

**Oakton Limited**

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Tuesday, 29 September 2009

The Manager, Listings  
Australian Stock Exchange Limited  
Company Announcements Office

Dear Sir:

In accordance with Listing Rule 3.1 attached is a presentation covering the business update and IT industry trends and influences to be presented today by the Company's Managing Director, Mr Neil Wilson at the BBY Telecommunications, Media and Technology Conference.

Sincerely yours,



Michael Miers  
Company Secretary

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Results Driven. When Business & IT Matters

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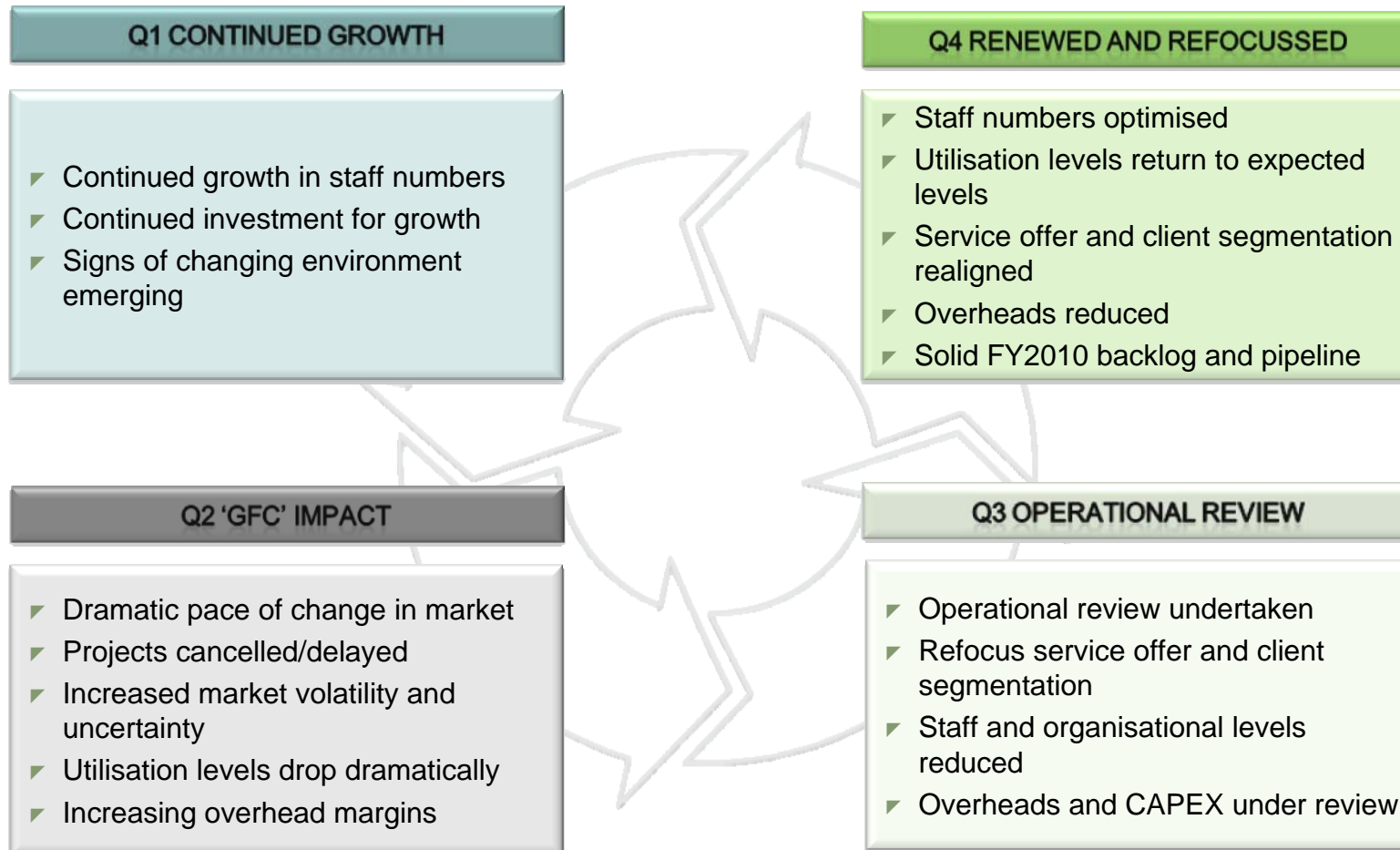
BBY  
2009 TMT Conference  
September 29<sup>th</sup>



