



Australian Stock Exchange
Company Announcements Platform
19 December 2013

UXC Limited
ABN 65 067 682 928

MARKET ANNOUNCEMENT

Earnings Guidance

UXC Limited expects to report underlying EBITDA in the range of \$11.5 to \$13 million for the six months ending 31 December 2013 with underlying profit before tax in the range of \$7 to \$8.5 million.

Additionally, some \$2.4 million of non-recurring costs have been incurred in connection with recently announced acquisitions as well as redundancy costs in managing the cost base in response to changing economic and market conditions.

Despite forecasted revenue growth in the range of 5% to 6% in the first half compared to the prior corresponding period, revenue mix, margin pressure and project delivery issues have had a dampening effect on underlying earnings compared to the first half of the prior year.

While revenue growth is in line with expectations, the mix of business, especially in November and December, changed so a greater proportion of growth was from networking product sales which contribute lower margins. This, together with some deferrals in key license orders, has impacted the traditional strong close to the half year.

The largest impact of the earnings reduction is from the challenges faced in the completion phase of a small number of large projects. This has resulted in the incurrence of unanticipated costs in completing delivery and rectification of defects under warranty. The impact of this is approximately \$2.5 million, however these projects are now completed and business process changes are being implemented to minimise future impacts on existing and future projects.

UXC expects to grow underlying earnings in the second half of the 2014 financial year as compared to the previous corresponding period, as well as for the whole of the 2014 financial year. This will be assisted by new earnings contributions from the recently completed acquisitions of White Labelled, Keystone and certain North American businesses of Tectura.

For more information please contact:

Mr Cris Nicolli
Managing Director
UXC Limited
(613) 9224 5777

Mr Mark Hubbard
Finance Director / Company Secretary
UXC Limited
(613) 9224 5777

Toll free shareholder
information line:
1800 092 092
www.uxc.com.au



ABOUT UXC LIMITED

UXC Limited is an S&P/ASX 300 listed Australian business solutions company, and the largest Australian owned ICT consultancy firm. UXC services medium to large entities in the private and public sectors across Australia and New Zealand.

UXC provides a range of unique, unmatched and formidable ICT Solutions in Consulting, Business Applications and Infrastructure that support our customers to plan & design, implement & enhance, and operate & manage their ICT requirements.

UXC strives to create simplicity and meaning in a complex world through the power of people and technology, by being the leading Tier 1 Australian IT Services and Solutions Company, delivering value, innovation and responsive business outcomes with excellent people.