19 August 2013

The Manager
Company Announcements Office
Australian Stock Exchange Limited
(online lodgement)

Dear Sir

RE: Investor presentation

Please find attached the FY2013 Full Year Results and Outlook to be presented to the investment community today.

Yours faithfully

Michael Miers
Company Secretary

Oakton Limited ABN 50 007 028 711
Melbourne *Head office* Level 8 271 Collins Street Melbourne VIC 3000 Australia t +61 3 9617 0200 f +61 3 9621 1951
Sydney Level 3 65 Berry Street North Sydney NSW 2060 Australia t +61 2 9923 9800 f +61 2 9929 6731
Canberra Unit 2 45 Wentworth Avenue Kingston ACT 2604 Australia t +61 2 6230 1997 f +61 2 6230 1919
Brisbane Level 5 200 Mary Street Brisbane QLD 4000 Australia t +61 7 3136 2900 f +61 7 3136 2999
Hyderabad Krishe-e 8-2-293 Plot 499 Road 36 Jubilee Hills 500033 Hyderabad India t +91 40 23552694 VoIP: +61 3 9617 0294

Consulting Technology

FY2013 Full Year Results and Outlook

Neil Wilson
Managing Director and CEO

John Phillips
CFO

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FY2013 Headlines

- Revenue $162m (down 6% on the prior corresponding period), EBITDA of $14.53m (down 14% pcp – trading; 23% - reported), NPAT of $9.16m (down 12% pcp - trading; 23% – reported), diluted EPS of 10 cents (down 10% - trading; 21% - reported). Reported PCP includes a once off Tenix insurance recovery of net $2m.
- Final fully franked dividend of 4.75 cents. Total dividend pay-out for the year of 9.5 cents (down from 11 cents pcp). Represents a full year payout ratio of 93% (86% pcp).
- Operating cash flow of $12.7m giving a ratio of operating cash flow to NPAT of 139%. Cash reserves of $6.95m at 30 June 2013 ($9.32m pcp), after allowing for $4.84m ($645k pcp) of share buyback to end FY2013.
- Continued share buyback with 4,157,500 (4.43%) of issued shares purchased up to reporting date.
- Ended June 2013 with 1,077 total staff (down 56 total staff pcp). India at 238 staff (up 51 staff pcp).
- Improved 2H FY2013 performance in all locations across most key metrics – margin, utilisation and sales.
- Finished FY2013 with booked and committed revenue at 40% (43% pcp) of FY2014 full year revenue budget which is targeted at a modest increase on the pcp. Backlog into FY2015 and beyond is at $35m ($11m pcp).
- As previously highlighted, FY2013 performance has been materially impacted by difficult trading conditions and a lower than expected performance in the ACT location, primarily caused by a significant slowdown in Federal Government spending.

FY2013 Headlines (continued)

- Total production effort (outside of the ACT) increased by over 6% reflecting an increase in market share in these locations - despite market being impacted by continuing project delays and deferrals by customers.

- Strong project delivery performance leveraging repeatability of service offers and lowering risk of budget and schedule impacts for customers.

- Our ability to off shore project and managed services work remains key to our business model and service offer. Production (billable) hours from our India office (Hyderabad) in FY2013 increased to 20% of total production (10% pcp). This increase continues to reduce revenue and profit per FTE. However, this shift supports market share growth and is reflective of the increasing need to meet the price expectations of customers which are now at new levels based on structural changes in the industry.

- The WA location continues to grow and has contributed 3% of FY2013 revenue (0% pcp) with key customers in the Government, Education and Logistics sectors. Establishment and start up costs have been absorbed into normal operations.

- IT services now acquired more by business executives outside of the IT function who are seeking innovation, fast delivery at a lower cost. This is driving demand for online, cloud, mobility and information management. Business focus continues on improved customer engagement effectiveness, regulatory compliance and operational efficiencies.

- Growing demand for cloud based “as a service” delivery models has been supported by new partnerships including “as a service” infrastructure providers. This has contributed over $1.5m ($0.1m pcp) of Non Person based Revenue (NPR) in FY2013.

