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Results Driven. When Business & IT Matters

Oakton Limited ABN 50 007 028 711

FY2010 Full Year Results and Outlook

Neil Wilson
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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

FY2010 Full Year Results - Detail

Profit and Loss - $A millions	2010	2009	2008
Sales Revenue	$186.02	$193.60	$201.29
EBITDA	$32.33	$24.49	$41.01
NPAT	$20.23	$14.26	$27.64
Diluted EPS (cents)	21.8c	15.9c	31.1c

- Improved margins on similar revenue has delivered increased profitability
- Margins are expected to continue to trend towards FY2008 benchmarks
- Overhead margin includes legal costs in relation to the Tenix dispute of $1m

- Revenue levels (excluding contracting) are similar to 2009 and 2008 on a smaller resource base
  - Exiting from contracting business in NSW/VIC in FY2010 reduces revenue by $7m on pcp
  - Improved utilisation, project success fees and use of specialist contractors have largely offset average headcount reduction between FY2010 and FY2009

As a % of sales revenue	2010	2009	2008
Gross margin	26.71%	22.95 %	29.32%
Overhead margin	9.33%	10.29%	8.94%
EBITDA margin	17.38%	12.65%	20.38%
NPAT margin	10.88%	7.36%	13.73%

FY2010 Full Year Results - Detail

Balance sheet - $A millions	2010	2009	2008
Cash	4.95	0.00	6.03
Receivables	46.87	42.28	48.49
Total assets	142.59	135.94	135.16
Borrowings	14.00	23.00	33.00
Total liabilities	45.84	61.66	71.67

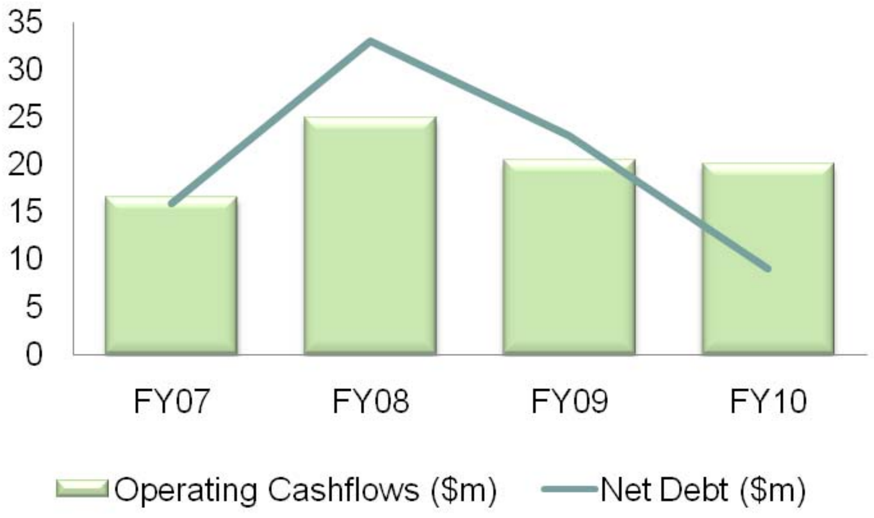
- Working capital position continues to improve
- Continued focus on receivables management (as reflected in days debtors remaining steady)

- Increased dividend payout is expected to continue as debt is reduced - FY10 payout ratio 29.5% (14.2% pcp)
- Revenue per average FTE has increased due to improved utilisation, project success fees and reduced rate pressure. Some offset for lower revenue (and cost) of offshore resources
- Utilisation levels have improved

Other	2010	2009	2008
Final dividend	4.0cf	1.5cf	12.0cf
Total Dividend	6.5cf	2.25cf	23.00cf
Revenue per average FTE (Full Time Equivalent) for the full year	$170k	$161k	$174k
Utilisation	76%	75%	78%
Days debtors	50.8 days	49.3 days	55.3 days

FY2010 Full Year Cash Flow Summary

- Operating cash flow exceeds NPAT
- Debt reduction focus continues – Net borrowings $9m ($23m pcp) and is forecast to be eliminated by end CY2010
- Capex expenditure in FY11 will be similar to FY10
- Interest costs will be significantly lower in FY11