# FY2009 Headlines

- Full year revenue of \$193.6m, EBITDA of \$24.5m, NPAT of \$14.3m and EPS 15.9c includes:
  - Project write downs of \$4m in the first half of FY2009
  - Full year redundancies and non-recurring overheads of \$4m
- Final fully franked dividend of 1.50 cents, total dividend payout for the year of 2.25 cents
- Operating cash flow of \$20.4m, with debt further reduced to \$23m (\$33m pcp) - strong focus on eliminating debt in FY2010
- Ended June 2009 with 1,157 staff (down 132 pcp). India at 110 resources (up 10 pcp)
- Entered FY2010 with committed revenue comparable to FY2009
- Continued improvement in existing client service line ratios and introduction of new clients
- Enhanced internal quality, project governance processes and core systems to reduce risk and improve project profitability

# The Year in Review – Quarter by Quarter



# The Year in Review – Quarter 4 Key Indicators

## MARKET

- Focus on predictable market segments – Utilities, Infrastructure, Government represented >60% of revenue
- Order book into FY2010 strengthens – +42% of forecast revenue contracted

## MARGINS & OVERHEADS

- Overhead expenditure – <10% of revenue
- Utilisation – average 80% for the quarter
- Gross margin – >30% of revenue

## STRUCTURE & PEOPLE

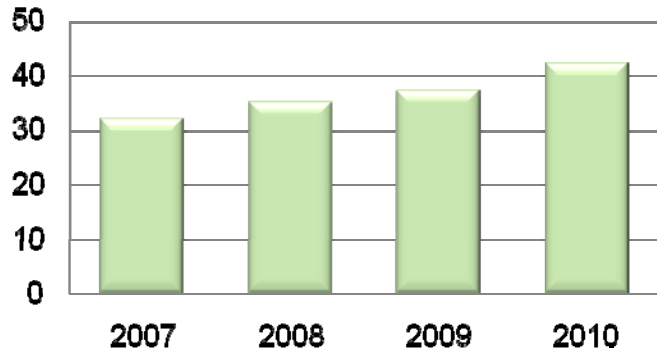
- Organisation model – reduction of management levels and leverage of national capabilities
- Optimised head count – at 1,157 (down from 1,199 at December)

## OPERATIONAL EFFECTIVENESS

- Operational review outcomes
  - Increased level of controls over client proposals, project governance, service delivery assurance
  - Exited some service offers and smaller clients

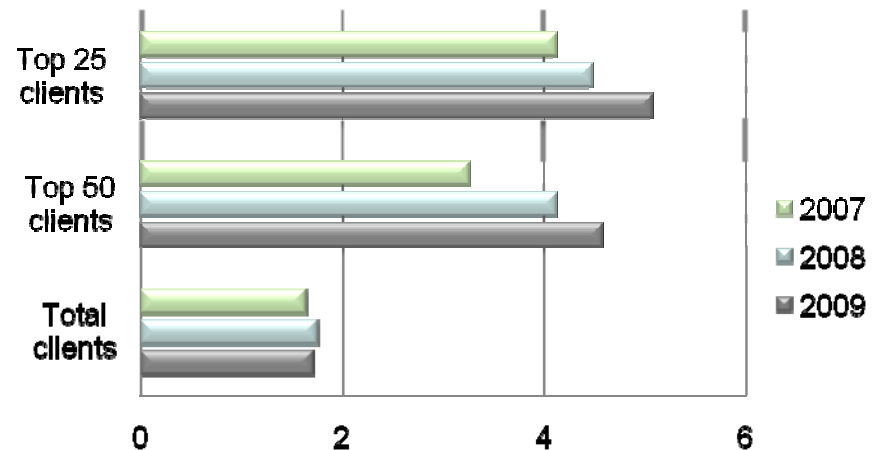
# Revenue and Client Analysis

**% Revenue Committed Into next FY**



- ▶ % of committed forecast revenue into next FY has increased year on year
- ▶ Absolute level of committed revenue into FY2010 comparable to FY2009