- Announced a new strategic partnership with Dimension Data to provide ICT infrastructure integration, cloud and traditional outsourcing services bundled with Oakton solutions

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FY2013 Full Year Results - Detail

Profit and Loss - $A millions	FY2013	FY2012 Trading	FY2012 Reported
Revenue	$162.00	$172.25	$172.25
EBITDA	$14.53	$16.85	$18.85
NPAT	$9.16	$10.44	$11.84
Diluted EPS (cents)	10.0c	11.1c	12.6c

- Revenue levels changing based on
  - increased offshore production effort
  - improved utilisation across the group, offset by on shore headcount reduction
  - increased “as a service” NPR
- FY2012 reported EBITDA included a once off net insurance recovery in relation to the Tenix dispute of net $2m.

- Gross margin improved by nearly 2% points in the 2H FY2013 – due to improved utilisation and further optimisation of resource mix on and off shore.
- Gross margins are expected to further improve in FY2014.
- Overhead margin impacted by lower revenue, however, we would expect to leverage the fixed cost base as revenue increases.

As a % of revenue	FY2013	FY2012
Gross margin	20.43%	21.60%
Overhead margin	11.46%	10.66%
EBITDA margin	8.97%	10.94%
NPAT margin	5.65%	6.87%

FY2013 Full Year Results - Detail

Balance sheet - $A millions	FY2013	FY2012
Cash	6.95	9.32
Receivables	35.87	35.13
Total assets	133.12	135.92
Borrowings	0.00	0.00
Total liabilities	29.93	29.00

- Working capital position continues to remain strong.
- Days debtors reduced due to the timing of some project milestone payments.
- Cash reserves of $6.95m at 30 June 2013. Cash balance reduced by $4.84m due to share buy back ($0.65m pcp).

- Full year dividend payout ratio of 93% (86% pcp) is expected to be maintained at around 80%+ subject to any other capital requirements.
- Revenue per average FTE impacted by changing mix of consulting, implementation and managed services revenue, increased use of offshore and growth in NPR.

Other	FY2013	FY2012
Final dividend	4.75cf	5.5cf
Total Dividend	9.5cf	11cf
Revenue per average FTE	$153k	$159k
Utilisation	72%	69%
Days debtors	53 days	55 days

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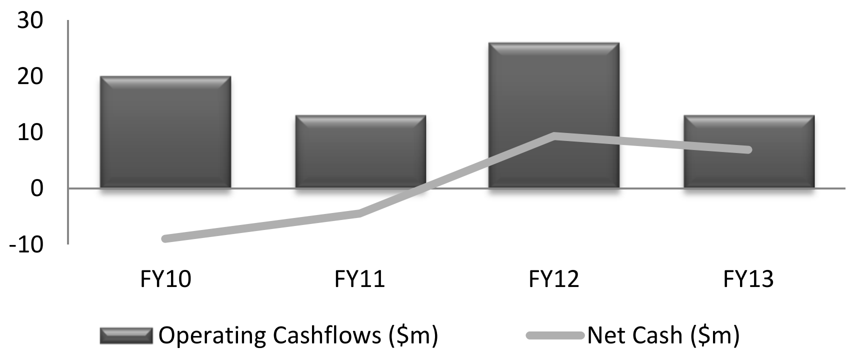
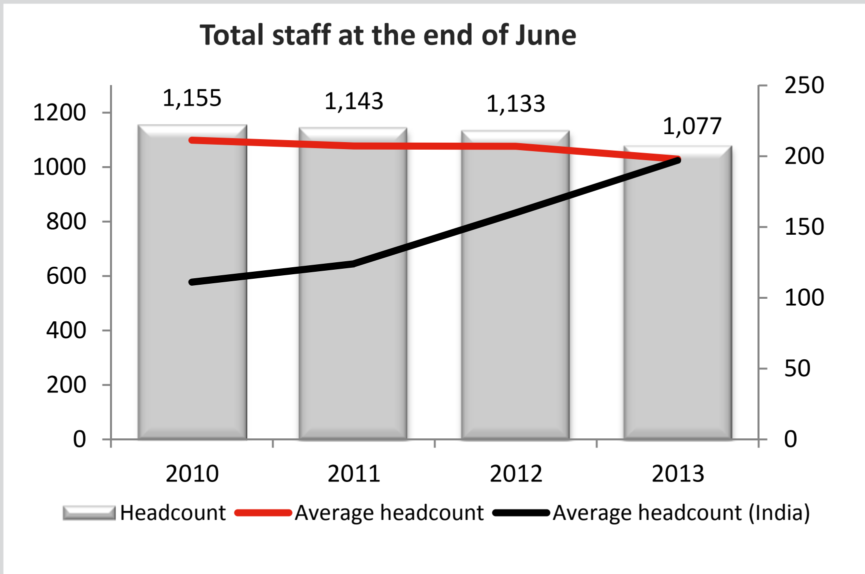
FY2013 Full Year Cash Flow Summary

