



DWS

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Australian Stock Exchange Limited
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25 November 2013

Dear Sir/Madam

Re: AGM Running Sheet

Please find attached the DWS Limited Annual General Meeting (AGM) Running Sheet for 2013, incorporating the CEO / Managing Director's address to Shareholders that will be delivered at the Company's AGM in Melbourne this morning.

Yours sincerely

Lachlan Armstrong
Company Secretary
DWS Ltd



DWS Limited

Chairman and CEO's proceedings of Annual General Meeting of the Shareholders to be held at the offices of Grant Thornton, The Rialto, Level 30, 530 Collins Street, Melbourne, Vic, 3000 on Monday 25 November 2013 at 11am AEDT.

1. Introduction of Chairman

Good morning ladies and gentlemen. My name is Harvey Parker and I am Chairman of DWS Limited.

2. Declaration of quorum and opening of meeting

The Secretary has advised that a quorum is present. I therefore declare the meeting open and have pleasure in welcoming you to this Annual General Meeting of DWS Limited.

3. Introduction of Directors and Company Secretary

My first duty is to introduce the Directors, Company Secretary and CFO.

Directors -
Danny Wallis, our Chief Executive Officer;
Ken Barry;
Martin Ralston;
Gary Ebeyan;
DWS Company Secretary/CFO, Lachlan Armstrong.

4. Apologies

There are no apologies.

5. Notice of meeting

As the notice of meeting has been circulated to all shareholders, I propose that the notice convening the meeting be taken as read.

6. CEO's Address to shareholders

Harvey Parker to introduce Danny Wallis to address the meeting.

Good morning and welcome to the DWS Annual General Meeting.

It is pleasing to present a solid result in an extremely tough environment. Revenues were almost identical to last year whilst NPAT was down 7% in a year that can only be described as challenging.

A decorative graphic at the bottom of the page consisting of a series of horizontal blue lines that create a wavy, water-like effect.



There were many headwinds to navigate during the year including a minority government that had difficulty explaining policy. Never before has a government in Australia announced an election some eight months in advance. This had an immediate effect on business confidence which resulted in a slowdown in investment. Just when you thought things couldn't get worse, the Prime Minister called a leadership challenge. The installation of Kevin Rudd as Prime Minister and some sudden changes in policy sapped whatever business confidence was left.

DWS' success in 2013 was in part attributable to our strategy of finding new sources of revenue. Our iSolutions team are continuing to contribute positively to the business and I believe its growth will continue into the foreseeable future. We now have behind us a number of successful implementations in both the government and corporate environments. The Intellectual Property (IP) that iSolutions provides has proven to be a strong door opener enabling DWS to engage in conversations concerning both iSolutions and our broader service offerings.

The acquisition of APT in Canberra has brought many benefits including a number of long-term contracts in the Defence Department. This will allow DWS to actively grow our position in the Defence Department and anticipation of this growth we have invested in the fit-out of a new office in Canberra that incorporates various Defence data security and physical security requirements.

DWS moved into this office in October of this year. We are now one of only a handful of companies that has an office of this nature. In addition to a totally compliant Defence office there is also space to run the other parts of DWS in the same physical building. This will give DWS a competitive advantage when seeking Defence Force contracts.

During the year managing margins was a challenge. We are addressing this via a number of different mechanisms that I will discuss shortly.

At the end of 2013 we formally moved a number of DWS employees into the new joint venture company with Borealis, named BD Consulting. This JV company is 50% owned by both DWS and Boréalís. Jason Simms, formally the State Manager for DWS Queensland, has been appointed as the Chief Executive Officer of BD Consulting. Even as the mining boom slows down we are confident of growing BD Consulting within Australia and Asia.

As the I.T. Services market has changed over the years, especially amidst growing competition from offshore providers, we continually need to keep our business model relevant. Our strategy is to continue to seek alternate sources of revenue and our focus is on opportunities that include Intellectual Property. This strategy has been proven successful with the acquisition of Taten which seeded our iSolutions practice.

Cloud computing continues to attract a lot of attention internationally. DWS is continuing to monitor the progress of the cloud environment and is actively looking to increase the relevance of cloud to our service offering and develop a long-term strategy where we can substantially benefit from this evolution. It would be fair to say that at this point in time, DWS will resist the opportunity to invest in cloud infrastructure. DWS is a proven and leading provider of consulting services and we

will continue to investigate opportunities to strengthen our consulting offering in the cloud environment. This may be through acquisition or organic growth.

