



29 November 2010

Company Announcements Office  
Australian Securities Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sirs,

**Re: Announcement to the market**

In accordance with Australian Stock Exchange (ASX) Listing Rule 4.3A, Sietel Limited has attached its Appendix 4E – Preliminary final report for the full year period ending 30 September 2010.

Yours sincerely  
Sietel Limited



Richard Rees  
Managing Director

# Appendix 4E

## Preliminary final report

### Period ending 30 September 2010

Name of entity

**SIETEL LIMITED**

ABN or equivalent company  
reference

**004 217 734**

Half yearly  
(tick)

☐

Preliminary  
final (tick)

☒

Financial year ended ('current period')

**30 SEPTEMBER, 2010**

#### Results for announcement to the market

\$

Revenues from continued operations (\$6,547,407) and discontinued operations (\$259,281)	down	91%	to	6,806,688
Profit (loss) after tax attributable to members	down	97%	to	893,631
Net profit (loss) for the period attributable to members	down	97%	to	893,631
<b>Dividends (distributions)</b>	<b>Amount per security</b>		<b>Franked amount per security</b>	
Final dividend	Nil	¢	Nil	¢
Interim dividend				
Previous corresponding period	Nil	¢	Nil	¢
<sup>+</sup> Record date for determining entitlements to the dividend, (in the case of a trust, distribution)				
N/A				
A brief explanation of any of the figures reported above necessary to enable the figures to be understood.  The directors are pleased to announce an operating profit for year ended 30 September 2010 of \$893,631.				

## Ratios and Other Measures

	Current period	Previous corresponding Period
<b>Profit before tax / revenue</b> Consolidated profit (loss) before tax as a percentage of revenue	38.11%	53.88%
<b>Profit after tax / <sup>+</sup>equity interests</b> Consolidated net profit (loss) after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	1.74%	59.42%

## Earnings per security (EPS)

$\text{Basic EPS} = \frac{\text{Profit/loss for the period}}{\text{No. of ordinary securities}} \times 100\% = \frac{893,631}{8,007,479} \times 100 = 11.16$	
$\text{Diluted EPS} = \frac{\text{Profit/loss for the period}}{\text{No. of ordinary securities} + \text{Preference securities}} \times 100\% = \frac{893,631}{8,007,479 + 75,000} \times 100 = 11.06$	

<b>NTA backing</b>	Current period	Previous corresponding Period
Net tangible asset backing per <sup>+</sup> ordinary security	640 CENTS	629 CENTS

**SIETEL LIMITED**  
**COMPREHENSIVE CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2010**

	<b>Year Ended 30 Sept 2010 \$</b>	<b>Year Ended 30 Sept 2009 \$</b>
<b>REVENUE</b>		
Sales revenue	2,364,483	5,016,078
Dividends received	100,908	14,293
Interest received	1,681,898	145,721
Rent revenue	1,954,010	547,755
Other revenue	444,088	350,880
	<b><u>6,545,387</u></b>	<b><u>6,074,727</u></b>
Profit on disposal property, plant and equipment	2,020	23,092
<b>Total Revenue</b>	<b><u>6,547,407</u></b>	<b><u>6,097,819</u></b>
<b>EXPENSES</b>		
Costs of goods sold	1,534,589	3,692,458
Overheads (Operating)	2,929,266	1,528,931
Administration expenses	630,566	535,447
Selling expenses	151,081	130,858
Finance expenses	100,145	32,785
<b>Total Expenses</b>	<b><u>5,343,716</u></b>	<b><u>5,920,479</u></b>
<b>Profit before income tax</b>	<b>1,203,691</b>	<b>46,933</b>
<b>Income tax expense/(revenue)</b>	<b>390,304</b>	<b>(11,582)</b>
<b>Profit after income tax</b>	<b><u>813,387</u></b>	<b><u>188,922</u></b>
<b>Profit after income tax from discontinued operations</b>	<b>80,244</b>	<b>29,749,151</b>
<b>Net profit attributable to members of the Company</b>	<b><u>893,631</u></b>	<b><u>29,938,073</u></b>
<b>Movement in Reserves</b>	<b>5,207</b>	<b>137,167</b>
<b>Earnings per share (EPS)</b>		
Basic EPS (cents per share)	11.25	373.88
Diluted EPS (cents per share)	11.06	370.41

