

EMERSON STEWART GROUP LIMITED

AGM 2009

CHAIRMAN'S ADDRESS

As explained in the Company's history featured in the Annual Report 2009, special virtues of the Company's namesakes William James Stewart and Nellie Ward Emerson included integrity, courage, determination and confidence. It is these, amongst other values, that underpin the future of your Company, and it is these values that the Company fell back upon when it had to contend with the worst global financial and economic crisis for around 75 years.

The joy of the Company's float on the ASX in June 2008 soon had a sobering reality check with the unexpected retirement of the Company's co-founder and executive director Angelo Dabala in September 2008, soon followed by across the board project deferrals and capital contractions, particularly impacting the Western Australian resources sector, a significant portion of the Emerson Stewart client base.

Emerson Stewart was no orphan in experiencing the impacts of the global financial and commodity price downturns. But what was noticeable, was the manner in which the Company's management team and support staff, ably lead by its CEO Dario Amara, came strongly together to define and execute strategies to weather the financial storm.

As a result, and despite the continuing volatility of global markets, which contributed to a challenging operating environment, Emerson Stewart was able to deliver a sound financial performance for the year ended 30 June 2009.

The Company achieved EBIT of \$1.52 million before the one off provisioning for the unfortunate Windamurra Vanadium receivable, resulting in a net profit after tax of \$1.12 million. The Company also delivered a dividend return of 0.4c per share, consistent with the dividend policy outlined in the Company's RPO Prospectus.

With the support of its valued shareholder base, and after many months of negotiation, the Company took the opportunity in July 2009 to complete the buy-back of the shareholding of its former director, Dabala, at a significant discount to the Company's net tangible asset and cash backing. This had an immediate positive share price impact resulting from the removal of this share market overhang.

Consistent with the Company's prospectus promise, the Company also identified, analysed and reviewed a number of prospective strategic acquisitions. It turned over many rocks, and kissed many frogs. However, although no Prince Charming has yet been found, the Company remains committed to both acquisitive and organic growth in order to deliver enhanced shareholder value.

EMERSON IMPLEMENTEURS STEWART

As has previously been announced, Emerson Stewart came close to executing a merger with Greencap Limited, and although negotiations and due diligence were constructive and cordial, an appreciation was ultimately realised that the strategic aims of each organisation were not sufficiently aligned.

Although the global economic environment is not without its continuing challenges, Australia in general, and Western Australia in particular, are proving their ability to have met the challenges of the past, and position themselves to take advantage of the future.

The attributes of integrity, courage, determination and confidence I previously mentioned that defined William James Stewart and Nellie Ward Emerson are the same attributes that currently inform the Company, its Board and its executive management team. On behalf of all shareholders, I would like to especially thank that team for their special efforts throughout the year. Without their commitment and hard work, Emerson Stewart would not be positioned, as it presently is, to take advantage of the forthcoming resurgence in the Australian infrastructure, resources and energy sectors.

In closing, and on behalf of my fellow Board members, Dario Amara, David Richardson and Jamie Cullen, whose judgement and acumen are valued, we take this opportunity to thank you, the Company's loyal shareholders, for your continued support.

In particular, we look forward to delivering strengthening results during 2009/2010, and helping to create further value for you over the coming years.

We are also hopeful that the next frog we kiss might be special.



