STW Group Limited
Level 6, 72 Christie Street
St Leonards, NSW 2065
Sydney Australia
t +61 2 9373 6488
f +61 2 9373 6398
ABN 84 001 657 370
www.stwgroup.com.au

10 May 2011

The Manager
Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

STW COMMUNICATIONS GROUP LIMITED (SGN) - ANNUAL GENERAL MEETING

Please find attached a the following documents, which will be presented at the Annual General Meeting of STW Communications Group Limited which commences at 9:30am on Tuesday, 10 May 2011 in compliance with Listing Rule 3.13.3:

1. Copy of Chairman's Address; and
2. Copy of Chief Executive Officer's Address

Yours faithfully,

Chris Rollinson
Company Secretary
STW Communications Group Limited

Chairman's Address – Robert Mactier

2010 Results
We are justifiably pleased with the results that we delivered in the year ended 31 December 2010. Key highlights included:

- Proportional revenue was up 13% to $304 million.
- Proportional EBITDA increased by 10.5% to $69.4 million.
- Free cashflow was $75.2 million, a rise of 12.7%.
- Underlying net profit after tax grew by 17% to $38.7 million.
- The total dividend for the year was higher by 86 % to 6.5 cents per share.

Following on from the challenging year that was 2009, it was very pleasing to see the strategies that we had initiated during 2008 starting to bear fruit. Mike will shortly address you to provide more insights on the key drivers of our 2010 results.

Outlook for 2011:
Turning to the outlook for 2011, we stated in February this year that our expectation was for growth in net profit to be 5 – 10% higher this year. Mike will comment in more detail around the current market and economic conditions we are experiencing. Suffice to say there are plenty of challenges out there but we feel confident that our businesses are in good shape albeit there is no scope for rest or complacency. In this context, we are pleased to be able to say that our guidance for 2011 remains unchanged although, at this early stage of the year, we feel that the lower end of our guidance is a more likely outcome.

Capital Management and Dividend Policy:
We indicated at last year's AGM and again with our 2010 full year results announcement that as our balance sheet improved, our earnout liabilities reduced and the economic outlook improved that we would be actively looking to enhance our return to shareholders through further dividend policy and / or other capital management initiatives. The board has reviewed our capital management policies and determined that for the foreseeable future:

- Our target Gross Debt[1] to EBITDA[2] ratio should be 1.5 – 2.0 times. This compares to our 31 December 2010 ratio of 1.63 times and a bank covenant of 3.0 times.
- Our target Gross Debt to Gross Debt plus Equity[3] ratio should be 25% – 35%. This compares to our 31 December 2010 ratio of 26.9% and a bank covenant of 40%.
- Our target dividend payout ratio is to be 60 – 70% of underlying net profit after tax. This compares to our full year payout ratio for 2010 of 60%. Within the context of this payout range our objective should be seek to maintain the absolute level of the annual dividend.

These capital management parameters represent target levels across the economic cycle and we would always reserve our capacity to move outside of these bands in the short term as economic conditions or expansion opportunities demanded.

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[1] Debt is defined to include all drawn debt and on balance sheet earnout liabilities on a gross basis
[2] EBITDA defined as underlying statutory consolidated EBITDA on a rolling 12 month basis.
[3] Equity is defined as equity attributable to members of the parent entity.

We do have plenty of headroom within our bank covenants and based on our current outlook for 2011, we will likely be at or below our target ratios by the end of this year. I am sure that some shareholders will suggest that we are being overly conservative and cautious. However, I think our policies are appropriate given; the nature of our business and asset base; the significant earnout obligations that are due to be paid this year; the potential opportunities that we see for strategic expansion; and the continuing patchy economic conditions we are experiencing.

However, we would expect, based on the well worn cliché of "everything we know today" that we would be announcing further proactive steps to return surplus cash and/or franking credits to our shareholders at the time of the release of our 2011 full year results.

Board, Senior Management and Employees:
The results we achieved in 2010 were a direct result of the energy, commitment and drive of not only our senior management team but also of our 2,300 plus talented and diverse group employees and partners. On behalf of our shareholders, I would like to formally thank Mike, Chris and Lukas and their respective teams for their pivotal role in making STW what it is today, the strength of our 2010 results and the confidence we have in our outlook.

I would also like to record my appreciation of the contribution of each of my fellow directors. As foreshadowed at last year's AGM, Anne Keating stepped down from the board on February 10 this year after more than 15 years of valued service and Kim Anderson and Peter Cullinane joined the board during 2010. Kim and Peter bring to the board a wealth of experience and valuable perspectives across a range of disciplines, notably in the areas of digital commerce and global marketing and communications. I am delighted with the manner in which they have both contributed to the board and the perspectives they have brought.

