

ASX Announcement – Keycorp Limited (ASX:KYC)
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KEYCORP announces 2008/09 financial results

Highlights:

- **NPAT of \$9.3 million**
- **Dividends total 2.5 cps, fully franked (excluding the 5cps special dividend paid in June 2009)**
- **Debt facility fully repaid with strong cash position**
- **Positive cashflow from operations**
- **Business model and capital structure revised to enable growth**
- **Earnings guidance for FY2009-10 is a 35% improvement on like-for-like basis**

In line with previous guidance, the Board of Directors of Keycorp Limited (ASX:KYC) are pleased to announce a Net Profit after Tax Result of \$9.3 million for the year ended 30 June 2009.

This outstanding result is due to the highly successful and comprehensive transformation program KYC has recently completed. The completed transformation program included the divestment of non-core assets; cost reduction strategies; and a roll off of legacy under performing contracts.

The Company recognises that direct comparison of this year's financial results with previous years is somewhat difficult due to the disposal and restructuring activity that occurred during the past 12 months. As such, in addition to the statutory financial results, we provide the following summary information regarding continuing operations:

Continuing Operations	FY08/09	FY07/08	Chg
	\$ m	\$ m	
Revenue	52.1	37.2	+ 40%
Profit/(Loss) Before Tax (reported Results from operating activities)	(1.6)	(5.9)	
Add Back			
Restructuring Expenses	3.1	1.1	
Impairments	2.2	0.8	
Adjusted Continuing Operating Profit / (Loss)	3.7	(4.0)	+ \$7.7m

Keycorp's CEO, Mr. Joe Bonin, said "a most pleasing feature of our result is the completion of the business transformation initiatives and the resulting turn around of adjusted operating result from continuing operations from a prior year loss of \$4.0 million to a profit of \$3.7 million this year". The initiatives implemented collectively result in a robust business model with an underlying profile of sustainable earnings. In addition, the transformation program has enabled the full repayment of KYC's bank debt facility during the past year.



As at 30 June 2009, Keycorp has nil bank debt and cash of \$10 million. In addition, the Company's capital structure will be strengthened further with the expected release of an additional \$9.5 million to the Group at the end of the Westpac Terminal Services Agreement this fiscal year. The Board is currently reviewing the best application of available funds to ensure the company builds shareholder value.

The Company reiterates its previously stated intention to pay out in shareholder dividends between 50-70% of profit, after the retention of working capital requirements. Accordingly, a final dividend is announced of 1.5 cents per share, fully franked, out of FY09 profits. The book's closing date (record date) for this dividend is 21 September 2009, to be paid on 9 October 2009. The ex-entitlement date is 15 September 2009. This takes the total dividends to 2.5 cents per share for the year, excluding the 5 cents per share special dividend paid in June 2009.

Keycorp's Chairman, Mr. Rob Bishop, said "this year we have been delighted to instigate the regular payment of dividends. Shareholders have been particularly patient while we undertook activities to reshape the business. With the completion of this work we are pleased to reward our shareholders and advise that Keycorp's robust and sustainable business model gives us confidence that, in accordance with our previously announced dividend policy, dividends will be an ongoing feature of the Keycorp strategy."

"I am extremely proud of the transformation the business has undergone over the last two years. The executive team has done a fantastic job of re-shaping Keycorp in to a solid, sustainable, profitable business, as our return to profitability demonstrates."

Strategy & Outlook

Keycorp is focused on becoming the leading full services and solutions provider to clients across the spectrum of the retail and banking industries. With this increased clarity of vision the Board of Directors is confident of Keycorp's future direction and accordingly is prepared to provide earnings guidance for next year.

Keycorp enters the FY2009-10 year in a strong operational and financial position with zero bank debt, a strong cash position and a business that generates positive cashflow from operations. Keycorp expects to deliver FY2009-10 earnings before interest and tax (EBIT) of circa \$5.0 million. This amount is directly comparable with the amount of \$3.7 million for FY2008-09 provided in the table at the beginning of this announcement. Therefore, Keycorp's earnings guidance for FY2009-10 is approximately 35% higher than the FY2008-09 result. Accordingly, Keycorp's Board is expecting to reward shareholders with dividends in accordance with the dividend policy.

Keycorp is confident that the current marketplace, business model and capital structure presents the opportunity to explore growth options with several organic and acquisition options currently under review.



About Keycorp

Keycorp (ASX:KYC) is the dominant provider specialising in servicing and maintaining EFTPOS and point-of-sale systems in end user premises throughout Australia. Services include installation, training, and maintenance of payment systems including fully outsourced managed payment services. Keycorp also develops high secure payments and transaction software for installation across multiple banks/acquirers and terminal types in Australia. The Company has developed sophisticated call and asset management systems that enable the provision of fully integrated nation-wide help desk services to support our key customer relationships.

For further information see: www.keycorp.net or contact:

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