



partnering for success

DWS Advanced Business Solutions Limited

CEO's Address to Shareholders

Good Morning Ladies and Gentlemen, my name is Danny Wallis and I am the Managing Director and CEO of DWS Advanced Business Solutions.

It is with great pleasure I stand before you this morning to share the successes DWS has experienced in the 2009/2010 financial year. This reporting period saw us reinforce our standing and reputation within the industry as we continued delivering services to many of Australia's most recognised and successful blue chip organisations as well as Federal and State Government departments.

Our performance this financial year also saw us deliver another record financial result for the DWS Group.

Some of our highlights for the past year include:

- Sales revenues of \$95.7 million. This is an increase of 8% on the previous year's figures and a result achieved in an environment where significant levels of uncertainty still existed across the economy particularly within the retail, services and agricultural sectors;
- EBITDA of \$26.5 million, an increase of 14% on the previous year's result;
- NPAT has increased by 16% to a record \$18.52 million;
- DWS also retained a solid balance sheet and we continue to have zero debt.
- Cash reserves sit at \$13.66 million, an increase of 12%. As stated earlier, we continue to hold zero debt and combined with our strong cash reserves we are in an ideal position to take advantage of all opportunities we identify as beneficial in the months and years ahead.
- Our Company declared a 6.25c fully franked dividend. This represents a 15% rise on 2009 and reiterates the solid returns we provide to you, our valued shareholders.

We have had ongoing success in targeting and winning several new clients in both the private and public sectors. We have continued to deliver a first class service, repeatedly exceeding the expectations of our existing base of blue chip clients.

The DWS philosophy and business model have been successfully adapted across all our regions and as a result of our proven and reliable model we have continued to

be attractive to our customers, especially in the current climate where clients expect not only value for money, but also delivery on time and within budget parameters.

The past few years have certainly proved very challenging as a result of The Global Financial Crisis and the associated fallout. DWS' strategy during this period was to protect our market share and to work in partnership with our clients and staff to ensure we emerged a stronger company.

DWS has delivered 19 years of increasing revenue, even with these challenging market conditions. It again demonstrates the underlying strength of the DWS business model, and our disciplined management approach.

DWS is now in growth phase and we have developed a number of strategies to ensure that we continue to grow organically as well as identify strategic acquisition opportunities that complement our existing core business.

A number of internal initiatives have recently been developed in order to ensure our business continues to grow and evolve. One of these initiatives is named *1, ONE, 14 Excellence Together*, and represents our goal of "one company, one thousand consultants by year 2014, without compromising our high standards and ensuring that our unique community based culture remains a core thread of the company."

This is clearly an aggressive initiative but one which is exciting and we believe is achievable. There is substantial detail associated with the *1ONE14 Excellence Together* initiative, but I would like to provide a brief overview:

1. The first number, "1" is the reinforcement to our staff that DWS is "one company" irrespective of the geographic region they are located. They are part of a bigger family and can move through regions, clients or projects to enhance their career prospects. One of the benefits should be increasing staff retention.
2. The benefits for clients of "1 company", is that they will be exposed to a much larger company than simply the operation based within their state. This will demonstrate to clients the availability of a much greater resource and skills pool which should in turn enable DWS to compete more effectively.
3. The word "ONE" is targeted to DWS reaching one thousand consultants. This is a win for both consultants and clients alike. A larger company means more capacity, bigger projects and greater challenges and opportunities for our staff.
4. The "14" signifies our intention of achieving our stated goals by year 2014.
5. "Excellence" – DWS is already well known for the quality of its staff. We have a unique recruitment process and will ensure we maintain our very high standards.
6. "Together" – DWS has a unique model based upon involving staff with each other and the organisation as a whole, through social activities, sporting activities and numerous other activities that we do together. The DWS

community is an integral aspect of the DWS philosophy and through "1ONE14" we will not only retain but also grow and improve our culture and spirit.

In September, DWS launched a specialist Business Analytics practice that initially will specialize in providing high-end Cognos consultancy services. This initiative has also seen DWS become an IBM/Cognos Partner.

Our aim for this practice is to be regarded as the best in this space. A moderate investment has been required to ensure that we attract the best skills in the country. Although this team has only been operational for six weeks, it has achieved significant momentum and has already secured several new contracts. This is a specialist service offering and as such will attract a higher rate than our standard consultancy rates and we expect that this practice will contribute positively to earnings for the full year.

Another positive announcement, imminent within the next week, is the appointment of Gary Ebeyan as a new Independent Non Executive Director to the DWS board. A seasoned professional with over 25 years experience in the IT industry, Gary will provide a fresh perspective on the future evolution of the IT industry.

Following his graduation from the University of Melbourne with a Bachelor of Science degree, Gary established his first IT business at the age of 23, developing software products for the building industry.

Gary subsequently established Expert Information Services focusing on the growing IT Services market with which Gary was recognised by "The Age/D&B Awards" with Expert Information Services being awarded 'Best Victorian IT Business' in 2001 and 2002, and "Best Overall Victorian Business" in 2001. Under his leadership the company also achieved ISO9001/2000 and CMMI Level 4 accreditation.

In recognition of his achievements and personal contribution to Australian business, Gary was awarded the Centenary Medal for services to business by the Prime Minister and the Governor General.

In 2004, Gary became the CEO of Infosys Australia following the acquisition of Expert Information Services by the global offshore outsourcing giant, Infosys Technologies Limited. Under Gary's leadership, until he decided to pursue other interests at the end of 2008, Infosys Australia grew to over 2500 staff servicing the Australian market with consolidated revenues reaching well over \$250M. His presence on the board of DWS will be of immense value and his experience and insights in the IT sector will prove immensely beneficial to the entire DWS Group

It is intended that Gary will further contribute to DWS by also taking on a part-time consulting role focussing on corporate development, which will see him become involved in the development and implementation of important strategic initiatives.

I am looking forward to an exciting year ahead. There will be many challenges however DWS is ideally positioned to navigate the challenges ahead and continue to build a stronger, healthier and more dynamic organisation.

The federal election is now behind us and as a higher level of certainty returns to most industries, we are experiencing an increased demand for services. DWS is well positioned in all our geographic regions to satisfy this growth in demand and are very much looking forward to a successful full year.

We are however, anticipating that first half earnings for 2010/2011 will be flat to slightly down on prior corresponding period, but we are expecting a stronger performance for the second half on the back of a strong pipeline of work across all geographic regions.

I would like to take the opportunity to thank all of our staff for their contribution over the past year. I would also like to thank our Board for their valuable input. Finally, I would thank you, our shareholders, for your loyalty and ongoing support.