

NOTICE

OF ANNUAL
GENERAL MEETING

STW COMMUNICATIONS GROUP LIMITED
ABN 84 001 657 370

NOTICE IS GIVEN THAT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF STW COMMUNICATIONS GROUP LIMITED (THE "COMPANY") WILL BE HELD AT THE OFFICES OF SINGLETON OGILVY & MATHER, DARLING PARK, TOWER 2, LEVEL 25, 201 SUSSEX STREET, SYDNEY ON

FRIDAY, 18 MAY 2007
AT 10:30AM

ORDINARY BUSINESS

1. FINANCIAL REPORT AND STATEMENTS

To receive and consider the financial report of the Company and the consolidated financial statements of the Company and its controlled entities for the year ended 31 December 2006 and the related Directors' Report, Directors' Declaration and Independent Auditor's Report.

2. ELECTION OF DIRECTORS

To consider and, if thought fit, to pass the following as ordinary resolutions:

2.1 ELECTION OF MR ROBERT MACTIER

"That Mr Robert Mactier, a Director of the Company appointed on 11 December 2006, who retires in accordance with the Company's Constitution and, having offered himself for election and being eligible, is elected as a Director of the Company."

2.2 ELECTION OF MR JOHN O'NEILL AO

"That Mr John O'Neill AO, a Director of the Company appointed on 23 February 2007, who retires in accordance with the Company's Constitution and, having offered himself for election and being eligible, is elected as a Director of the Company."

2.3 RE-ELECTION OF MR GREG WOOLLEY

"That Mr Greg Woolley, being a Director of the Company who retires by rotation in accordance with the Company's Constitution and, having offered himself for re-election and being eligible, is re-elected as a Director of the Company."

2.4 RE-ELECTION OF MR PAUL RICHARDSON

"That Mr Paul Richardson, being a Director of the Company who retires by rotation in accordance with the Company's Constitution and, having offered himself for re-election and being eligible, is re-elected as a Director of the Company."

3. ALLOCATION OF SHARES TO DIRECTOR PURSUANT TO THE STW EXECUTIVE SHARE PLAN

This resolution will only be put to shareholders if resolution 2.2 is passed.

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That, for the purposes of the Australian Stock Exchange Listing Rule 10.14, the allocation of 700,000 Performance Shares to Mr John O'Neill AO, a Director of the Company, pursuant to the STW Executive Share Plan on the terms and conditions summarised in the Explanatory Statement accompanying this notice of meeting, be approved."

This resolution is proposed in accordance with the requirements of the Australian Stock Exchange Listing Rule 10.14.

4. REMUNERATION REPORT

To consider and, if thought fit, to pass the following as a resolution:

"That the Remuneration Report to shareholders for the year ended 31 December 2006 be adopted."

5. APPOINTMENT OF NEW AUDITOR

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That pursuant to section 327B of the Corporations Act 2001, Deloitte Touche Tohmatsu, having consented to do so under section 328A of the Corporations Act 2001, be appointed as auditors of the Company, subject to the Australian Securities and Investments Commission granting its consent to the resignation of DTT NSW (formerly Horwath Sydney Partnership)."

6. NON-EXECUTIVE DIRECTORS' REMUNERATION

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That the maximum aggregate amount payable to Non-executive Directors by way of Directors remuneration be set at \$500,000 per annum."

In accordance with the Corporations Act 2001, a reasonable opportunity will be given to shareholders at the meeting to ask questions about, or make comment on, the management of the Company. Shareholders will have reasonable opportunity to ask the auditor or their representative questions relevant to the Company audit and preparation and content of the Independent Auditor's Report.

By order of the Board

Chris Rollinson
Company Secretary
12 April 2007

ENTITLEMENT TO VOTE AND PROXIES

1. VOTING ENTITLEMENTS

The Directors of the Company have determined that the shareholding of each shareholder for the purposes of ascertaining the voting entitlements for the Annual General Meeting will be as it appears in the Share Register at 10.30am (Sydney time) on 16 May 2007 (section 1074E and Regulation 7.11.37 of the Corporations Act 2001). Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

2. VOTING EXCLUSION STATEMENTS

Resolution Item 3

The Company will disregard any votes cast on resolution item 3 by Mr John O'Neill AO or any of his associates.

However, the Company need not disregard a vote if it is cast by:

- a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Resolution Item 6

The Company will disregard any votes cast on resolution item 6 by any Director or any of his/her associates.