Over the past year DWS has been developing an offshore capability in conjunction with one of our clients. This has progressed and we can now offer an offshore capability based in Manila. Whilst it is early days we can now say we have an offshore capability and during the coming year we will actively market this capability.

The year ahead

The start of the 2014 Financial Year has been slower than expected and I believe this is due to the general lack of business confidence brought about by the recent change in the federal government. We are expecting an uplift in business late in the 3rd quarter as business regains confidence and government spending returns. We are starting to see an improvement in overall confidence however, as we approach Christmas, this is unlikely to result in any increased activity until well into the New Year.

Margin pressures exist for a number of reasons. Primarily margin is directly tied into the rate that we can charge a client, however overall margin is also affected by utilisation rates and in a slow environment utilisation is reduced. Over the past few years DWS has had a strategy of obtaining new sources of revenue that are not tied into the standard Time and Materials model. This strategy results in being able to charge a higher rate than could otherwise be charged with a Time and Materials model.

We are in the process of adding to our business development teams nationally with a particular emphasis on developing a much stronger tender response capability and solution based selling. Well run outcome based work can produce a higher margin for the business. Tender based projects and outcome based work provide significant flexibility in the management of our workforce and hence can provide for higher utilisation figures which directly impact upon overall margin.

Both our specialist practises, iSolutions and Insight Analytics, continue to perform strongly and are expected to grow during the current year. As these practises grow the margins are expected to improve.

In May this year Telstra released a Request for proposal to be re-engaged on their I.T. and professional services panel for a further 3 years. DWS has successfully engaged with Telstra for the past 22 years. DWS submitted a robust and competitive response however late last week we were advised that we were unsuccessful. Telstra did note that they may continue to engage DWS' services on as and when required basis via our existing arrangements. DWS has enjoyed a long and successful relationship with Telstra and we hope that this will continue in some capacity in the future.

Over the past four years DWS has successfully diversified in clients base and currently approximately 8% of our consultants as assigned to Telstra. Whilst our preference would have been to be successful with the Telstra RFP we will work hard to continue to diversify our client base and redeploy any affected consultants.

The Company will focus on both organic and acquisitive growth over coming years. We will look for companies that are EPS accretive and that bring IP. Additionally any

acquisition must compliment our existing client base and ideally have existing contracts in place and recurrent revenue.

In closing, although it's a tough year there are signs of improvement and our business remains financially strong with zero debt. I am reluctant to give guidance for the year however, as stated in the ASX Announcement on the 22nd of October, I can confirm that H1 2014 EBITDA will be at the lower end of the range.

I would like to thank all of our major stakeholders in the business, our staff, directors, shareholders and clients for their continued support. Whilst 2014 will be a tough year I am excited about our future.

Danny Wallis to hand back to Harvey Parker.

7. Financial statements

The first item on the agenda is to receive and consider the financial statements, the Directors report and the auditors report for the year ended 30 June 2013.

The financial statements were subject to audit by Grant Thornton who gave an unqualified audit opinion.

The financial statements are required to be audited and lodged prior to the Annual General Meeting and therefore there is no formal resolution required to be put to the meeting. I will however take questions on the financial statements and any other aspects of the business you may want to discuss. The auditors Grant Thornton are represented here today by Mr Brad Taylor.

I now declare the financial statements and directors' report as duly received and considered at the meeting.

8. Resolutions

Ladies and gentleman, we have **2** ordinary resolutions to deal with today:

The **first ordinary resolution** is the adoption of the remuneration report that is included as part of the Directors report in the financial statements. This is a non binding resolution.

The Remuneration Report, which explains the Board's policies in relation to the nature and level of remuneration paid to Directors and Specified Executives of the Company, forms part of the Directors' Report included in the Annual Report for the financial year ended 30 June 2013 which has been sent to Shareholders.

Shareholders should note that, as specified by section 250R of the Corporations Act, the vote on Item 2 is advisory only and is not binding on the Board or the Company.

Shareholders should also note that pursuant the Corporations Act a vote must not be cast (in any capacity) on this resolution by or on behalf of a member of the key management personnel, details of whose remuneration are included in the Remuneration Report or their closely related parties.

However, a vote may be cast by such a person if:

- The vote is cast as a proxy;
- The appointment is in writing and directs the proxy how to vote in respect of this resolution;
- The vote is not cast on behalf of a KMP or a closely related party of a member of the key management personnel.

