

28th November 2008

Company Announcements Office
Attn. Suzanna Dabski
Australian Stock Exchange Limited
Level 6, 20 Bridge Street
Sydney NSW 2000

Dear Ms Dabski

Please find attached a Company announcement for release to the market.

Yours sincerely

Jeff Bennett
Chairman



ENTELECT SOLUTIONS LIMITED

CHAIRMAN'S ADDRESS TO THE ANNUAL GENERAL MEETING held at 10.30am

At Grace Hotel, Pinaroo 2 Conference Room, 77 York Street, Sydney NSW 2000

Ladies and Gentlemen,

I would like to welcome you all to this, the Annual General Meeting for Entellect Solutions Limited. I thank you for your attendance and look forward to meeting many of you once the formalities are complete.

Firstly, let me introduce myself and your other representatives. I am Jeff Bennet and I have been a Director of Entellect Solutions and your Chairman since March of this year.

To my right is Paul Devine, who joined the Board as a non executive Director in May of this year and then next to him, Conrad Chrisafulli, who joined the Board as a non executive Director in August of this year. To my left is Paul Lowry who joined the Board as a non executive Director in October following his role as acting CEO for the company during the period from June until September. And then, next to Paul is Joseph Younane who was appointed CEO of Entellect in September. Next to him is David Michel our CFO and Company Secretary.

Clearly, this is a very new team and neither this Board nor the CEO was present at the last AGM. The background of each of the Directors is summarised in the various documents that you would have received but if you wish to learn more, we can either take questions later in the meeting or we would be delighted to meet you personally once the formal part of the meeting is concluded.

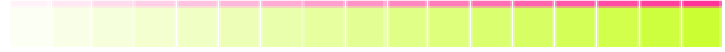
The financial year 07/08 was another poor one for the company. In summary, sales revenue was essentially flat at \$1.6M and losses increased to almost \$7.5M. Working capital was funded by share placements of \$7.8M at the cost of further dilution to existing shareholders. This continued the trend of poor revenues, large losses and continued capital raisings that has gone on for a number of years.

Obviously, the new Board could not permit this to continue. We come to the role with a vastly different view as to what constitutes acceptable business and shareholder outcomes.

We are well aware of the representations made to you at the last AGM, however when I and some of my colleagues sitting here joined the company it was clear to us that little progress had been made in meeting those commitments and that no clear action plan to turn the company around was in place.

In order to lay the foundations for a rapid, solid and sustainable turnaround, the new Board immediately commissioned an extensive review of the viability and performance of the business. At the beginning of June, following that review, the Board commenced a significant restructuring of the business.

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The key focuses of this restructuring were on:

- cost reduction
- project delivery and
- sales growth

I don't want to minimise either the difficulty or the lead time required to turn the company around. This is especially so in the current economic climate. However, I am pleased to report to you that this restructure and the new team are working.

The tangible outcomes of our efforts will be reflected in the first half and full year results. In anticipation of those results, I can advise you that on the back of massively increased order intake:

- revenues of more than \$2.6 million for the current half will exceed the equivalent half year revenues for the 07/08 year of \$578 thousand;
- the net profit result will be dramatically improved compared with the \$3.1M loss for the comparable half last year (although still a loss);
- operating cash flows will approach breakeven.

Our goal is to continue and improve further on this trend in the second half.

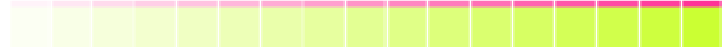
We have briefed you on a number of occasions about the details of the review that was undertaken and the actions arising so I do not propose to revisit these. I will be happy to answer any questions about these later in the meeting.

I would however like to talk about some of the outcomes of the work that has been undertaken. Firstly, the ongoing operating costs of our core operations have been reduced by 30% and we have discontinued a number of non viable products and operations. We continue to look for opportunities for further improvements.

Secondly, we have completed the development of the first release of our core eMinerva Enterprise product and had that product accepted by the Department of Education in Tasmania. We now have a saleable, shippable product for the Enterprise Market - to complement our Higher Education Product.

Thirdly, we have repositioned the existing Higher Education Product and commenced an active marketing plan to the thousands of potential customers in the education industry space. Fourthly, we have acquired significant new business and contracts and unlocked stalled revenue streams from existing products and contracts. Some of these include:

- Delivery of product and completion of the initial phases of the DOE Tasmania project resulting in receipt of milestone payments;



- Completing proofs of concept and closing the BCE contract including the sale of an eMinerva Enterprise license and associated services – resulting in a licence fee of almost \$2M (with half paid up front) and services and support revenue expected to exceed \$1.5 million in calendar 2009;
- Sales to existing customers and sales to new customers of the repositioned eMinerva higher education product;
- Signed and implemented a volume contract with Geon (a major full-service organisation in visual and print solutions in Australia and New Zealand) for the VCI vPublisher™ product – this contract is expected to generate significant revenues in the second half of the financial year;
- Signing a completely new agreement with BCE as the lead customer for a Reporting and Assessment product based on the previously acquired ARC IP. This involves an initial licence payment of \$1M with associated services expected to exceed \$2M over calendar 2009 and 2010. It also provides an exciting new product aligned with the requirements of the education sector and recent Government initiatives.

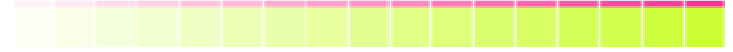
We expect that further progress in these areas will underpin performance and the achievement of our goals in the second half.

We are focused on:

- Controlling costs tightly;
- Delivering any development to time and to budget;
- Aggressively acquiring new sales for each of our product ranges - primarily in Australia;
- Developing a sales and business culture within the organisation;
- Developing recurring income models that will underpin the long term revenues of the business;
- Achieving positive financial outcomes for our shareholders.

Current economic events make it difficult to make any meaningful predictions or forecasts. Fortunately, Australian and global investments in education seem to some degree to be recession proof and our goal is to build on these improvements in the current half through the balance of the year.

There are strong indications that eMinerva is a competitive world-class enterprise Student Management System and we will continue to evaluate offshore opportunities for both MXL and VCI. Once Entellect Solutions has become profitable and has stabilised, we will turn our attention more aggressively to export growth.



We also continue to evaluate other avenues for growth including expansion of the product range and/or entry into new markets outside education or electronic publishing.

I would like to offer my sincere thanks to our clients and our suppliers, to my fellow Directors and to our loyal staff many of whom have performed so incredibly well under very difficult circumstances and to you, our shareholders for your continued support.

Let us now move to the formal part of the meeting.

Media enquiries:

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About Entellect Solutions Limited

Entellect Solutions Limited (ASX code: ESN) is a leading provider of online educational business solutions. Its *eMinerva* Student Management System is used in a wide range of public and private educational organisations in Australia and internationally.

Visit www.entellecsolutions.com