- Ratio of operating cash flow to NPAT is 139% (125% pcp).
- Share buyback continues with 4.43% of issued shares purchased up to reporting date.
- Capex expenditure in FY2014 will be higher than FY2013 with a new office fitout in NSW and further office expansion in India the main contributors.
- FY2012 operating cash flow included Tenix settlement and related insurance recovery.



Opening Balance		**$9.32m**
Operating		
Net operating inflows	17.28	
Net interest received	0.16	
Income tax paid	(4.73)	
Operating Cash Flow	$12.71m	
Investing		
Capex	(1.63)	
Investments	(0.00)	
Total Investing	($1.63m)	
Financing		
Share buyback	(4.19)	
Share issue	0.06	
Dividends	(9.32)	
Repayment of borrowings	0.00	
Total Financing	($13.45m)	
Closing Balance		**$6.95m**

FY2013 Full Year People Summary



Year end totals	June 2013	June 2012
Victoria	340	348
New South Wales	234	251
ACT	176	256
Queensland	40	46
WA	10	0
India	238	187
National Support Services	39	45
Total	**1,077**	**1,133**

- Total contractors at 30 June were 131 (140 pcp).
- Revenue contribution will not necessarily match on shore location headcount as a result of increased use of off shore capacity and increase in NPR.
- India continues to increase as a % of total workforce as demand for global pricing increases.
- Staff churn levels have reduced and employment engagement score continues to improve.
- Further overhead savings reflected in reduction in National Support Services headcount.