As confirmed in the Notice of Meeting, as Chairman of this meeting, I will not be voting undirected proxies in favour of this resolution.

The **second ordinary resolution** is for the re-election of Mr Gary Ebeyan, as a Director. Mr Ebeyan is required to retire by rotation in accordance with the Company's Constitution. A brief summary of Mr Ebeyan's experience and qualifications were incorporated into both the Notice of Meeting, and the Company's Annual Report.

9. Voting procedures

Ladies and gentlemen, I would first like to remind you of the voting procedures to be followed where the vote is to be decided by a show of hands.

Before the motion is put to the vote there will be an opportunity for shareholders to ask questions. Kindly ensure that only questions relating to the relevant item of business are asked.

Questions will only be taken from persons who are entitled to vote at this meeting.

If you wish to ask a question or make a comment I ask that you stand and state your name and show your blue, green or white card before proceeding with the question.

I remind you that visitors are not permitted to vote or ask questions.

When a vote is called for would all voting shareholders and proxies raise the appropriate voting card to indicate whether they are voting for or against the motion.

10. Agenda Item 2 (Resolution 1)

I move the following ordinary resolution:

"That the Remuneration Report forming part of the Directors report for the year ended 30 June 2013 be adopted"

Is there a seconder to this resolution?

Are there any questions from the floor on this resolution?

I advise that the Company has received **16,677,379** proxy votes in favour of the resolution, **1,249,141** against the resolution.

I put the matter to the vote. Those in favour? Those against?

I declare the resolution passed / not passed.

11. Agenda item 3 (Resolution 2)

As a member of the Board, Mr Gary Ebeyan is required to retire by rotation. Mr Ebeyan is eligible and has offered himself for re-election.

I move the following ordinary resolution:

"That Mr Ebeyan, who retires by rotation as a Director pursuant to the Company's Constitution, be re-elected as a Director of the Company."

Is there a seconder to this resolution?

Are there any questions from the floor on this resolution?

I advise that the Company has received **16,514,083** proxy votes in favour of the resolution, **1,096,435** against the resolution and **1,112,809** open votes to be cast by the Directors as proxies and which will be cast in favour of the resolution.

I put the matter to the vote. Those in favour? Those against?

I declare the resolution passed / not passed.

12. DWS Management Restructure

At this point in the meeting, I would normally wind up the proceedings. However, before doing so, I wish to advise you of some important pending changes to the organisation of the company and to the composition of the Board.

After seven and a half years as Chairman of DWS it is appropriate that my time as both Chairman and a Director of DWS come to an end. That said, I will be retiring at the end of February 2014.

Over the next three months Mr Danny Wallis will transition into the role of Non-Executive Chairman of DWS. During that period, Mr Lachlan Armstrong will transition into the role of Chief Executive Officer and Managing Director of DWS. Mr Armstrong will be replaced as Chief Financial Officer and Company Secretary by Mr James Hatherley.

These are important changes and they demonstrate the growing maturity of the Company. As founder of DWS, Mr Wallis believes it is now the right time for him to hand over the day-to-day operations of the Company to Mr Armstrong. Lachy Armstrong has been with DWS for nine years, and in that time, he has held a number of senior executive positions. Mr Armstrong understands the strengths of the Company, he knows its people extremely well, the customers and the market in which DWS operates. He can be relied upon to continue to develop and enhance the business model that Mr Wallis has used to successfully make DWS what it is today.

It has been a real pleasure for me to be a part of DWS since its listing as a Public Company in June 2006. The Board and executives have operated as an effective team, with the Board providing guidance, support and any necessary oversight. I am



confident that this focus on teamwork and effective management will continue well into the future.

Before I hand over to Danny to continue with this theme, may I take this opportunity to publicly wish DWS and all the people associated with it (and especially the staff, customers, and shareholders) the very best for the future.

Harvey Parker to handover to Danny Wallis.

Mr Danny Wallis:

Thank you Harvey

I founded DWS in 1991 as a single person consultancy and I have successfully led the company to what it is today, a leading I.T. professional services organisation. In 2006 the company successfully listed on the ASX. After our listing we expanded geographically and are now represented in all the capital cities in Australia, other than in Darwin. I feel honoured to have been able to lead this organisation and enjoyed every minute of it, the highs and the lows. It has been an extraordinary journey; I have experienced first hand the development of staff, learnt how to develop and foster client relationships whilst running a financially successful business every year since inception. It is now time, however, for me to hand over the baton for day-to-day running of the business.