**SIETEL LIMITED**

**CONSOLIDATED FINANCIAL POSITION**

**AS AT 30 SEPTEMBER 2010**

	<b>Year Ended 30 Sept 2010</b>	<b>Year Ended 30 Sept 2009</b>
	<b>\$</b>	<b>\$</b>
<b>Current Assets</b>		
Cash and cash equivalents	21,141,317	50,267,017
Trade and other receivables	714,808	1,123,300
Inventories	535,862	463,060
Other current assets	334,320	50,989
<b>Total Current Assets</b>	<b><u>22,726,306</u></b>	<b><u>51,904,366</u></b>
<b>Non-Current Assets</b>		
Trade and other receivables		
Financial assets	5,267,966	817,034
Property, plant and equipment	2,086,917	868,601
Investment property	22,734,743	8,899,194
Deferred tax assets	148,582	326,403
Other non-current assets	495,670	0
<b>Total Non-Current Assets</b>	<b><u>30,733,878</u></b>	<b><u>10,911,232</u></b>
<b>Total Assets</b>	<b><u>53,460,184</u></b>	<b><u>62,815,598</u></b>
<b>Current Liabilities</b>		
Trade and other payables	973,402	1,863,861
Financial liabilities	-	-
Provisions	778,267	897,405
Current tax liabilities	425,023	9,670,193
<b>Total Current Liabilities</b>	<b><u>2,176,692</u></b>	<b><u>12,431,459</u></b>
<b>Non-Current Liabilities</b>		
Financial liabilities	-	-
<b>Total Non-Current Liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total Liabilities</b>	<b><u>2,176,692</u></b>	<b><u>12,431,459</u></b>
<b>Net Assets</b>	<b><u>51,283,491</u></b>	<b><u>50,384,139</u></b>
<b>Equity</b>		
Contributed equity	4,257,129	4,257,129
Reserves	142,886	137,167
Retained earnings	46,883,534	45,989,843
<b>Total Shareholders' Equity</b>	<b><u>51,283,491</u></b>	<b><u>50,384,139</u></b>

**SIETEL LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 30 SEPTEMBER 2010**

<b><u>Economic Entity</u></b>	<b>Contributed to equity</b>	<b>Reserves</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
Balance at 1 October 2008	4,257,129	-	16,051,770	20,308,899
Net profit for the period			29,938,073	29,938,073
Asset revaluation reserve		137,167		137,167
Balance at 30 September 2009	<u>4,257,129</u>	<u>137,167</u>	<u>45,989,843</u>	<u>50,384,139</u>
Net profit for the period			893,691	893,631
Asset revaluation reserve		5,719		5,719
Balance at 30 September 2010	<u>4,257,129</u>	<u>142,886</u>	<u>46,883,534</u>	<u>51,283,491</u>

