

Oakton Limited

ABN 50 007 028 711

Melbourne

Level 8, 271 Collins Street

Melbourne VIC 3000

Australia

T +61 3 9617 0200

F +61 3 9621 1951

[www.oakton.com.au](http://www.oakton.com.au)

10 August 2010

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

Dear Sir

**RE: FY2010 Results and Outlook Announcement**

Attached is the announcement regarding the FY2010 profit results and outlook.



Michael Miers  
Company Secretary

# Company announcement

**Oakton Limited** ABN 50 007 028 711

Tuesday 10 August 2010

## FY2010 Full Year Results and Outlook

### FY2010 Headlines

- EBITDA of \$32.3m (organic growth of 32% on the prior corresponding period), NPAT of \$20.2m (up 42% pcp), Revenue of \$186m (down 4% pcp).
- EBITDA includes legal costs in relation to the Tenix dispute of \$1m
- Diluted EPS of 21.8 cents (up 37% pcp)
- Final fully franked dividend of 4 cents, total dividend payout for the year 6.5 cents (up from 2.25c pcp)
- Operating cash flow of \$20.6m, with net debt further reduced to \$9m (\$23m pcp) – debt is forecast to be eliminated in CY2010
- Ended June 2010 with 1,155 staff (down 2 pcp). India at 120 staff (up 10 pcp)
- Significant market share gains in Sydney and Brisbane
- Entered FY2011 with booked and committed revenue at 45% of FY2011 full year budget
- Strengthened strategic vendor relationships with Microsoft, SAP, Oracle and IBM
- Continued focus on larger and longer projects and use of offshore capability
- Continued focus on project quality and governance processes has reduced risk and improved project profitability

**Australian consulting and I.T. services provider Oakton Limited [ASX: OKN]** today announced a full year net profit after tax of \$20.2 million for the year ended June 2010 – a 42% increase on last year's net profit result. Revenue was steady at \$186 million and EBITDA increased by 32% to \$32.3 million (which includes legal costs of \$1 million in relation to the Tenix dispute which is currently in arbitration).

The Oakton Board declared a fully-franked final dividend of 4 cents per share. The total dividend payout for the year is 6.5 cents (2.25c pcp). The dividend will be paid on the 30<sup>th</sup> September 2010 with a record date of the 17<sup>th</sup> September 2010.

Neil Wilson, Oakton's Managing Director and CEO, made comment on the result.

*"Oakton has been working to strengthen our market position as a specialist Consulting and I.T. Services company. Our FY2010 results reflect our ability to successfully deliver on this strategy and we are well positioned to capitalise on the now increasing level of demand across industry and government sectors. We are particularly pleased with significant market share gains in Sydney and Brisbane.*

*We will continue to develop a position in the market as a specialist, project based business providing consulting, delivery and application managed services with increasing depth of industry and solution experience. Through this position Oakton will differentiate itself from the large multinationals and role based service providers. And importantly, our Indian operation will continue to play a critical role in this strategy.*

*We anticipate an increased demand for our services across most sectors. We continue to optimise the cost structures of the business and improve project profitability and as a result we are expecting further margin improvement into FY2011. It is also pleasing to report that we have built a strong level of committed revenue and a solid pipeline of potential revenue as we enter FY2011.*

*The Board continues to focus on debt reduction and subject to any investment funding for acquisitions, we would expect to eliminate our debt by the end of CY2010. Notwithstanding this, our strong cash flow has enabled us to again increase our dividend payout and we expect to further increase levels of dividends in future years.*

*I would like to take this opportunity to thank our outstanding team at Oakton in both Australia and India for their contributions in what has been a year of strong consolidation. We have the best team to enable us to continue on our growth strategy in the future. I would also like to thank our clients, shareholders and the wider investment community for their ongoing support and interest in our company”*

Oakton Chairman, Paul Holyoake, commented on the result saying

*“There is no doubt that Oakton has positioned itself well and can continue our growth strategy in the years ahead. We are very fortunate to have great people on the Oakton team who have worked creatively and energetically to meet our clients’ needs, and we will continue to focus on improved profitability.*

*On behalf of the Oakton Board I would like to thank our staff, our clients and our shareholders for their efforts and continuing support.”*

Oakton will hold its Annual General Meeting on Wednesday 6 October 2010 at 10am in its Melbourne Offices, Level 8, 271 Collins Street, Melbourne.

**Further information:**

Neil Wilson  
Managing Director and CEO

John Phillips  
Chief Financial Officer

Tel: +61 3 9617 0200

**oakton**

Results Driven. When Business & IT Matters

Oakton Limited is a consulting and information technology company listed on the Australian Stock Exchange [ASX:OKN]. Capitalised at approximately \$A275 million (August 2010), Oakton has provided services to large and medium sized organisations for more than 20 years. Oakton provides a range of consulting and IT services centred around business operations and systems. The services cover business consulting, IT strategy, planning services, delivery services in solution design, custom software development, packaged software implementation, information management and system integration solutions. Oakton also provides a service offering to fully manage organisations’ operational systems. The company has offices in Melbourne, Sydney, Canberra, Brisbane and Hyderabad (India)

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Melbourne	Sydney	Canberra	Brisbane	Hyderabad
Level 8, 271 Collins Street Melbourne VIC 3000 Australia	Level 3, 65 Berry Street North Sydney NSW 2060 Australia	2/45 Wentworth Avenue Kingston ACT 2604 Australia	Level 1, 46 Edward Street Brisbane QLD 4000 Australia	Plot No 5, Road No 2 Banjara Hills Hyderabad 500-034 Andhra Pradesh India