However, the Company need not disregard a vote if it is cast by:

- a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

3. PROXIES

A shareholder has the right to appoint a proxy, who need not be a shareholder of the Company. If a shareholder is entitled to cast two or more votes, that shareholder may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise.

The proxy form distributed with this notice must be received no later than 48 hours before the commencement of the meeting (which is scheduled to commence at 10.30am (Sydney time) on 18 May 2007) at the Company's share registry, Computershare Investor Services Pty Limited, located at Level 2, 60 Carrington Street, Sydney, NSW, 2000 or at the offices of the Company, Darling Park, Tower 2, Level 25, 201 Sussex Street, Sydney, NSW, 2000, or by facsimile to Computershare Investor Services Pty Limited on (02) 8235 8220 or to the Company on (02) 9373 6396.

EXPLANATORY STATEMENT

STW COMMUNICATIONS GROUP LIMITED
ABN 84 001 657 370

EXPLANATORY STATEMENT ATTACHED TO THE NOTICE OF ANNUAL GENERAL MEETING TO BE HELD ON FRIDAY, 18 MAY 2007 AT 10.30AM (SYDNEY TIME).

INTRODUCTION

This Explanatory Statement has been prepared to provide the shareholders of STW Communications Group Limited (the "Company") with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting ("AGM") of the Company to be held on 18 May 2007.

All shareholders should read the Explanatory Statement carefully and in its entirety. Shareholders who are in doubt regarding any part of the business of the AGM should consult their financial or legal adviser for assistance.

FINANCIAL REPORT AND STATEMENTS

The financial statements of the Company for the year ended 31 December 2006 have been lodged with the Australian Stock Exchange in accordance with the lodgement timetables and requirements. The following reports are to be laid before the meeting:

- the Financial Report (which includes the financial statements and Directors' Declaration);
- the Directors' Report; and
- the Independent Auditor's Report.

Shareholders will be given reasonable opportunity at the AGM to ask questions and make comments on these Reports.

There is no requirement for shareholders to approve any of these Reports.

Resolution items 2.1 to 2.4: Election and Re-election of Directors

Mr Robert Mactier was appointed by the Directors of the Company on 11 December 2006 as an addition to the existing Directors and retires in accordance with the Company's Constitution. In accordance with the Company's Constitution, Mr Mactier offers himself for election.

Mr John O'Neill AO was appointed by the Directors of the Company on 23 February 2007 as an addition to the existing Directors and retires in accordance with the Company's Constitution. In accordance with the Company's constitution, Mr O'Neill offers himself for election.

Messrs Greg Woolley and Paul Richardson retire by rotation in accordance with the Company's Constitution. Each of these Directors offers himself for re-election.

Profiles of Messrs Mactier, O'Neill, Woolley and Richardson are contained in the Company's 2006 Annual Report.

Resolution item 3: Allocation of Shares to Director under the STW Executive Share Plan

Resolution item 3 will only be put to shareholders if resolution 2.2 is passed.

3.1 OVERVIEW

The Company proposes to allocate shares under the STW Executive Share Plan ("ESP") to Mr John O'Neill AO, an Executive Director of the Company on the terms summarised below.

The Company established the ESP, which was approved by shareholders at the Company's AGM on 25 May 2004, and ordinary shares in the Company were issued pursuant to the ESP Rules ("Rules").

A summary of the key terms of the Rules is set out in Appendix A to this Explanatory Statement. Any capitalised terms not defined within this Part 3 of the Explanatory Statement are defined in Appendix A.

Pursuant to the Rules, a number of ordinary shares have been issued to the Trustee and are being held by the Trustee on trust for Participants and future participants of the ESP. Accordingly, the shares proposed to be allocated to Mr O'Neill have been issued and are currently being held by the Trustee.

3.2 APPROVAL FOR ACQUISITION BY DIRECTORS UNDER EMPLOYEE INCENTIVE SCHEME

Listing Rule 10.14 provides that the Company must not permit a Director to acquire securities under an employee incentive scheme without the approval of ordinary shareholders.

Accordingly, the Company seeks the approval of shareholders in respect of the proposed allocation to Mr O'Neill of 700,000 shares in the Company ("Performance Shares") under the Rules and according to the terms set out below.

3.3 TERMS OF ISSUE

The Performance Shares will be allocated to Mr O'Neill on terms and conditions set out in the Rules as varied by the terms below.

