

ASX ANNOUNCEMENT



Monday 6th June 2016

ASG Group Ltd Contracts Update

Leading Australian IT services provider ASG Group (ASX: ASZ) is pleased to announce a major expansion of its contracts with a leading international construction and contracting group.

The expansion involves the transformation of the client's Oracle applications across its operations in Australia and Asia-Pacific to ASG's New World platform, incorporating Oracle's Cloud Services capability in supporting the utility model under which customers buy IT "as a service".

This new contract will commence fully in FY17, contributing to ASG's revenue growth in FY17, FY18 and beyond.

Mr Lewis said this represented strong validation of ASG's New World business model.

"It's very pleasing to get confirmation through contracts with such a leading international group that ASG has the ability to provide excellent business solutions that make a real difference to the way our customers can do business," he said.

"As well as delivering a significant improvement to the client's operating capacity, it will also deliver material savings to the group."

ASG already supplies the group with a range of application and infrastructure Managed Services.

The Department of Environment, Land, Water and Planning (DELWP) has advised ASG that it is taking a strategic decision to adopt a new "whole of government" model for its Enterprise Resource Planning (ERP) systems, and that the existing application implementation project has been terminated for convenience. Pursuant to that contract the State is obliged to indemnify ASG for its liabilities and expenses arising from the termination.

Having failed to negotiate agreement with DELWP over the amount of the indemnity ASG has elected to initiate legal proceedings in the Victorian Supreme Court against the State of Victoria to recover the full amount of its claim.

ASG expects that there will be no material adverse impact on ASG's profitability as a result of the proceeding.

As previously announced, ASG confirms it is on track to meet FY16 guidance of a revenue range of \$185-190 million and an EBITDA margin of 14%.

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FOR FURTHER INFORMATION PLEASE CONTACT:

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ABOUT ASG



ASG Group Limited (ASX: ASZ) is an award winning and Australian IT business solutions provider, offering IT management and consulting services, business intelligence and thought leadership. Established in 1996, the company's goal is to provide innovative, high-quality and cost-effective services to its clients. In 2002, ASG listed on the Australian Securities Exchange. For more information visit www.asggroup.com.au