



## ASX ANNOUNCEMENT

31 July 2009

### APPENDIX 4C – QUARTERLY REPORT

**Emerson Stewart Group Limited (ASX: ESW)** advises the market of its Q4 Appendix 4C Quarterly Report in the attached terms.

Operating conditions continue to be challenging, as was indicated when advising the Q3 Appendix 4C Quarterly Report, resulting in net cash outflows of \$0.6 million for the quarter, and a 12 month cumulative net cash outflow to 30 June 2009 of \$1.4 million.

The cash flow for the quarter was impacted by the payment of income tax for the prior year of \$0.2 million and the settling of obligations relating to superannuation and tax instalments relating to prior periods of \$0.5 million, which offset the positive underlying result for the quarter of \$0.1 million.

Cash flows for the year continue to be effected by the non-receipt of the undisputed receivables of around \$1.2 million from Windimurra Vanadium Limited (Voluntary Administrator and Receivers Appointed) and the relative revenue decline on account of project client commencement delays and deferrals of client projects in progress. In addition, there has been an investment in people and systems of around \$0.4 million to position the company for future endeavours.

The underlying cash position of ESW continues to be strong, which together with a strong balance sheet positions the company to take advantage of business acquisition opportunities, in accordance with the overall ESW strategy, as was outlined in the Company's IPO Prospectus issued in 2008.

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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 and Stockland, Department of Housing and Perseus Mining Limited.

[www.emersonstewart.com](http://www.emersonstewart.com)

### For more information:

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Emerson Stewart Group Limited  
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Rod Smith  
Emerson Stewart Group Limited  
CFO | Company Secretary  
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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")

June 2009

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 Months) \$A'000
1.1 Receipts from customers	2,526	12,219
1.2 Payments for		
(a) staff costs	(1,624)	(4,620)
(b) advertising and marketing	(18)	(116)
(c) research and development		
(d) leased assets		
(e) other working capital	(1,360)	(8,648)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	74	373
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid	(219)	(395)
1.7 Other (provide details if material)		
	(621)	(1,187)
<b>Net operating cash flows</b>		

+ See chapter 19 for defined terms.

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	Current quarter SA'000	Year to date (12 Months) SA'000
1.8 Net operating cash flows (carried forward)	<b>(621)</b>	<b>(1,187)</b>
<b>1.9 Cash flows related to investing activities</b>		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(8)	(93)
(e) other non-current assets	(17)	(165)
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		
	(25)	(258)
<b>Net investing cash flows</b>		
<b>1.14 Total operating and investing cash flows</b>	<b>(646)</b>	<b>(1,445)</b>
<b>Cash flows related to financing activities</b>		
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
<b>Net financing cash flows</b>		
<b>Net increase (decrease) in cash held</b>	<b>(646)</b>	<b>(1,445)</b>
1.21 Cash at beginning of quarter/year to date	9,930	10,729
1.22 Exchange rate adjustments to item 1.20		
	9,284	9,284
1.23 <b>Cash at end of quarter</b>		

+ 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	(219)
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

- 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

**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		

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**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	334	430
4.2 Deposits at call	8,950	9,500
4.3 Bank overdraft		
4.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.23)</b>	<b>9,284</b>	<b>9,930</b>

**Acquisitions and disposals of business entities**

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
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: 3/7/09 .....

(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.

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