



ASX ANNOUNCEMENT

28 October 2009

Appendix 4C – Quarterly Report

Emerson Stewart Group Limited (ASX: ESW) advises the market of its Q1 Appendix 4C Quarterly Report in the attached terms.

Net operating cash flows contributed \$0.1 million to cash reserves for the quarter resulting in cash on hand at 30 September 2009 of \$6.9 million. The operating cash flows for the quarter were impacted by project client commencement delays and deferrals of client projects in progress.

During Q1 ESW completed a share buy-back of 31.25 million shares on 22 July 2009 for the sum of \$2.3 million. Of these shares, 6.25 million shares have been appropriated to establish an Employee Share Plan enabling ESW to strongly align the interests of key staff with the business.

The underlying cash position of ESW continues to be strong, which together with a strong balance sheet, with zero borrowings, 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.

- END -



About Emerson Stewart (ASX: ESW)

Established in 2005 and based in Perth, Western Australia, Emerson Stewart is a project management, engineering and consultancy group providing services across:

- **mining + industry:** minerals; oil and gas; chemicals; manufacturing
- **utilities + environment:** water and environment; power generation and distribution
- **buildings + property:** urban development; buildings and property; 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 Resources, Fortescue Metals, Crescent Gold, Territory Resources, Australasian Resources, Gindalbie Metals, OMG Group, Envirogold, PEET Limited, Stockland, QUBE, Department of Housing, Perseus Mining Limited, Brookfield Multiplex, Clough, International Minerals, Curtin University and IMX Resources.

www.emersonstewart.com

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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")

September 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 Months) \$A'000
1.1 Receipts from customers	2,363	2,363
1.2 Payments for		
(a) staff costs	(1,099)	(1,099)
(b) advertising and marketing	(25)	(25)
(c) research and development		
(d) leased assets		
(e) other working capital	(1,248)	(1,248)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	299	299
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid	(207)	(207)
1.7 Other (provide details if material)		
Net operating cash flows	83	83

+ 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 (3 Months) \$A'000
1.8 Net operating cash flows (carried forward)	83	83
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	(8)	(8)
(e) other non-current assets	(110)	(110)
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		
	(118)	(118)
Net investing cash flows		
1.14 Total operating and investing cash flows	(35)	(35)
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 (Share Buy-Back)	(2,344)	(2,344)
	(2,344)	(2,344)
Net financing cash flows		
Net increase (decrease) in cash held	(2,379)	(2,379)
1.21 Cash at beginning of quarter/year to date	9,284	9,284
1.22 Exchange rate adjustments to item 1.20		
	6,905	6,905
1.23 Cash at end of quarter		

+ 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	(350)
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		

+ 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.