Number of Shares

A total of 700,000 Performance Shares will be allocated to Mr O'Neill and become accessible by him in accordance with the Rules ("accessible") in two parcels as follows:

- Parcel A: 280,000 Shares ("Parcel A Performance Shares"); and
- Parcel B: 420,000 Shares ("Parcel B Performance Shares"),

subject to the Vesting Conditions set out under their respective headings below.

Price of Performance Shares and Allocation Date

No amount will be payable by Mr O'Neill for the Performance Shares allocated to him.

The Performance Shares will be allocated to Mr O'Neill on the date resolution 3 is passed by the shareholders in general meeting ("**Allocation Date**").

Vesting**PARCEL A PERFORMANCE SHARES**

The Parcel A Performance Shares allocated to Mr O'Neill will vest in four equal tranches over four years, commencing from the start of the 2007 calendar year, subject to the achievement of performance hurdles determined by the Remuneration and Nominations Committee ("**Parcel A Performance Hurdles**").

Subject to satisfaction of the Parcel A Performance Hurdles:

- on 15 March 2009, 70% of the first two tranches of the vested Parcel A Performance Shares will be accessible by Mr O'Neill; and
- on 15 March 2011, the remaining 30% of the first two tranches of the vested Parcel A Performance Shares together with 100% of the second two tranches of the vested Parcel A Performance Shares will be accessible by Mr O'Neill.

PARCEL A PERFORMANCE HURDLES

The Parcel A Performance Hurdles will be determined by the Remuneration and Nominations Committee ("**Committee**") of the Company in its absolute discretion based on the performance of the businesses operating within the STW Sports group.

PARCEL B PERFORMANCE SHARES

The Parcel B Performance Shares allocated to Mr O'Neill will vest in four equal tranches over four years, commencing from the start of the 2007 calendar year, subject to the achievement of the performance hurdles applicable to the Participants as set out below ("**Parcel B Performance Hurdles**").

Subject to satisfaction of the Parcel B Performance Hurdles:

- on 15 March 2009, 70% of the first two tranches of the vested Parcel B Performance Shares will be accessible by Mr O'Neill; and
- on 15 March 2011, the remaining 30% of the first two tranches of the vested Parcel B Performance Shares together with 100% of the second two tranches of the vested Parcel B Performance Shares will be accessible by Mr O'Neill.

PARCEL B PERFORMANCE HURDLES

The Parcel B Performance Hurdles are those applicable to the Participants as determined by the Committee of the Company. The Committee has determined that the '*Performance Hurdles*' applicable to the Participants will be based on the fully diluted, pre-goodwill amortisation and impairment, earnings per share for the Company ("**EPS**").

The EPS hurdle for each year ending 31 December 2007 and 31 December 2008 has been set at 12.5% per annum growth over the previous calendar year.

The EPS hurdle for subsequent years will be set by the Committee at a later time.

3.4 SHARES ISSUED UNDER ESP SINCE LAST SHAREHOLDER APPROVAL

Since 25 May 2004, being the date of last shareholder approval for the issue of Performance Shares under the ESP to Directors, no Performance Shares have been allocated to Directors.

Resolution item 4: Adoption of Remuneration Report

The Directors' Report for the year ended 31 December 2006 includes a Remuneration Report, which sets out the policy for remuneration of the Directors of the Company and specific executives of the Company and the STW group.

The *Corporations Act 2001* ("**Corporations Act**") requires Directors to put forward, and afford shareholders the opportunity to vote upon, a resolution to accept the Remuneration Report included in the Directors' Report. The Corporations Act specifically provides that the vote is advisory only and does not bind the Directors or the Company.

Shareholders attending the AGM will have reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Resolution item 5: Appointment of Auditor

As a result of the merger of the Company's auditor Horwath Sydney Partnership ("**Horwath**") with Deloitte Touche Tohmatsu ("**Deloitte**"), the partners of Horwath joined the Australian partnership of Deloitte on 1 February 2007.

Horwath changed its name to DTT NSW.

DTT NSW (formerly Horwath Sydney Partnership) wishes to resign as auditor of the Company at the next AGM. The Company wishes to appoint Deloitte Touche Tohmatsu as the Company's auditor.

Under the *Corporations Act 2001*, the resignation of an auditor is subject to approval by the Australian Securities and Investments Commission ("**ASIC**") and appointment of a new auditor is subject to approval at an AGM. Accordingly, DTT NSW (formerly Horwath Sydney Partnership) is seeking ASIC approval to resign as auditor.

