

ASX ANNOUNCEMENT

30 April 2009

APPENDIX 4C – QUARTERLY REPORT

Emerson Stewart Group Limited (ASX: ESW) advises the market of its Q3 Appendix 4C Quarterly Report in the attached terms.

As foreshadowed in its 26 February 2009 announcement to the market, operating conditions for the 3rd quarter 2008/2009 proved to be challenging, resulting in net cash outflows of \$0.42 million for the quarter, and a 9 month cumulative net cash outflow to 31 March 2009 of \$0.8 million.

In addition to relative revenue decline on account of client project commencement delays and deferrals of client projects in progress, especially in the resources sector, other major contributors to this position include the continuing non receipt of around \$1.2 million in undisputed receivables from Windimurra Vanadium Limited (Voluntary Administrator and Receivers Appointed), as well as some \$0.4 million in continuing investment in the Company's future with respect to its people and systems development.

In anticipation of there being little, if any, improvement in market conditions to 30 June 2009, prospects for earnings and cash flow for the Company for the 4th quarter of 2008/2009 remain modest. However the Company has actively taken steps, and implemented strategies, to manage expenditure, and to adjust its operations to respond to the change in market conditions

ESW anticipates being in a position by mid/late May 2009 to give the market guidance as to its projected full year profit performance to 30 June 2009, subject to the final recoverability of the Windimurra receivable, which, as previously reported, on a worst case outcome, could have up to a \$0.7 million impact on full year NPAT.

Other than for the foregoing, the underlying cash position of ESW remains robust and sound, with around \$10 million cash at bank and on deposit as at 31 March 2009.

Accordingly the Company is well poised to take advantage of business acquisition opportunities that may present themselves, as outlined in the Company's IPO Prospectus issued in 2008. In this context, the Company continues to actively review an increasing number of business opportunities in need of balance sheet stability, strong management and a vision for the future. However the Company remains selective in its approach to ensure that any acquisition should be shareholder value accretive.

– ENDS –

About Emerson Stewart (ASX: ESW)

Established in 2005 and based in Perth, Western Australia, Emerson Stewart is a project implementation and advisory group providing services across:

- **Resources + Energy:** minerals, oil + gas, chemicals, power generation + distribution
- **Infrastructure:** urban development; property+ building; water and environment; aviation; defence

Emerson Stewart has a strong network of corporate customers. The Company's current and past clients include BHP Billiton, Inpex, Midwest Corporation, Straits, Fortescue Metals, Crescent Gold, Territory Resources, Australasian Resources, Gindalbie Metals, OMG Group, Envirogold, PEET Limited and Stockland.

www.emersonstewart.com

For more information:

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000 Amended 30/9/2001, 24/10/2005.

Name of entity

EMERSON STEWART GROUP LIMITED

ABN

80 122 958 178

Quarter ended ("current quarter")

March 2009

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 Months) \$A'000
1.1	Receipts from customers	2,545	9,693
1.2	Payments for (a) staff costs	(962)	(2,996)
	(b) advertising and marketing	(17)	(98)
	(c) research and development		
	(d) leased assets		
	(e) other working capital	(2,046)	(7,288)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	112	299
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		(176)
1.7	Other (provide details if material)		
	Net operating cash flows	(368)	(566)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (9 Months) \$A'000
1.8 Net operating cash flows (carried forward)	(368)	(566)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(20)	(85)
(e) other non-current assets	(35)	(148)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other		
	(55)	(233)
Net investing cash flows		
1.14 Total operating and investing cash flows	(423)	(799)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other (Capital raising costs)		
	0	0
Net financing cash flows		
Net increase (decrease) in cash held	(423)	(799)
1.21 Cash at beginning of quarter/year to date	10,353	10,729
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	10,353	9,930

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.24 Aggregate amount of payments to the parties included in item 1.2	(289)
1.25 Aggregate amount of loans to the parties included in item 1.11	
1.26 Explanation necessary for an understanding of the transactions	
Key management personnel and non-executive director compensation.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	430	853
4.2 Deposits at call	9,500	9,500
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	9,930	10,353

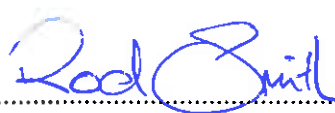
Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

 Date: 30/4/09
 (Company secretary)

Print name: ...Rod Smith.....

Notes

+ See chapter 19 for defined terms.

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.