

Company announcement

Oakton Limited ABN 50 007 028 711

Tuesday 17th February 2009

FY2009 Half Year Results and Outlook

FY2009 Half Year Headlines

- Revenue of \$98.08m (up 3.6% on the prior corresponding period), EBITDA of \$11.22m (down 38.7%) and NPAT of \$6.41m (down 48.7%). Includes project write downs of \$4m and \$1.2m redundancies
- The global financial situation and the reduced levels of Federal Government demand have significantly impacted the half year result
- Ended December 2008 with 1,199 staff, 22 more than the same time last year, 90 less than June 2008
- India operation continuing to grow at 100 resources – up from 62 in corresponding period last year
- Extensive operational review underway
- Operating cash flow of \$13.2m, up \$11.4m on corresponding period last year
- New three year debt facilities finalised - strong focus on eliminating debt
- Diluted earnings per share decreased to 7.1 cents
- Interim fully franked dividend of 0.75 cents
- Client cross sell ratios continue to improve

Australian consulting and I.T. services provider Oakton Limited [ASX:OKN] today announced a net profit after tax of \$6.4 million for the half year ended December 2008 - a 48.7% decrease on the corresponding half year period. Revenue increased by 3.6% to \$98.1 million and EBITDA decreased by 38.7% to \$11.2 million during the half year period.

The Oakton Board declared a fully-franked interim dividend of 0.75 cents per share. The dividend will be paid on 30th April 2009 with a record date of 15th April 2009.

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

"As previously outlined in our recent market update on 21 January 2009, the half year result has been severely impacted by the current financial crisis and the reduced levels of Federal Government demand. In particular, the October 2008 to December 2008 trading period has been below expectations as clients sought improved pricing arrangements and in some situations delayed their planned consulting and I.T. investment. Additionally we have assessed the commercial status of a small number of large projects and as a result, the earned value of these projects has been reduced by \$4 million.

Undoubtedly the reduced dividend payment is a disappointment for some shareholders. I can assure you that the Board has spent considerable time determining the amount of dividend to be paid and has taken into account a number of factors. A key priority is to ensure a strong balance sheet which is in the best interests of all shareholders beyond the immediate

challenges presented by the current financial conditions.

During the period Oakton finalised a three year funding facility to secure the investment and working capital requirements of the operations. The facility adds significant strength to the Company's balance sheet and in addition the Oakton board have made a decision to aggressively focus on debt reduction. We aim, subject to investment capital requirements, to leverage our strong cash flow position to enable a return to the previous level of dividend payout ratios once the debt has been significantly reduced.

An extensive operational review is currently underway within the business to improve profitability. We have already implemented changes that will remove some of the infrastructure and levels of management that were introduced to support the anticipated business growth that will now not occur in FY09. Our strategy for the remainder of FY09 is to continue to optimise the cost structures of the business, build a strong level of committed revenue and a solid pipeline of potential revenue to enter FY10.

I would like to take this opportunity to thank our outstanding team at Oakton for standing tall in these difficult times. We have the best team to enable us to weather the storm and to re-engage 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 “These are challenging times and I believe Oakton has the means to meet the challenges for future growth. Oakton remains a profitable company and we will, with great people and clients, focus on improved profitability in the years ahead. On behalf of the Oakton Board I would like to thank our clients, staff and shareholders for their effort and continuing support especially during the economic down turn.”

Please find attached the results and outlook presentation that will be presented to the investment community over the following two weeks.

For more information, please contact:

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oakton

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Oakton Limited is a consulting and information technology company listed on the Australian Stock Exchange [ASX:OKN]. Capitalised at approximately \$A70million (February 2009), 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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