Steven Cole

CHAIRMAN

30 NOVEMBER 2009

AGM Presentation 30 November 2009



Emerson Stewart Group Limited

results orientated | project management | engineering | consulting

ASX: ESW

ACN 122 958 178

www.emersonstewart.com

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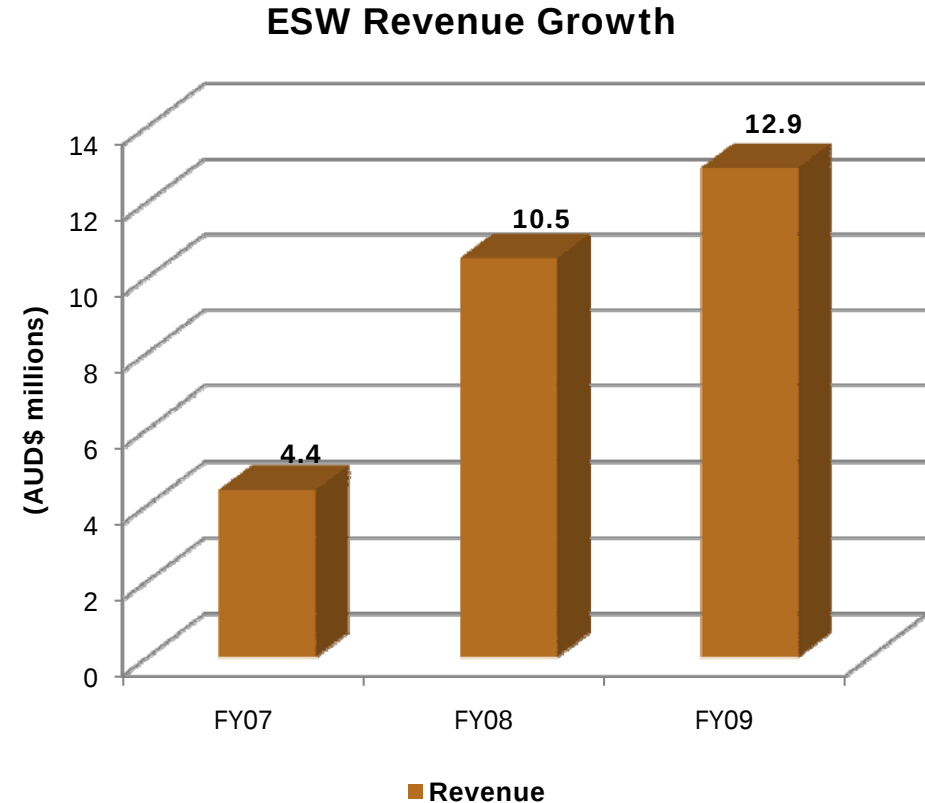
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chairman's address

» Key financial highlights

- ✓ Group revenue for FY09 increased 23% to \$12.9m achieved during a difficult economic cycle
- ✓ strong cash position:
 - ✓ \$9.3m 30 June 2009
 - ✓ \$6.9m 30 September 2009¹
- ✓ total shareholder return = 34% in past 12 months



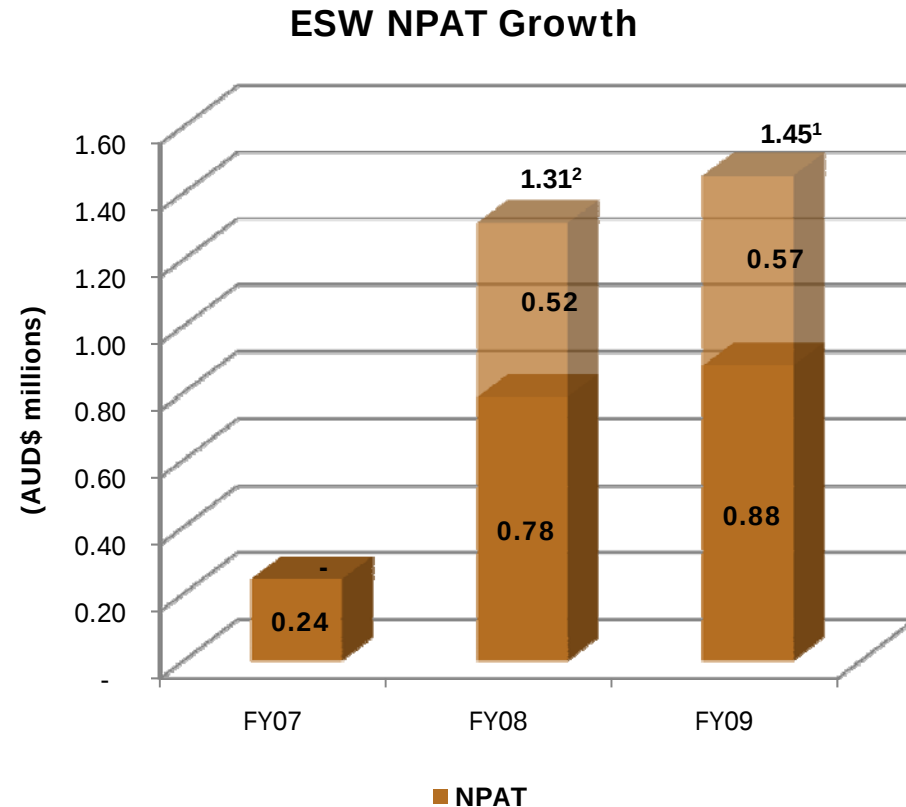
¹ \$2.34 million paid out for share buy back.

chairman's address

continued....

» Key financial highlights (continued)

- ✓ Group NPAT for FY09 was \$1.45m before one off provision for Windimurra Vanadium receivable¹
- ✓ a maiden final dividend for FY09 of 0.4 of a cent per share, in line with IPO prospectus (paid in October 2009)
- ✓ as at 30 June 2009 balance sheet strengthened to \$12m net assets from \$11m at prior year



¹ before Windimurra receivable impairment \$0.572 m

² before one off acquisition expense \$0.521 m

chairman's address

continued....