In accordance with the *Corporations Act 2001*, the Company has sought and obtained a nomination from a shareholder for Deloitte Touche Tohmatsu to be appointed as the Company's new auditor. A copy of this nomination is attached to this Explanatory Statement as Appendix B.

Deloitte Touche Tohmatsu has given its written consent to act as the Company's auditor subject to ASIC consent for DTT NSW to resign as the Company's auditor and shareholder approval of resolution item 5.

The Board of Directors unanimously recommends that members vote in favour of the appointment of Deloitte Touche Tohmatsu as the Company's auditor.

If resolution item 5 is passed, the resignation of DTT NSW (formerly Horwath Sydney Partnership) and the appointment of Deloitte Touche Tohmatsu as the Company's new auditor will take effect at the close of this AGM.

Resolution item 6: Non-executive Directors' Remuneration

Article 6.3(a) of the Constitution of the Company provides that Directors are entitled to be paid such remuneration as the Company in general meeting determines.

Listing Rule 10.17 also requires shareholder approval prior to an increase in the total amount of fees payable to Non-executive Directors by the Company.

Pursuant to both Article 6.3(a) of the Constitution and to Listing Rule 10.17 shareholder approval is sought to set the maximum limit on the remuneration of Non-executive Directors to \$500,000 per annum (inclusive of superannuation).

REASONS FOR SEEKING APPROVAL

The current amount which shareholders have approved to be paid to each Non-executive Director as Directors' remuneration is \$43,600 per annum (inclusive of the minimum statutory superannuation entitlement). This amount was set in 1993 and since then this is the first time an increase has been proposed to shareholders. No maximum aggregate amount has ever been set.

The actual aggregate fees paid by the Company to Non-executive Directors for the 2006 financial year were \$241,617 including superannuation. Details of Non-executive Directors' remuneration is disclosed in the Remuneration Report set out in the 2006 Annual Report.

The recommended maximum aggregate threshold is made by the Board considering the following:

- Directors' fees have not been adjusted over time to reflect market changes or to take into account the considerable increase in the amount of time and consideration which Directors need to commit to their duties as a result of the expanded scope of rules and regulations for corporate governance imposed in recent years. The Board's research indicates that fees presently paid to Directors are well below the market for comparable Australian companies;
- there has been a significant increase in the size and complexity of the Company as a result of organic growth combined with the numerous acquisitions which have been effected since the individual Director's fees were determined in 1993;
- other than minimum statutory superannuation, the Company does not provide its Directors with any retirement benefits; and
- setting the maximum amount of Non-executive Directors' fees payable does not mean that the whole of the maximum aggregate will be used in the next financial year. However, it will provide the Board with the ability over time to increase Non-executive Directors' fees in line with market conditions and also to attract high quality Directors.

If shareholders pass resolution item 6, the Board intends to increase the remuneration currently paid to each Non-executive Director to \$65,000 per annum (inclusive of superannuation) effective 1 January 2007.

APPENDIX A

SUMMARY OF RULES – STW EXECUTIVE SHARE PLAN

1. ELIGIBILITY

The Board may make offers to Eligible Executives to acquire Performance Shares under, and in accordance with, the Rules.

2. OFFER

The Board will determine:

- the number of Performance Shares to be offered to an Eligible Executive;
- the terms and conditions of an Offer including the performance hurdles (the “**Performance Hurdles**”) and vesting restrictions and conditions (collectively referred to as the “**Vesting Conditions**”);
- the time and manner in which the Vesting Conditions are to be satisfied; and
- the date by which the Vested Performance Shares are to be transferred to the Participant.

The Trustee will subscribe for, or purchase, Performance Shares as directed by the Board which will be held and dealt with by the Trustee in accordance with the Rules and the Trust Deed.

Performance Shares which have been allocated to, and are held on behalf of, a Participant by the Trustee under the Plan are known as “**Vested Performance Shares**”.

3. PRICE OF PERFORMANCE SHARES

No amount will be payable by a Participant for Performance Shares which have been allocated to a Participant.

4. PLAN LIMIT

The total number of Performance Shares on issue under the Plan will not exceed 5% of the then issued ordinary shares of the Company.