Opening Balance		**$0.0m**
Operating		
Net operating inflows	30.99	
Net interest paid	(1.87)	
Income tax paid	(8.51)	
Operating Cash Flow	$20.61m	
Investing		
Capex	(1.28)	
Investments	(2.12)	
Total Investing	($3.40m)	
Financing		
Share issues	0.41	
Dividends	(3.67)	
Repayment of borrowings	(9.0)	
Total Financing	($12.26m)	
Closing Balance		$4.95m

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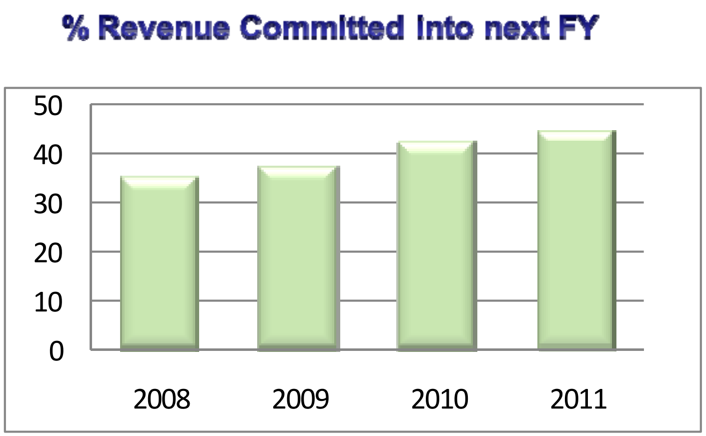
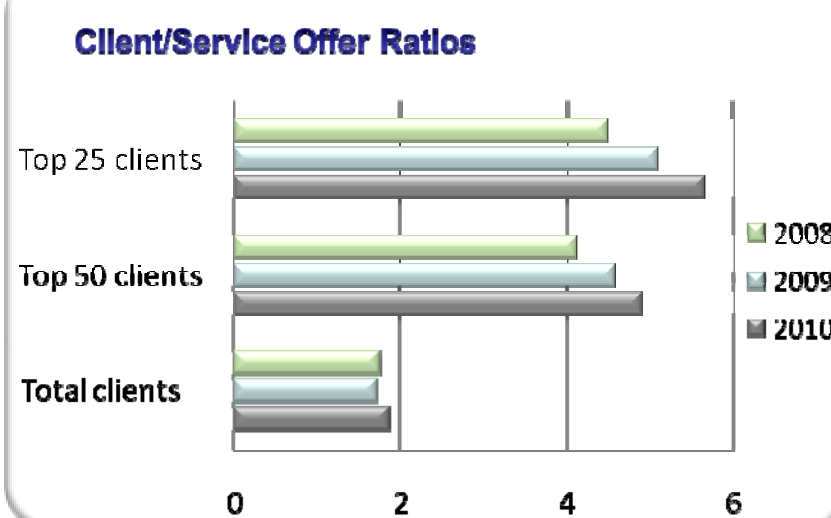
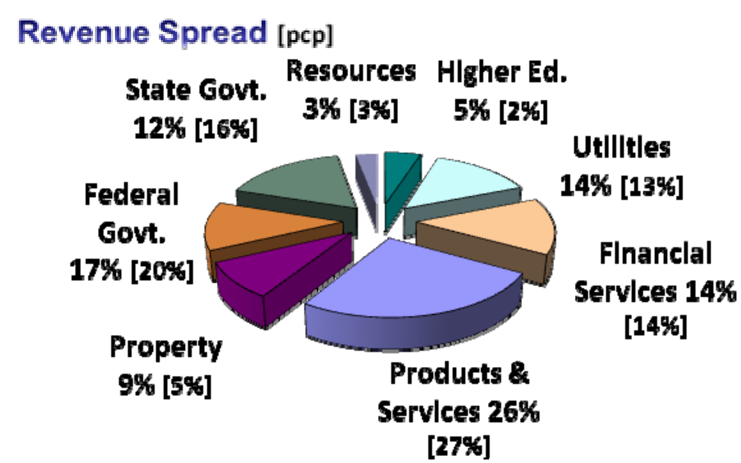
Revenue and Client Analysis





Market outlook

- Expect strong growth in Property, Banking, Insurance and Utilities sectors
- Expect modest growth in Resources, Infrastructure and Retail sectors within Products and Services
- Expect growth in Federal and State government sectors, subject to election outcomes



