

CHAIRMAN'S ANNUAL GENERAL MEETING ADDRESS

Ladies & Gentlemen, welcome to the 2016 Annual General Meeting of ASG Group Limited.

This AGM has fallen at a unique time for ASG. We are just over a week short of the Scheme Meeting to vote on the acquisition of the Company by Nomura Research Institute, Limited – or NRI.

The shareholder vote on the NRI proposal will take place here in Perth on **8 December**. At that time, you will have an opportunity to hear about, and vote on, the Scheme. All shareholders are encouraged to attend that meeting.

It is very important that you cast your vote with respect to the Scheme Meeting next week. You should have received a comprehensive scheme booklet which details the NRI proposal.

An Independent Board Committee – IBC – was established to consider the NRI proposal. The scheme booklet also sets out the reasons for the IBC's recommendation that you vote in favour of the scheme, in the absence of a superior proposal. The scheme booklet also includes details of the Shareholder Information Line established to respond to questions on the transaction.

Given the scheme meeting next week, we do not intend to discuss the Scheme in significant detail today. However, you will have an opportunity to ask relevant questions about the Scheme at the conclusion of today's meeting if you have any.

Of course, we have some formal business to conduct and shortly I will move to the two resolutions before the meeting today.

However, I do want to reflect briefly about the proposal now before ASG shareholders for NRI to acquire 100% control of our company.

The proposal from NRI came after a record year for ASG. In the 2016 financial year, we delivered record profitability on record revenue. EBITDA was up 32% at \$26.7 million. Our EBITDA margin was up to 14.2% from 12.4% in the previous year. And revenue was \$188.7 million, a rise of 16%.

After we released our results back in August, NRI emerged with a firm offer for ASG, at \$1.63 a share, with the acquisition to be effected by a Scheme of Arrangement.

The IBC unanimously recommends that ASG shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to the Independent Expert maintaining the conclusion the Scheme is in the best interests of ASG shareholders.

In reaching that conclusion, amongst other things we weighed up the value of the NRI proposal with the potential value to accrue in the future if ASG was to continue as an independent company. We also took into account the inherent risks and uncertainty associated with owning ASG shares and general market risks.

This proposal gives ASG shareholders the opportunity to immediately realise value for their investment at a premium to the trading range of shares prior to the proposal being made.

The IBC believes that if the proposal is not approved, it is likely the price of ASG shares will fall below prevailing market prices.

The IBC's reasoning for recommending that you vote in favour of the scheme is set out in the scheme booklet provided to you.

If the Scheme is approved on the 8th of December, this will be the last Annual General Meeting of ASG Group Limited as a listed entity. ASG will continue to be a great Company under NRI and I see opportunities for our staff, our customers and our industry partners.

NRI is a leading Tokyo based global provider of IT system solutions and consulting services. NRI has grown to become a global IT Services leader with more than 10,000 employees in 37 offices and annual revenues of over USD\$4 billion and is listed on the Tokyo stock Exchange.

Having met and worked with the NRI team over the past months, I am extremely confident that ASG will continue to grow and prosper under NRI management.

Thank you again for your attendance and I will move now to the official business of the meeting.

-ends-