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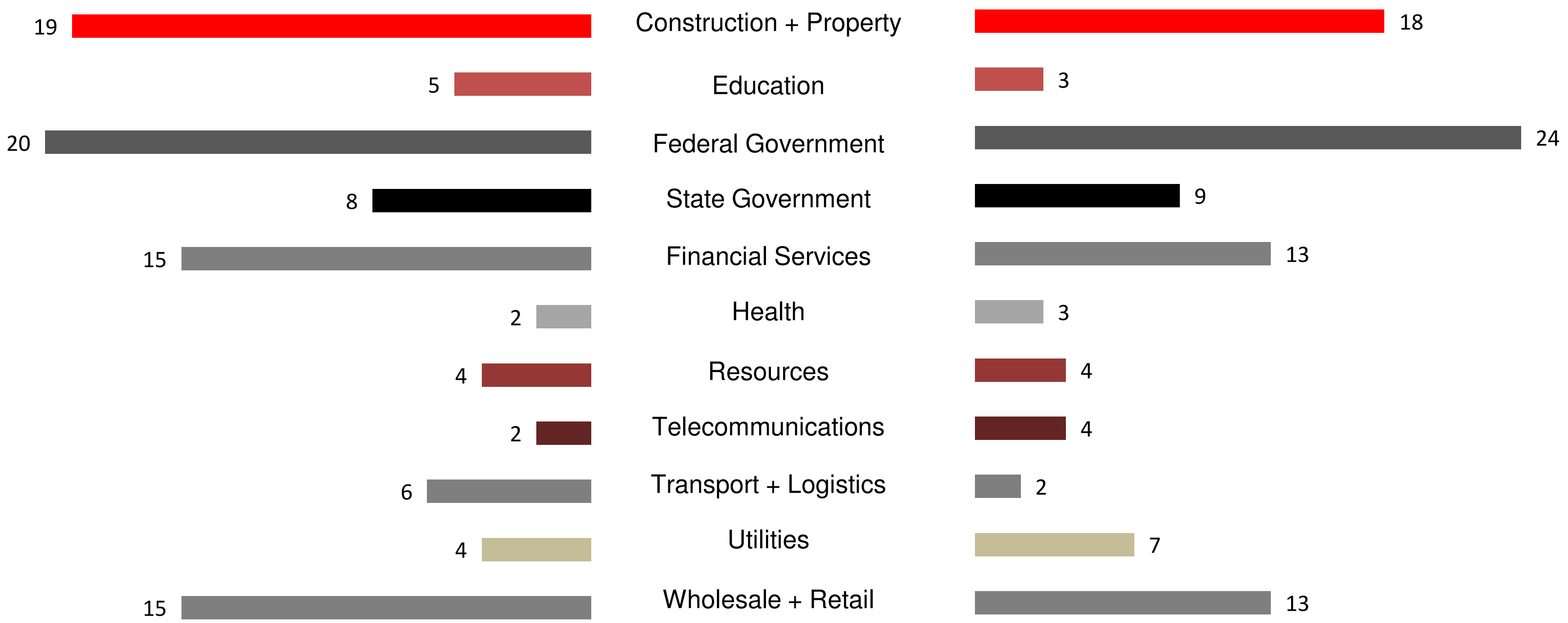
Industry revenue spread and outlook

FY2013 Industry Sector Analysis (%) / FY2012 Industry Sector Analysis (%)



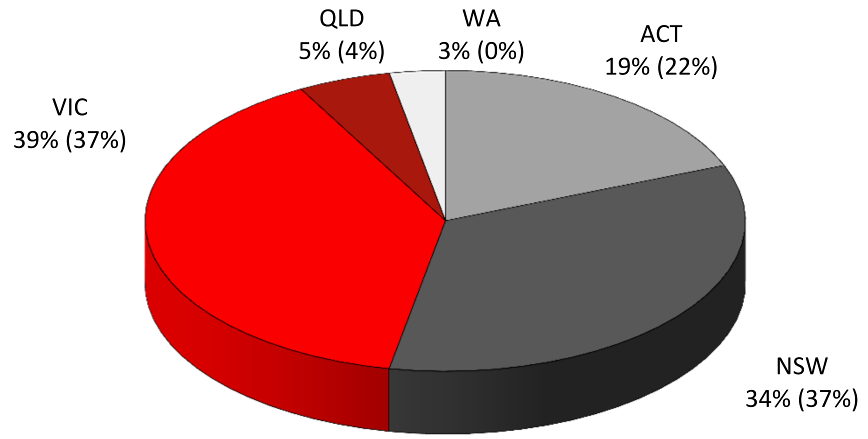
Expected market outlook

- Continued growth in Financial Services, Logistics and Resources (based on our presence in the WA market).
- Steady outlook for Construction and Property, Telecommunications.
- Some improvement in Education, Transport and Health.
- Federal Government flat to declining in first half with growth in CY2014.
- NSW and QLD State Governments to improve. Others to be flat.
- Retail and Utilities flat.