Finally, I would like to take this opportunity to extend a huge vote of thanks to Russell Tate, as he is stepping down from the board at the conclusion of today's meeting. As you are well aware, Russell is one of the icons of Australian advertising, a man who says what he thinks, acts on what he believes and delivers results. Russell has been with STW Group since 1987 and during this time has held the roles of CEO, Executive Chairman and more recently Non Executive Deputy Chairman. Mike is going to comment in more detail about Russell's role as one of the driving forces behind the creation of STW to become Australia's leading marketing, content and communications group. It is a group that Russell should feel justifiably proud of as he departs as a board member but continues on as a friend of STW. There are many, many talented executives across the STW Group, not the least of whom is Mike Connaghan, who regard Russell as not only their respected mentor but also their valued friend.

In particular, I wanted to take this opportunity to acknowledge the manner in which Russell has handled the transition from the role of Executive Chairman. It is a fantastic example of how to transition a key principal of a business without losing goodwill or momentum amongst the client base and employees. I have always respected and sought Russell's counsel and hope I will be able to continue to do so into the future.

I will ask Russell to briefly address the meeting following Mike's address.

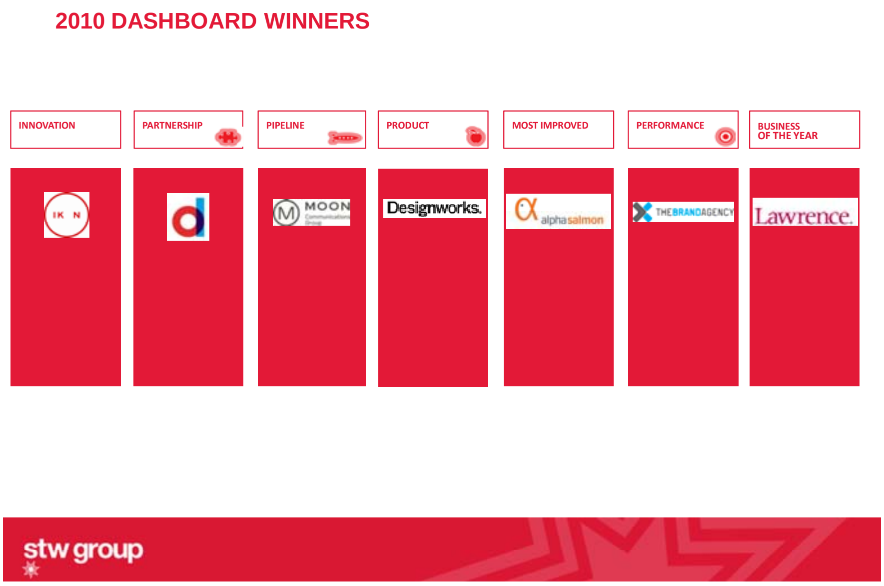
Chief Executive Officer Address

Good morning all and welcome,

It’s fantastic to have many of our shareholders and senior people here with us at STW’s head office.
2010 was a very satisfying year for the STW Group and hopefully all of you as shareholders.

In 2010 the Group returned to strong growth. Our revenues bounced back to pre GFC levels and the work that we produced for our clients has meant that our clients have stuck with us. Pretty much across the board those same loyal clients have entrusted us with more of their marketing dollar.
The fact that our revenue growth in 2010 was entirely organic was particularly pleasing.

In the annual report I singled out the businesses that performed particularly well in winning one of our internal Dashboard awards. The winners will be representing STW at the Asian Marketing Effectiveness awards in Shanghai later this week. All of these companies had brilliant years in 2010 winning new business, producing fantastic creative and effective work and most important of all, exhibited the great collegial intent that now defines the STW way and drives our winning culture.



Also in 2010 we at STW Group started up or incubated no fewer than 7 new companies. We have high hopes for these new companies, many in the emerging Digital sector. We estimate that the investment in these start ups was approximately $2m and I’d like to point out that that $2m was expensed through our P&L in 2010. We believe these home grown companies will play a significant role in STW’s future growth.