5. ENTITLEMENTS OF PARTICIPANTS

While Performance Shares are held by the Trustee on behalf of Participants:

- subject to satisfaction of the Performance Hurdles, Participants will be entitled to all dividends and voting rights relating to the Performance Shares (whether vested or not); and
- any ordinary share issued as part of a pro rata bonus issue to shareholders of the Company will be held on trust for the Participants in accordance with the Rules.

Participants will be entitled to receive notice of every general meeting of members of the Company and all accompanying documents. Within 72 hours before a general meeting, Participants may give the Trustee written notice directing the Trustee how to vote in respect of the Vested Performance Shares held for those Participants.

Participants will, as soon as practicable, be given a notice setting out all entitlements which have accrued to the Vested Performance Shares allocated to the Participants.

6. VESTING OF PERFORMANCE SHARES

When the Vesting Conditions applicable to an Offer have been satisfied, or waived:

- the Company will give the Participant a notice specifying the number of Vested Performance Shares which are to be allocated to, and held by, the Trustee for the benefit of the Participant; and
- the Participant may, after receiving notice, give the Company an application, in a form prescribed by the Board, directing that the Vested Performance Shares be transferred to the Participant.

7. SALE OF PERFORMANCE SHARES

A Participant may not sell, encumber or otherwise deal with a Vested Performance Share until the Vested Performance Share has been transferred to the Participant, unless otherwise permitted by the Rules or the Board.

8. FORFEITURE OF OFFER OR VESTED PERFORMANCE SHARES

The rights of a Participant in respect of an Offer or Vested Performance Shares are subject to forfeiture, in certain circumstances, for a period of up to 10 years after the date an Offer is made to the Participant, unless the Board determines otherwise.

All rights and interests of a Participant under an Offer or in the Vested Performance Shares which have not been transferred to the Participant will be forfeited if:

- the Participant is dismissed for cause;
- the Board determines that the Participant has committed any act of fraud or dishonesty or serious breach of duty (including harassment or discrimination);
- the Participant has brought a group company into serious disrepute; or
- the employment of the Participant is terminated in the circumstances specified in the Offer to that Participant.

9. TRUST

The Trustee will hold the Performance Shares and all rights and entitlements attaching to the Performance Shares on behalf of Participants subject to the terms of the Trust Deed and in accordance with the Rules.

The Company will provide the Trustee with the necessary funds to enable the Trustee to purchase, or subscribe for, ordinary shares in accordance with instructions from the Company. All funds received by the Trustee from the Company will form part of the capital of the trust and shall not, generally, be repaid to the Company.

10. AMENDMENT OF RULES

Subject to the Australian Stock Exchange Listing Rules, the Board may, from time to time, amend the Rules.

GLOSSARY OF TERMS

ASX	means Australian Stock Exchange Limited ACN 008 624 691.
Board	means the board of directors of the Company.
Company	means STW Communications Group Limited ABN 84 001 657 370.
Eligible Executive	means an employee (including a director of the Company employed in an executive capacity) who is declared by the Board to be an Eligible Executive of the purpose of the Plan.
Listing Rules	means the listing rules of the ASX, as applicable to the Company, from time to time.
Offer	means an offer made to an Eligible Executive under the Rules of the Plan.
Participant	means an Eligible Executive who has accepted an Offer.
Performance Shares	means Ordinary Shares of the Company referred to in an Offer.
Plan	means the STW Executive Share Plan established in accordance with the Rules.
Rules	means the rules of the Plan, as amended from time to time.
Trust Deed	means the deed establishing the Plan, as amended from time to time.
Trustee	means the trustee for the time being under the Trust Deed.

APPENDIX B
NOTICE OF NOMINATION OF AN AUDITOR

STW Communications Group Limited
Level 25
Tower 2, Darling Park
201 Sussex Street
SYDNEY NSW 2001

29 March 2007

Mr Chris Rollinson
Company Secretary
STW Communications Group Limited
Level 25
Tower 2, Darling Park
201 Sussex Street
SYDNEY NSW 2001

Dear Sir

I, Russell Tate, being a member of STW Communications Group Limited hereby nominate Deloitte Touche Tohmatsu of 225 George Street, Sydney for appointment as auditor of the company at the Annual General Meeting convened for 18 May 2007. This notice is subject to the consent by ASIC of the resignation of DTT NSW (*formerly* Horwath Sydney Partnership) effective at the Annual General Meeting convened for 18 May 2007.

Please distribute copies of this notice as required by section 328B(3) of the Corporations Act 2001.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Russell Tate', written over the typed name.

Russell Tate