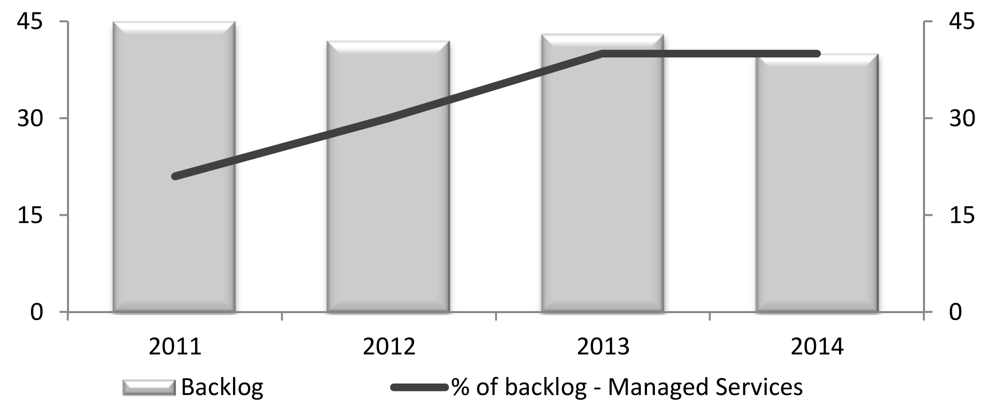
Revenue Analysis

- Revenue contribution from WA location 3% (0% pcp).
- Reduction in ACT revenue share reflects slowdown in Federal Government spend.
- Booked and committed revenue for FY2014 at 40% (43% pcp) on a higher revenue target.
- % of backlog that represents Managed Services at 40% (40% pcp).
- Backlog of committed revenue into FY2015 and beyond at $35m ($11m pcp).