**SIETEL LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2010**

	<b>Year Ended 30 Sept 2010</b>	<b>Year Ended 30 Sept 2009</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from Operating Activities</b>		
Receipts from customers	6,445,057	46,109,200
Payments to suppliers & employees	(6,621,354)	(42,694,813)
Income tax paid	(10,006,968)	(611,067)
Interest received	1,681,898	249,308
Finance costs	-	-
<b>Net cash provided by operating activities</b>	<b><u>(8,501,367)</u></b>	<b><u>3,052,628</u></b>
<b>Cash flows from Investing Activities</b>		
Purchase of property, plant & equipment	(16,319,620)	(2,287,587)
Proceeds from sale of property, plant & equipment	39,591	23,091
Proceeds from sale of business	-	45,721,518
Purchase of investments	(4,445,212)	(629,499)
Dividends received	100,908	14,293
<b>Net cash(used in) investing activities</b>	<b><u>(20,624,333)</u></b>	<b><u>42,841,816</u></b>
<b>Cash flows from Financing Activities</b>		
Repayment of Borrowings	-	-
<b>Net cash (used in) financing activities</b>	<b><u>-</u></b>	<b><u>-</u></b>
Net increase in cash held	(29,125,700)	45,894,444
Cash as at 1 October 2009	50,257,017	4,372,573
<b>Cash as at 30 September 2010</b>	<b><u><u>21,141,317</u></u></b>	<b><u><u>50,267,017</u></u></b>

**SIETEL LIMITED**

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2010**

**1. Basis of Preparation of the Financial Statements**

This preliminary final report has been prepared in accordance with ASX Rule 4.3A and the disclosure requirements of the ASX Appendix 4E.

The accounting policies adopted in the preparation of this preliminary final report are consistent with those to be adopted and disclosed in the 2010 annual report.

**2. Related Party Transactions**

The Group has had no related party transactions during the year ended 30 September 2010, which are significantly different in quantum or nature from those for the year ended 30 September 2009. Arrangements with related parties continue to be in place and transactions for the year end 30 September 2010 are similar in nature to those for the year ended 30 September 2009.

**3. Subsequent Events**

No other matter or circumstance has arisen since 30 September 2010 that has significantly affected or may significantly affect the operations, results or state of affairs of the Company in the near future.

**4. Audit**

This report is subject to final audit.

**5. Tax provision**

The company on the day of this release has not progressed the tax return for the year ended 30 September 2009. On a conservative basis, the release provides for tax at the corporate rate of 30% on the total gain from the sale to Rheem Australia. The actual tax payable may be substantially less when allowances are made for pre September 1985 assets and initiatives of the holding company. The Group's tax advisors are in the process of reviewing information extracted from the holding company's historical records for the period 1970 to 1990. Further information from the period is being followed up to better substantiate the holding company's pre capital gains tax claim.



**SIETEL LIMITED**

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2010**

**6. Discontinued Operations**

(a) Details of operations disposed

On 20 February 2009, the board of directors entered into a sale agreement to dispose of Aquamax Pty Ltd, a company that manufactures and distributes domestic hot water heaters. This disposal was completed on 3 August 2009, on which date control of the business passed to the acquirer.

(b) Financial performance of operation disposed

The results of the discontinued operations for the year until disposal are presented below:

	Consolidated Aquamax Pty Ltd 2010 \$	Aquamax Pty Ltd 2009 \$
Revenues	259,281	37,813,711
Expenses	144,646	34,754,438
Gross profit	114,635	3,059,273
Gain on disposal	-	-
Gain before tax from discontinued operations	114,635	3,059,273
Less: Income tax expense:		
- related to profit from operations	34,391	370,623
- related to profit on disposal	-	-
Profit for the year from discontinued operations	80,244	2,688,650

**SIETEL LIMITED**

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2010**

**7. Segmentation Reporting**

	Revenue		Profit		Assets		Liabilities		Depreciation	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Continuing Operations</b>										
Investment	4175	1066	1469	162	51913	59114	1543	11646	671	475
Manufacturing	2372	5032	-656	27	1394	1547	481	391	59	64
<b>Sub-Total</b>	6547	6098	813	189	53307	60661	2024	12037	730	539
<b>Discontinuing Operations</b>										
Manufacture Hot water services	260	71,988	81	29749	0	2154	0	394	0	1236
<b>Sub-Total</b>	260	71,988	81	29,749	0	2,154	0	394	0	1,236
<b>TOTAL</b>	6,807	78,086	894	29,938	53,307	62,815	2,024	12,431	730	1,775