I am excited about my new role as Non-executive Chairman and look forward to serving in this capacity for a long time. I am pleased to confirm that Lachlan Armstrong has accepted the Board's nomination to take over from me as CEO and Managing Director in February 2014. I first met Lachy 9 years ago and within a few hours offered him a position in the company. Lachy has a natural ability in business and a maturity well beyond his years. He has been a terrific CFO and has earned respect both internally and externally not only for his intellectual capacity but also for his sound judgement.

As well as having a successful business relationship, I have developed a strong friendship with Lachy and his family, and I couldn't have asked for a better successor for this role. I have personally mentored Lachy over the last 9 years in all aspects of our business and in particular I have mentored him for the CEO position over the past 2 years. Lachy is equipped with all the tools needed for him to be successful in his new role, and I know he will be a great leader of the management team.

As well as my role as Non-executive Chairman, I will be taking on a consulting role to advise the Management Team. I wish Lachy well in his new role which will take effect from 28th February 2014.

In addition to Lachy DWS has a extraordinarily strong executive team. Mr Andrew Rose formerly a senior executive at Telstra joined DWS nearly 2 years ago. Andrew has brought to the team a wealth of experience and has impressed me with his relentless energy, professionalism and can do attitude.

The recent addition of James Hatherley has further strengthened the management team. James has held several senior finance and management positions, including CFO at Australian Air Express, Deputy CFO at Australia Wheat Board Limited, and



prior to that he was a Partner with Ernst and Young. He brings a huge amount of experience and I am sure he will be a great successor to Lachy in the role of CFO and Company Secretary.

I wish to thank our outgoing chairman Mr Harvey Parker for his contribution to DWS. Harvey joined the company as Chairman during our IPO in 2006. I have personally learnt a lot from Harvey and thank him for his leadership over the past 7 years.

I would like to thank everyone associated with DWS over the past 22 years for what has been a wonderful fun exciting experience. I look forward to continuing on this journey in my new role as Non-executive Chairman.

I have no immediate plans to sell any of my DWS shares. I will now handover to Lachy to say a few words.

Danny Wallis to handover to Lachlan Armstrong.

Mr Lachlan Armstrong:

Firstly, I'd like to say that its an honour to be standing here as the CEO elect of DWS, and I'd like to sincerely thank the Board for the opportunity to lead the Company into the future.

I feel especially privileged to be the person nominated to take over this role from the Company's founder, Danny Wallis. Danny's entrepreneurial spirit and passion for our business are somewhat legendary, and after nine years of working closely with him, I'm absolutely certain his passionate and spirited approach will also make him a very diligent Chairman.

It is, of course, invaluable for our management team to have ongoing access to Danny and our other Board members given their complementary blend of skills and deep industry experience. I know that we will continue benefit greatly from their contributions and I look forward to continuing what has been a strong and productive relationship to date.

The management team has been working towards a transition of Danny's day-to-day managerial responsibilities for some time now, and in that regard I anticipate little to change in the operation of business in the short term.

The management team's immediate focus will remain on positioning DWS as strongly as possible for the much-anticipated pick-up in business investment. There has been a noticeable increase in general business activity in recent months, however, we are yet to see a corresponding increase in project starts. We remain optimistic though, that the much-publicised increase in confidence will see business commence expansionary investment in the New Year rather than the recent trend of cost reduction.

We will also be running several internal staff engagement initiatives to keep the team revved-up as the previous year has been a very difficult period for them also. We recognise that their ongoing commitment to delivering excellent outcomes for our clients is critical to the success of our business. We have a terrific team across the country and I know they are also looking forward to a stronger operating environment.



As Danny stated, we are continuing to look at acquisition opportunities in range of areas, including Digital, Mobile Computing and Cloud Services – which are all expected to be high growth sectors.

I would like to offer my own thanks to our outgoing Chairman, Harvey Parker. Harvey has been a terrific source of wisdom and experience since joining the Board, and he has been a great supporter of the Management Group also, and for that we're very grateful.

Finally, I would to thank Andrew Rose and the other members of the DWS Management Team for their ongoing support. DWS has a very talented management group, and the recent addition of James Hatherley as my nominated replacement as CFO and Company Secretary, completes what I expect will be a terrific team to take the Company forward.

Lachlan Armstrong to hand back to Harvey Parker.

13. Conclusion

Ladies and Gentlemen, that concludes the business of the meeting. Thank you ladies and gentlemen for your participation. I now declare the meeting closed.