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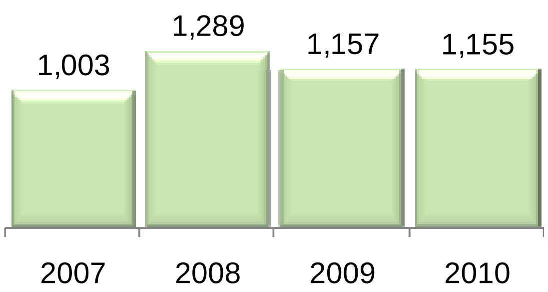
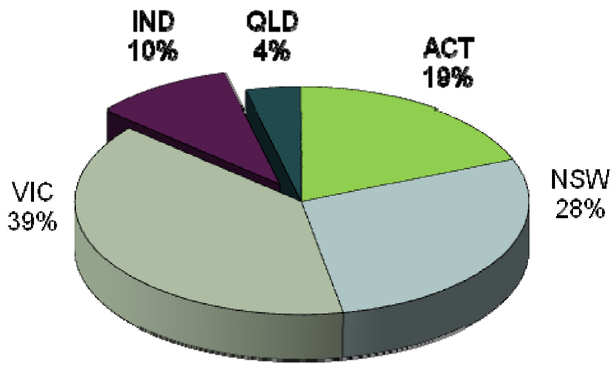
FY2010 Full Year People Summary

Total resources at the end of June



	June 2010	June 2009
Victoria	405	478
New South Wales	323	273
ACT	217	208
Queensland	45	32
India	120	110
National Shared Services	45	56
Total	**1,155**	**1,157**

Location resources



- Total contractors were 117 (pcp 100)
- Staff levels will grow in most locations but optimising utilisation will be a priority
- It is expected that India will continue to increase as a % of total workforce and supplement emerging domestic resource shortages

Oakton's specialist market offer

Project Delivery & Management
- System Integration Services
- Project Management Office
- Project Assurance
- Project Management Services

Accounting & Assurance Services
- Internal Audit
- Probity Audit
- Risk Management
- Integrity & Ethics Services
- IT Audit & Security Services
- Fraud & Related Services

Business & Systems Consulting
- Organisational Change
- IT Strategy & Management
- Enterprise Architecture
- Strategic Sourcing
- Business Analysis
- Business Process Design

IBM Business Partner · Microsoft GOLD CERTIFIED Partner · ORACLE CERTIFIED PARTNER · SAP Partner

Information Management
- IM Strategy
- Business Intelligence
- Enterprise Content Management
- Data Warehouse
- Data Management
- Business Analytics

Integration & Development
- Solution Architecture
- Technical Architecture
- SOA Enablement
- Custom Solutions
- Integration Solutions
- Portal Design & Delivery
- Business Process Automation

Package Solutions
- Implementation Planning
- Solution Process Mapping
- Package Configuration & Automation
- Package Consulting
- CRM Solutions
- ERP Solutions