FY2013 (pcp) Revenue Contribution



% Revenue Committed into next FY

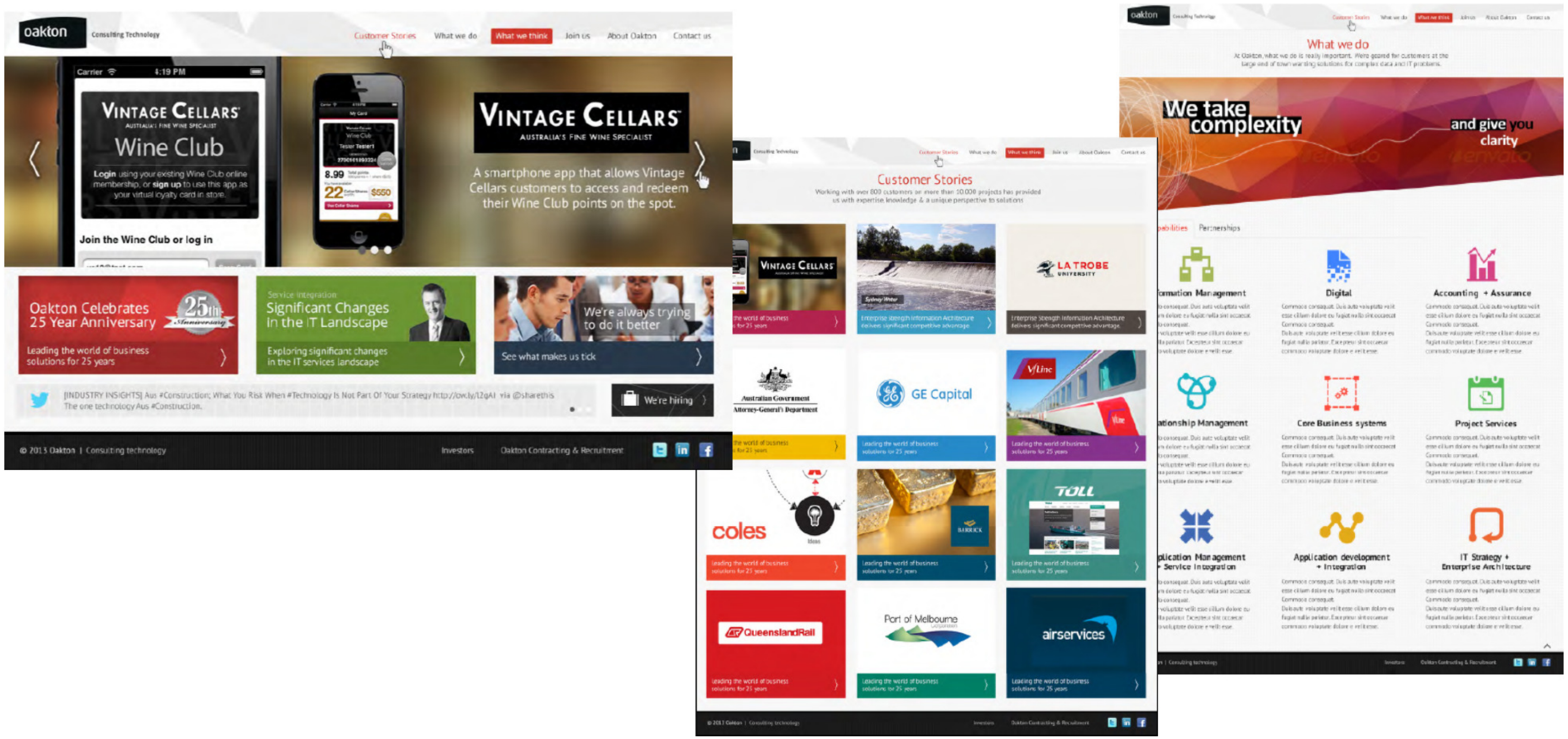


Oakton Market presence

We will be increasing our digital presence and marketing to promote our Solutions and Cloud capabilities.

Our new web site is launched on 20 August.

www.oakton.com.au



Oakton market position

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Oakton has continued to transform its business to establish a market position as provider of specialist consulting and IT services through predominantly outcome and annuity based engagements that are now incorporating cloud based delivery models and enabling the delivery of Oakton "Solutions as a Service".

2000-2004	2004-2009	2009-2012	2013-2014	2014 onwards
				Oakton Solutions 'as-a-Service'
			Infrastructure and Software Cloud Services Integration	Infrastructure and Software Cloud Services Integration
		Application Managed Services engagement	Application Managed Services engagement	Application Managed Services engagement
	Project based outcome engagement	Project based outcome engagement	Project based outcome engagement	Project based outcome engagement
Daily rate role engagement	Daily rate role engagement	Daily rate role engagement	Daily rate role engagement	Daily rate role engagement

Role based provider → **Systems Integrator** → **Services Integrator**

Oakton market alignment

Our Industry, Domain and Technology model enables repeatability of solutions to our customers. Increasingly our solutions are being packaged to be delivered "as a service".

