\$40M	\$20M	\$1M
<b>Total</b>	<b>\$45M</b>	<b>\$151M</b>	<b>\$50M</b>	<b>\$3M</b>

- **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, Education, Shared Services)**
- **Prime contractor position**
- **Deep and successful client relationships**
- **Referencability and capability – track record on major clients**

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

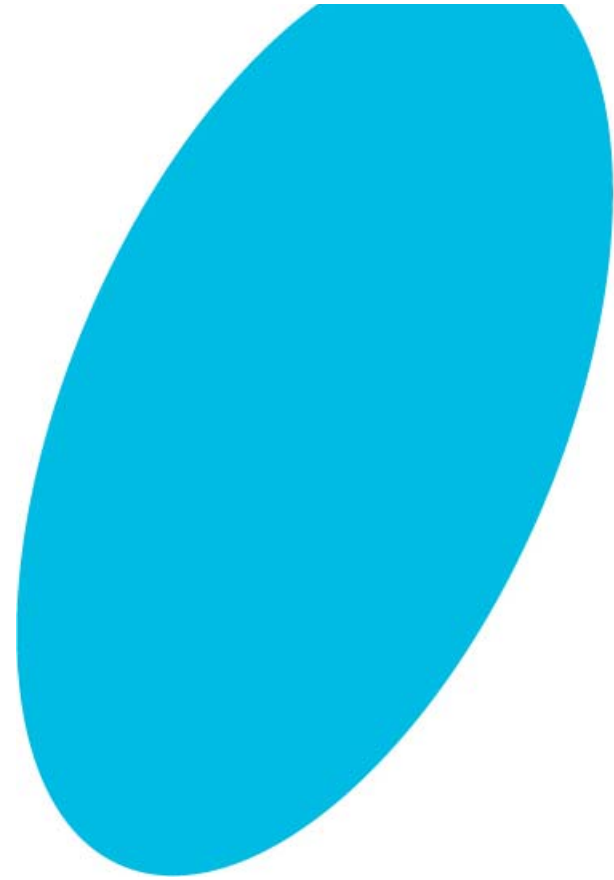


- **Pure services company**
- **Differentiated service offering with outstanding applications expertise**
- **Shared services capability and established high end track record**
- **Credible prime contractors with multinational subcontractors (CSC, IBM, Deloitte, Oracle)**
- **Flexible, agile and proactive with customers – big and small**
- **Major investment and capability in high growth sectors**



- **The Selective Outsourcing Model is driving re-bid and break-up of very large contracts and changing the landscape of IT services and outsourcing**
- **Emerging trends will drive continued growth:**
  - **Software as a Service**
  - **Automation and Standardization**
  - **ISO20000 Standard for IT Service Management**
  - **Shared Services**
  - **Technological Connectivity**
  - **Enterprise Applications Consolidation**

- **IT market momentum and critical mass**
- **Scale benefits allow enhanced service delivery to clients**
- **Unique ability for Australian-based company to bid for major scale contracts as prime**
- **Established reference sites in government and corporate sectors**
- **Strong, proven, flexible delivery capability**
- **Resistant to economic cycles**
- **Focus on areas of essential spending by customers**
- **Focus on long term, secure revenue streams**



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