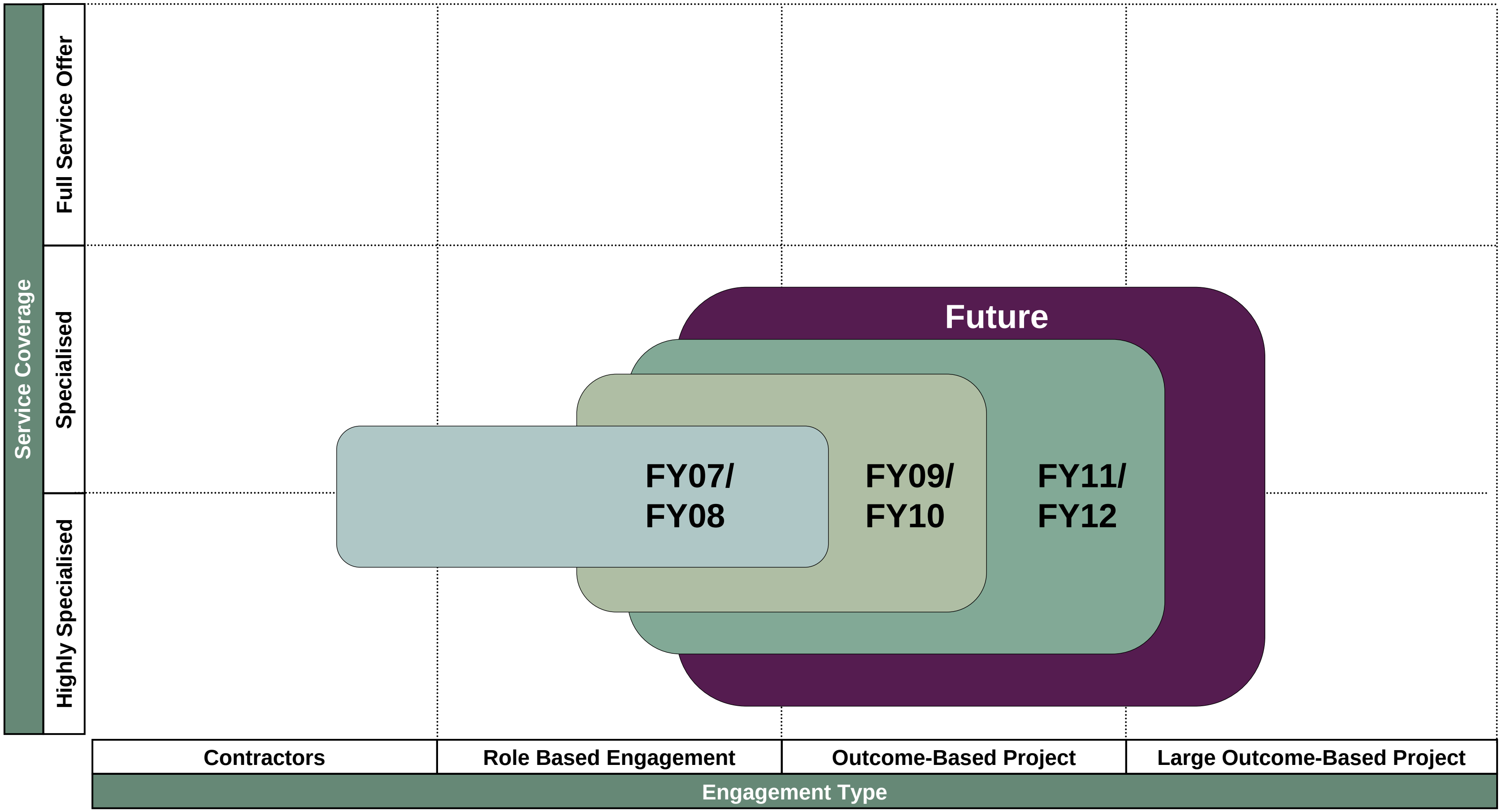
Testing Services
- Testing Strategy
- System Integration Testing
- User Acceptance Testing
- Usability Testing
- Performance Testing
- Regression Testing

Application Management Services
- IT Service Management Consulting
- Operations Review
- Business Application Support & Enhancement
- Data Warehouse Support
- DBA Support
- Service Desk

Dimensions	Consulting Services	Project Services	Operational Services
Typical assignment duration	1 – 3 months	12 – 18 months	3 – 4 years
Typical engagement type	Mix of role and outcome	Increasingly outcome	Almost always outcome
% of revenue: past / **current** / 2012	30%/**25%**/20%	50%/**50%**/50%	20%/**25%**/30%

Oakton's Market Position and Key Strategies

Oakton will continue to develop its 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.



FY2011 – FY2012 Business Plan Headlines

The following strategies should delivery clarity of position in the market, increased revenue levels, margins, dividend payout, staff retention and client satisfaction.

- Acquire increased market share across most industries including Federal Government
- Increase specialisation focus and brand awareness in business systems / solutions area
- Provide solutions that align to specific industries and areas of market demand
- Increase the level of larger and longer projects and Application Managed Services engagements
- Expand our Hyderabad office to access skills and competitive price points
- Strengthen our relationship as a top three partner with Microsoft, SAP, Oracle and IBM
- Continue to develop and implement people programs that attract and retain the best people
- Continued focus on project quality and governance processes and systems to reduce risk and improve project profitability
- No new operating locations
- No outbound acquisition activity, focus on internal investment to drive organic growth

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Thank You

Questions

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