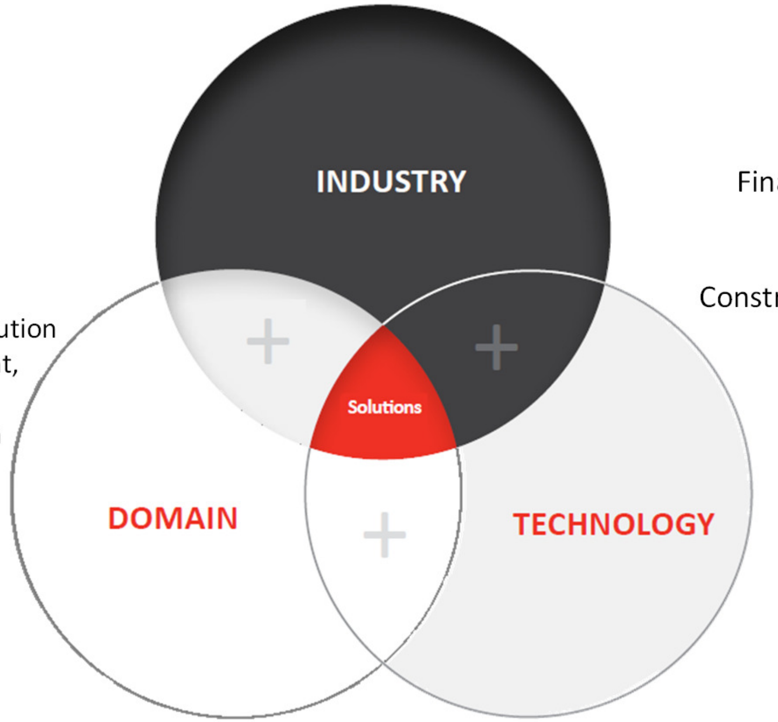
DOMAIN SERVICES

Consult
Accounting & Assurance, Business Systems Consulting

Implement
Project Services, Testing

Manage
Application/solution management, Service integration

Digital
Online + Integration Services
Information Management
Core Systems (Back Office)
Relationship Management (Front Office)



INDUSTRY COVERAGE

Government
Education
Healthcare
Financial Services and Insurance
Resources
Utilities
Construction + Property Management
Telecommunications
Wholesale + Retail
Transport + Logistics

TECHNOLOGY ENABLEMENT

Microsoft
Oracle
Dimension Data
Amazon
IBM
SAP
Emerging cloud, software and infrastructure providers

Oakton Solutions as a service

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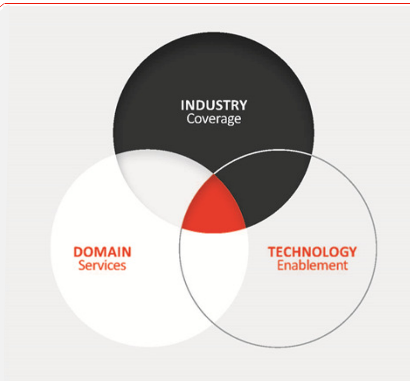
We will continue to invest in developing our Service Integration capabilities and progressively provide Oakton "Solution-as-a-Service" offers.

Oakton Solutions as-a-Service

Software-as-a-Service

Platform-as-a-Service

Infrastructure-as-a-Service



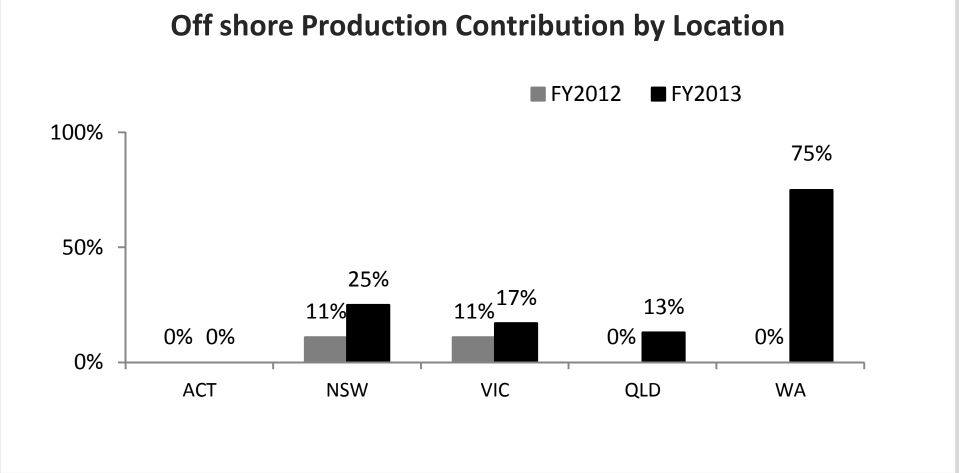
We have a specialised focus combining Industry, Domain and Technology expertise which quickly enables us to bring to market Solutions that meet the specific requirements of our customers.