START UPS 2010

Entity	Specialty	Investment
Start-ups		
STW Smollan Field Marketing	Field Marketing	
The Brains Department	Training & Facilitation	
BrightHost	Web Hosting	
IKON (Perth, Melbourne, NYC)	Media Buying and Planning	
Barton Deakin	Public Affairs	
Appcast	Mobile Application Developer	
Feedback ASAP	Mystery Shopping	
	Estimated P&L impact – PBT @ 100%	$2m (approx)

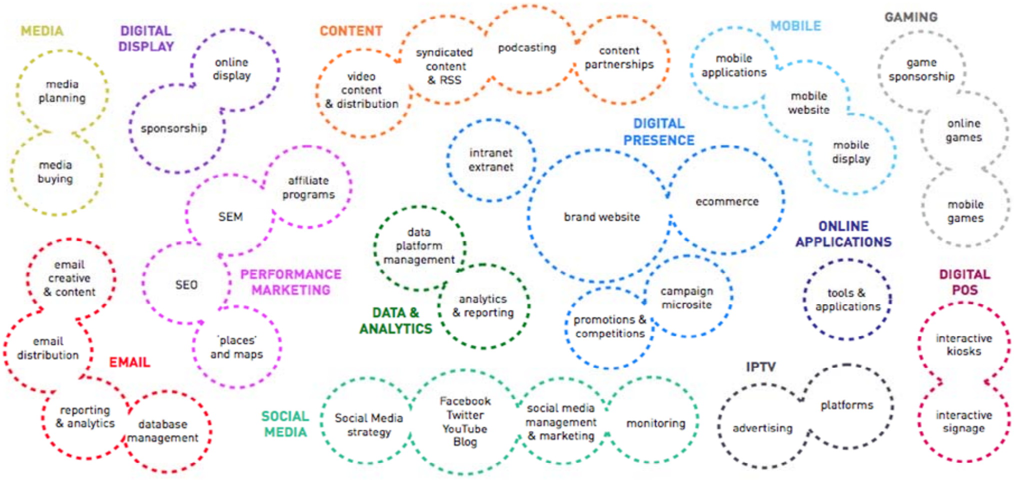
Equally exciting was some of the new business wins we had outside of Australia and New Zealand. Our people were out there competing and winning against the best in the world for serious blue-chip assignments.

Growth and STW global presence

stw group

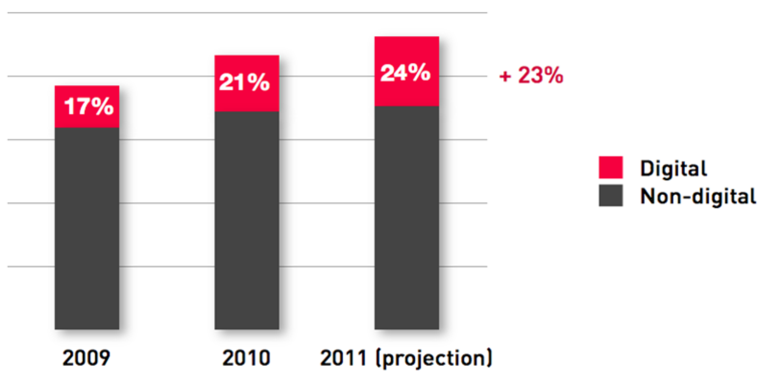
Moving forward STW Group will look to take a bigger role outside Australia and New Zealand particularly in the high growth corridor of Asia. We are already having some very interesting discussions with some prospective partners in Asia. STW Group has certainly been made very welcome by those independent locally owned companies who see us as a breath of fresh air and potentially an ideal partner to help grow their business. We will of course be measured in our expansion plans in Asia and absolutely see ourselves as an Australian based company, and we must continue to dominate here if the overall company is going to continue to grow.
Digital is a major focus for STW. We already lead in this area in ANZ with more than a dozen specialist Digital companies and a large proportion of our revenue being

STW's EXPANDING DIGITAL OFFER



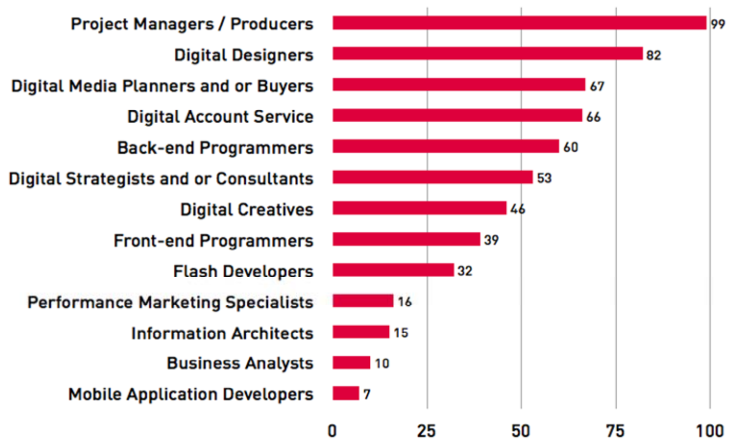
attributed to Digital work across the group. Clearly the Digital world is evolving and growing rapidly. We have invested directly at head office in our own Digital team to make sure we remain ahead of the competition. STW has a very strong Digital business today. We have been at the forefront of the Digital revolution and project that in 2011, 24% of our revenue will come from Digital.