- » during FY09 the business had to contend with the worst financial and economic crisis since the 1930's

During this period the focus has been on:

- ✓ bracing business and concentrating attention to growth market segments
- ✓ buyback shareholding from a former founding director at a discount in July 2009 and removing substantial overhang (25.28%, 31.25m shares, \$2.34m)
- ✓ investing in robust business systems ("horse before the cart")
- ✓ establishing Employee Share Plan
- ✓ recruitment of talented individuals to add to the depth and breadth to service offering
- ✓ identification and evaluation of M&A opportunities which meet the strict criteria as articulated in IPO prospectus
- ✓ in line with our M&A objectives executed a Heads of Agreement to merge with Greencap (ASX:GCG) as announced in August, an appreciation was ultimately realised in the course of due diligence that the strategic aims of each organisation were not in parallel and hence it was not progressed

managing directors address

» delivering in a challenging environment

- ✓ down cycle has “stress tested” growth strategy
- ✓ service offering and organisational architecture aligned to positive economic pointers
- ✓ major investment in systems + people (During FY09 approximately \$450k)
- ✓ secured important contracts from Perseus Mining, BHP Billiton, IMX Resources, Peet Limited, Straits Resources and Westralia Airports Corporation
- ✓ EBITDA Margin = 13%
- ✓ zero lost time due to injury
- ✓ CY09 difficult due to cancellation/ deferment of resources sector projects. From levels of enquiry sense that activity levels in this sector will increase measurably in Q3FY10

managing directors address

continued....

- ✓ success in diversification strategy across buoyant segments

s e g m e n t	mining + industry	buildings + property	utilities + environment
	• minerals • oil and gas • Chemicals	• urban development • buildings • aviation • defence	• water and environment • power generation and distribution
m i x	FY08: 88%	FY08: 12%	FY08: 0%
	FY09: 53%	FY09: 47%	FY09: 0%
	FY10 (F): 40%	FY10 (F): 45%	FY10 (F): 15%

managing directors address

continued....

- » ESW a work in progress (only 4 years old)
 - ✓ launched: 2 December 2005
ASX listing: 25 June 2008 (31 months from a standing start)
 - ✓ assembled board and executive team with track record across diverse markets and in the global environment
 - ✓ continuing to evaluate M&A opportunities that satisfy our strategic intent and which satisfy the following criteria:
 - **compliment:** business lines; service offerings
 - **enhance:** scale in targeted sectors; operational capability; geographic footprint
 - **diversify risk profile:** across sectors; across regions
 - **access:** alternative labour sources and bases within lower cost environments
 - **avoid:** services that do not fit within ESW's model or risk parameters
 - ✓ continuing to grow organically across buoyant segments and by securing new clients

managing directors address

continued....

» service offering extending across complete asset life cycle

e**nhancement**

- debottlenecking
- continuous improvement
- strategic diagnosis
- asset management
- audits
- litigation support
- interface management

e**valuation**

- feasibility (scoping, PFS, DFS)
- risk management
- value management
- technology sourcing
- business modelling
- execution strategies
- commercial strategies
- costing



e**xecution**

- FEED
- design and design management
- engineering design
- project & construction management
- procurement
- commissioning
- HSE management

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managing directors address

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» validating economic pointers

- ✓ positive trend in Chinese Industrial Production for past 6 months, growth in heavy industries and sustained fixed investment growth (CCI/HSBC)
- ✓ currently \$135 billion worth of projects committed or under construction in WA, expected to create more than 40,000 construction jobs and over 12,000 permanent jobs in the state (Department of Mines and Petroleum)
- ✓ increase in WA building approvals for period Apr-09 to Aug-09 (CCI), Building approvals for private dwellings in WA rose by 3.2% (ABS)
- ✓ WA population fastest growing in country, 3.1 % increase for 12 months ended March 09 (ABS)
- ✓ Western Australia Airports Corporation planned redevelopment of \$1 billion over the next 5 – 6 years
- ✓ IMF has upgraded its forecasts: The Global economy is expected to contract by 1.1% in 2009 before expanding by 3.1% in 2010 (CBA)
- ✓ Australian GDP growth 1.75% by end of 2009 and 3.25% by end 2010 (CBA)
- ✓ Department of Defence planned expenditure on infrastructure of \$940m by end of 2010 (DoD White Paper)