



Broadcast Services Australia Limited

ABN: 50 088 412 748

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Chairman's AGM Address to Shareholders

I have been delighted to be involved as Chairman of Broadcast Services Australia Limited (BSA) over the last three years. I became Chairman when the company's market capitalisation was a little over \$4m and the company was heavily in debt.

Since then, major reforms were introduced, underperforming businesses were disposed of and the major acquisition of BSA Pty Limited took place. The combined effect of all of this has been to transform BSA into a broadly based and profitable participant in the broadcast and telecommunication industries in Australia with the Company's 2004 results delivering \$100M in Revenue and \$7.4M EBITDA. The market capitalisation of the company is now approaching \$100m.

The first quarter results indicate a soft first half for this financial year. BSA's divisions had mixed performances - some achieved outstanding results, while others have performed below expectations. Most importantly, our forecasts and work in progress indicate a very healthy second half performance and we are confident of a strong overall result for the full year.

The Subscription TV and Free to Air business is performing very well. FOXTEL volumes are higher than anticipated with new technicians being recruited to meet demand. The free installation offer from FOXTEL has been well received by consumers and continues to increase our workload. Optus continues to deliver expected results.

The Telecommunication and Broadcast business came under pressure in the first half. Contributing factors to this more difficult broadcast environment included the late delivery of new transmitters, a reduction in some margins through competitive tendering, a slowdown of the digital build work and rollout by the regional broadcasters. The Telstra business grew further on the back of the successful \$40Mil tender won in May 2004 and refinement of internal processes has reduced the costs of this business.

Encouragingly, the work expected to be performed by this division has not diminished. Prospects for the telecommunication and broadcast business are strong for the second half year including a lift in broadcast roll-out work, increased delivery of equipment, DSLAM installations, telecommunications build work and continued growth in the Telstra business.

The Home Heroes business - including Mr Antenna, Mr Alarms and Mr Hotwater Australia has been streamlined and given a clear market focus. We will continue to expand the division and concentrate on increasing sales revenue. The company budgeted to reinvest a significant portion of the divisions profit over the 2005 year. We are continually refining the marketing and sales strategy to improve performance.

BSA company continues to explore opportunities for acquisitions and growth though we are not a stage where we are near completion or able to announce anything but continue to assess these opportunities.

Conclusion – soft first half but work in progress and forecasts lead us to expect a strong performance and result for the full year.

As this is my last AGM, I would very much like to acknowledge the great effort of Mark Foley and Daniel Lipshut in building the company's business over the years. I would also like to acknowledge senior managers Brendan Foley and Ray Larkin who have been outstanding in building profitable operating divisions in very competitive environments and with some very demanding customers.

I thank the directors for their support over the years and wish them all the best for the future.

For more information contact:

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Broadcast Services Australia Limited (ASX Code: BSA) is a leading infrastructure and equipment supplier to the broadcast industry, the largest provider of satellite installations for the subscription television industry and a significant provider of high volume contracting services to the telecommunications industry.

For more information please see our website: www.bsa.com.au