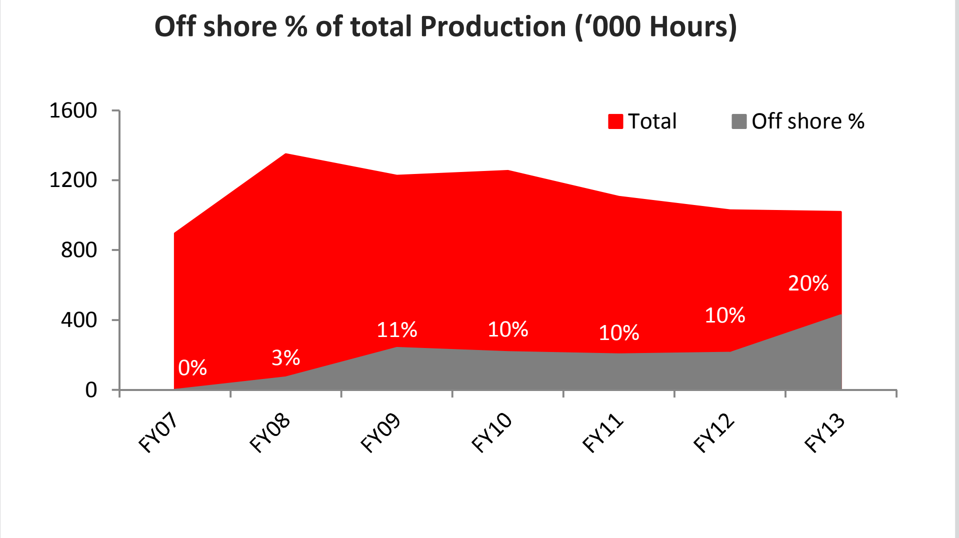
Key industry partnerships continue to grow across Infrastructure, Platform and Software as a service to support the Oakton "Solutions as a Service" go to market positioning.

Off shore Asset

The off shore asset continues to grow and become core to our business model and strategic direction.

- Increasing adoption of off shore models across most industries including government to support reduced cost of service delivery. A number of new government and non government customers using the off shore services model – have now serviced over 20 customers with some using offshore for the first time.
- There is now regular customer and industry body visits to the 400 seat purpose built 24*7 facility in Hyderabad.
- As at reporting date headcount was nearly 240. Expecting to grow headcount to over 300 in FY2014 to meet current and expected demand.
- Off shore effort as a % of total effort continues to grow and is currently at 20% and is forecast to be nearly 30% for FY2014.
- Progressive relocation of internal support and administration functions to off shore to lower overhead cost.
- Transition to optimal usage levels and operation cost coverage is expected by FY2014/FY2015.





FY2014 Outlook

In a market expected to remain challenging at least until CY2014 with decision making timeframes and project commencement remaining volatile, we are well positioned to secure market share based on off shore pricing models, our solutions capability position and Non Person based Revenue (NPR) streams.

- Increased market share acquisition by continuing to build services integration capabilities to grow annuity revenue and NPR, including Oakton “Solutions as a Service” offers.
- Consolidation of strategic partnerships with infrastructure and software cloud service providers (e.g. Dimension Data) to support “As a service” offers.
- Customer demand is expected to continue for digital, cloud, mobility, information management and core system enhancement solutions increasingly operating “as a service” with an emphasis on improved customer engagement effectiveness, regulatory compliance and operational efficiencies.
- Customer focus on cost and value for money is resulting in government and non government organisations increasing their use of offshore service models. Offshore headcount is expected to continue to grow in FY2014 to above 300.
- Modest revenue growth and improved margins are expected in FY2014, subject to the impact of current market conditions. Minimal headcount growth onshore expected in FY2014 with the key focus on optimising utilisation from the existing team.
- Continued focus on people development programs to increase retention and employee engagement.
- Expected operating cash flow at +100% of NPAT in FY2014 to further increase cash reserves and provide support for continued organic expansion and shareholder returns.
- Full year dividend pay-out ratio is expected to be maintained at 80%+ subject to any other capital requirements.

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What problem do you want defined?

Oakton, offering the best in consulting and technology services in Australia
1,100 plus industry, domain and technical experts

25 years
10 key industries
800+ customers
10,000+ projects

Melbourne
Sydney
Canberra
Brisbane
Perth
Hyderabad

Partners:

Microsoft
Oracle
Dimension Data
Amazon
IBM
SAP
Emerging cloud, software and infrastructure providers