DIGITAL ACCOUNTS FOR 24 % OF FORECAST 2011 REVENUE



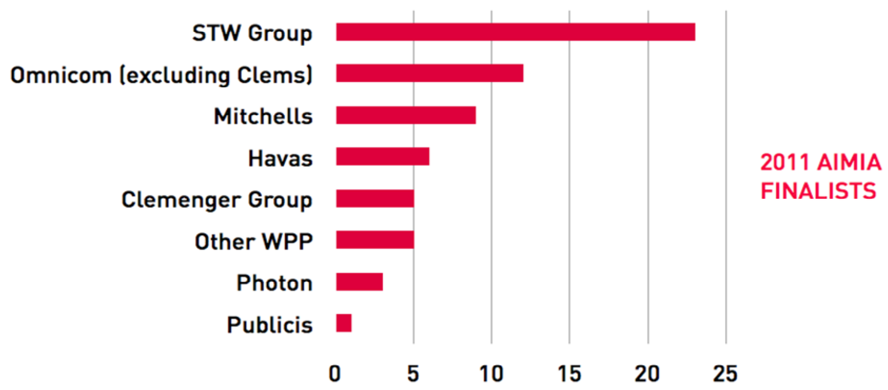
This compares well with all the International Marketing Communications Holding companies. We already have close to 600 people working in Digital specific roles and we expect this number to grow as the Digital influence in all communications continues to grow.

592 DIGITAL STAFF EMPLOYED ACROSS GROUP



Also, very importantly we are doing great and important work for our clients and outperform our competitors in a big way.

STRONG GROUP SHOWING IN DIGITAL AWARDS



The world is moving fast forward but I firmly believe with the talent we have, the clients we serve and our ability to create and adapt will mean the change equals opportunity for us, and result in big things for our clients and shareholders. We will continue to look for quality companies to join the group and enhance our leadership position and there is no doubt with the quality of the people we have in the Group that more 'home grown' initiatives will be born and we will stay ahead of the game.

DIGITAL REPORT CARD

- ★ STW has a strong digital offering today
- ★ Digital services revenue projected to grow to 24% of total in 2011
- ★ Many of our digital companies are leaders in their field
- ★ Our position today is strong
- ★ We will adapt as fast as possible to ensure that: change = opportunity = results
- ★ We will continue to look for quality acquisitions and/or maintain our efforts in 'home growing' our own capabilities

stw group

Rob commented earlier that the economic conditions we are currently facing are far from easy. A number of events well beyond our control have had a negative impact on us, and our clients.

The floods in Queensland, the earthquake in Christchurch and the events in Japan have and will continue to have an impact.

Consumer sentiment in Australia and New Zealand is subdued. The retail environment is particularly tough at the moment. All this while we face a rapidly changing communication and commercial landscape.

Despite the unforeseen hits and the tough macro economic conditions we are trading strongly. Our revenues are holding up. We have enough good news around the group to make up for these nasty one-off disasters. As long as the local economies in Australia and New Zealand hold, I think we will have a pretty good year. Our investment in our people and training continues apace. We are expanding overseas and deeper into Digital. We said at the full year results presentation that we expected growth of between 5 and 10% NPAT. We remain firmly in control of what we can control. Our balance sheet is very strong and the business has never been in better shape. We have a solid pipeline of new business opportunities, we have a strong and diverse list of wonderful clients. The best local and international companies rely on our people to be there day in and day out and have learnt that we are a strong partner in good times and bad.

Taking all these factors into account, the first part of the calendar year is, as always, seasonally very slow for us and we don't yet have full visibility over our April results. However, we are again achieving good organic revenue growth and based on what we know today, I still believe that growth of between 5 and 10% is achievable; however as Rob has said, we would lean toward 5% at this stage.
Thanks very much for listening, before I hand back to Rob to continue with the formal items of the meeting I'd like to take this opportunity also to thank the board and Rob in particular. The last couple of years have been challenging for all sorts of different reasons but the unwavering support for the management team and robust debate of

the big issues around the board table have certainly helped us frame a strategy which I believe will lead STW to bigger and better things down the track.
To the leaders of all our companies, thank you for a great year and your excellence.
To the team at the centre; we are a small but very tight unit. To Chris and Lukas as the COO and CFO respectively, they have made the company better and the task far more enjoyable. And to all those that help across finance and training, the company would not be in the fine shape it is now without your efforts so thank you all very much.

We will send Russell off in a more appropriate manner a little later in the year, but I really wanted to say a few words about the man, publically to all shareholders and the market before he heads down to the farm to tend to his cows.