



ASX ANNOUNCEMENT

29 May 2009

REVENUE AND PROFIT GUIDANCE FOR 2009 FINANCIAL YEAR

Emerson Stewart Group Limited (ASX: ESW) advises that based on projected performance for the remainder of the financial year the Company is expecting 2008/ 2009 financial year revenue of around \$12.5 to 12.75 million delivering an associated net profit after tax of around \$1.60 million, subject to any necessary provisioning for the Windimurra Vanadium Limited receivable.

As previously reported, the Company has an undisputed amount of \$1.2 million owing from Windimurra Vanadium Limited (voluntary administrators and receivers appointed) which in a worst case could result in \$0.7 million negative impact on the full year net profit after tax.

Although the Company's first half performance to 31 December 2008 was encouraging, the effects of the global financial crisis in the second half of the financial year did impact ESW's business, particularly across its Resources business line with a number of client initiated project cancellations and delays. The resulting market pressures have also adversely effected margins, although the Company continues to review expenditure and adjust its operations accordingly to respond to the change in market conditions. Further, the continued strategic diversification of the Company's business, with relative growth in its Infrastructure business line, is proving a successful counter.

The underlying cash position of ESW continues to remain strong and as previously reported this was around \$10 million as at 31 March 2009.

Managing Director | CEO Dario Amara said that, "although the Company has had a challenging second half; the full year projected profit represented a reasonable result under the circumstances, particularly given that it should be within 10% of the FY08 record result, which was 224% above the previous year."

"The Company has secured contracts with new and existing clients to enhance our order book to around \$61 million, with a tail to 2018."



“Despite these challenging times our business is well positioned to take advantage of the business opportunities that may present themselves, as outlined in the Company IPO prospectus issued in 2008”, said Mr Amara.

“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 acquisitions should be shareholder value accretive.”

“In addition, in a positive development, and as recently reported, ESW has agreed to a share buy back, subject to shareholder approval, to acquire for \$2.343m, 31.25m shares held by a former director, who exited the business last year. This transaction is anticipated to deliver value accretion to all current shareholders, including by way of improved earnings per share into the future.”

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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; power generation + distribution; chemicals
- **Infrastructure:** urban development; building + property; aviation; water + environment; defence

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

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