

TRANZACT RECORDS SOLID FIRST HALF RESULT

FULLY FRANKED INTERIM DIVIDEND OF 0.25CPS

Highlights

- Revenue from ordinary activities up 1% to \$4,432,000
- EBTDA attributable to owners up 7% to \$1,258,000
- Profit from ordinary activities attributable to owners down 21% to \$575,000
- Acquired controlling shareholding in GIS Concepts
- Fully franked interim dividend of 0.25 cps declared, payable on 5 April 2012

The Directors of Tranzact Financial Services Limited (the '**Company**') are pleased to report an operating profit before amortisation, depreciation and tax attributable to shareholders of \$1.258 million for the six months ended 31 December 2011. This result represents an increase of approximately 7% over the comparable figure of \$1.172 million for the same period last year.

Net profit after tax attributable to the owners for the six months reduced to \$575,000 compared with \$717,000 in the prior corresponding period. This represents earnings of 0.52 cents per share compared with 0.64 cents previously.

The change in net profit after tax was mainly due to an increase in depreciation and amortisation, a higher effective tax rate and reduced administration expenses.

Net cash flows from operations increased during the period from \$1.165 million to \$1.356 million reflecting the solid cash positive nature of the core businesses and the favourable impact of the two month's contribution from the newly acquired controlling interest in GIS Concepts.

Tranzact continues to measure and report on EBTDA as a primary measure of performance as this focuses on the "cash earnings" of the business.

Dividend and Capital Management

The Directors are pleased to declare a fully franked interim dividend of 0.25 cents per share (consistent with the interim dividend last year). The Record Date for the interim dividend is 23 March 2012 and the dividend will be paid on 5 April 2012.

The net debt position at 31 December 2011 was \$1,792,000, increasing from \$565,000 at 30 June 2011. This reflects the funding obtained for the purchase of the increased shareholding in GIS Concepts, less the net cash generated from the Company over the period.

Outlook

The Directors remain focused on the key strategic objectives of the Company as well as tightly managing costs in continuing challenging market conditions.

For further information please contact:

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