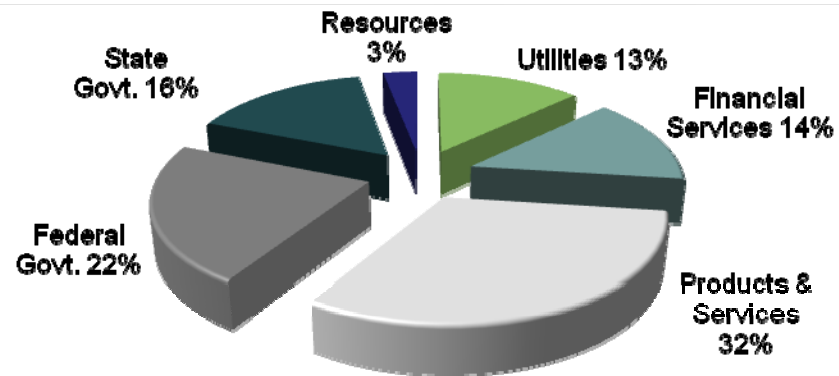
**Client/Service Line Ratios**



- ▶ Number of service lines sold into top 25 and top 50 clients continues to increase year on year (Maximum 8)

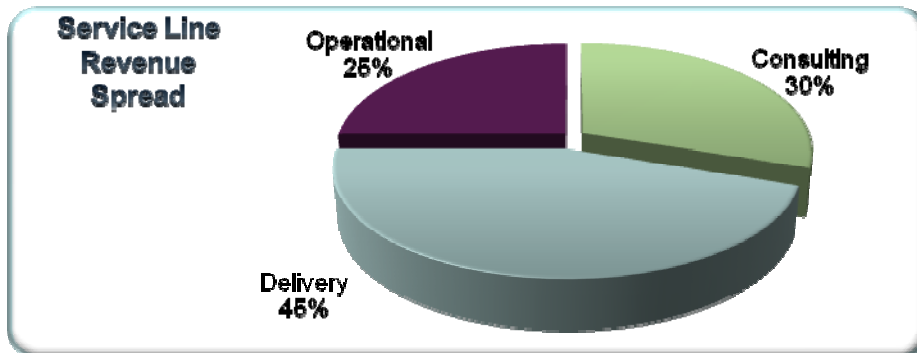
**Industry Sector Revenue Spread**

- ▶ Total government now represents 38% of revenue
- ▶ Key components of products and services segment are infrastructure and property sectors



# Oakton Focussed Model

- ▶ A key outcome of the operational review conducted in quarter 3 was to optimise Oakton's operating model



- ▶ Increased focus on CXO level client engagement and high level consulting
- ▶ Elimination of contracting and recruitment service outside of ACT and introduction of specialist testing service line

- ▶ Increased alignment to core product vendors, including new SAP partnership



- ▶ Increased focus on managed services and annuity revenue
- ▶ Increased size and duration of projects
- ▶ Increased offshore / onshore project mix supporting delivery and operational services
- ▶ Introduction of enhanced Commercial and Delivery Assurance (CDA) function

# Key IT directions

- ▶ Businesses developing an IT blueprint for the future and commencing investment now to support business efficient and effective growth in the future
- ▶ Constituent / citizen / customer relationship / management focus
- ▶ Online / web based capability on multiple devices via multiple channels
- ▶ Software as a Service
- ▶ Support for business performance measurement and management
- ▶ Core system refurbishment / replacement / compliance
- ▶ Information search capability
- ▶ Support for emerging compliance / regulatory requirements
- ▶ Support for merger and acquisition synergy benefits realisation



# Summary

- The market is expected to have a flat year on year growth profile with potential upside in some sectors such as infrastructure and utilities
- Federal Government spend is expected to rise after a period of reviews and low levels of spending
- Key IT directions will support ongoing demand for services and provide opportunities for specialisation
- Strong cost and investment return focus in most organisations
- Oakton has established a renewed and refocused business model to enter FY2010
- Delivery of increased margins on similar year on year revenue in FY2010 will deliver improved profitability
- Reducing debt levels, subject to funding requirements for any future acquisition activity, will lead to increased dividend return to shareholders

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## Thank You Questions

For further information:

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