

## Company announcement

### Oakton Limited

Thursday 26<sup>th</sup> April 2007

---

## Oakton acquires Acumen Alliance

---

### Acquisition Summary

- Oakton has agreed to acquire Acumen Alliance, one of Australia's largest privately owned consulting businesses. The transaction completion is subject to certain conditions being satisfied, including staff, client and Acumen Alliance shareholder approvals, and a restructure of the Acumen Alliance group.
- Acumen Alliance is a leading consulting and solutions business with offices in ACT, NSW, Victoria and Qld with the ACT / Federal Government being the largest operation of the existing business contributing approximately 50% of the total business revenue.
- Acumen Alliance is forecasting that the Business will generate approximately \$60m in revenue and \$5.5m in EBIT for FY2007.
- Total purchase consideration is payable as approximately 25% cash and 75% shares, (shares escrowed for a 12 month term), and is based on a multiple of earnings for FY2007 and over a two year (FY 2008 and 2009) earn out period, with a proportion paid at the completion of the transaction and the balance over the earn out period.

The total consideration is currently estimated to be between \$35m to \$45m, dependant on performance during the earn out period. If the business significantly under or over performs, the total consideration could fall outside this range.

- The Acumen Alliance business is to be fully integrated into Oakton's operating model with back office and client cross sell synergies to be realised over time.
- Acumen Alliance will add approximately 280 permanent staff and 100 contract staff to Oakton's operation taking the total staff numbers to over 1000.
- In addition to extending existing Oakton service capability, Acumen Alliance will significantly strengthen Oakton's consulting service capability and add additional service offers in the I.T. Solutions area.
- Acumen Alliance clients have minimal overlap with existing Oakton clients, particularly in the ACT / Federal Government arena where Oakton does not

currently operate.

- Key Acumen Alliance vendors will continue to work in the business moving forward and take on senior roles in the new combined business including the appointment of Acumen Alliance Chairman, Robert Kennedy to the Oakton Board.

**Thursday 26<sup>th</sup> April 2007**, Australian, end to end IT services provider, Oakton Limited [ASX:OKN] today announced a conditional agreement for the acquisition of consulting and solutions business Acumen Alliance. The combined scale, capability and reputation of these two Australian companies will enhance their already significant presence in the Australian market and establish the combined entity as a market leader.

The completion of the transaction is subject to certain staff, client and Acumen Alliance shareholder conditions being satisfied, and a successful restructure of the Acumen Alliance group.

In making the announcement, Neil Wilson, Oakton's Managing Director and CEO said *"This acquisition is an excellent match to our stated strategic directions for increased market share, staff number growth and establishment of a presence in the Canberra / Federal Government market. We have clearly accelerated the achievement of our FY2009 growth targets.*

*We are delighted to have reached agreement with Acumen Alliance, one of Australia's largest and most respected private services companies. Oakton and Acumen Alliance have known each other for some time and it is clear that there is strong cultural alignment in the areas of service quality, people management and a focus on continuous performance improvement and growth.*

The Acumen Alliance staff will transfer to Oakton's business and the vendors currently working in the business will assume key roles in the new integrated business to ensure the ongoing success of the client engagements and to ensure that the full integration within Oakton is successful.

Paul Holyoake, Oakton's Executive Chairman made the following comments regarding the acquisition *"This will be the seventh acquisition Oakton has made since listing in 2000 and is the most strategic in terms of scale and the establishment of our Canberra operation. It is pleasing to have followed up on our very successful Clickstream acquisition with an agreement to acquire such a major player in the market. Over time we would expect to yield synergy benefits from back office integration and client cross sell of the increased range of services."*

Acumen Alliance Chairman Robert Kennedy, who will be appointed to the Oakton Board, made these comments on the sale: *"We are very pleased to be joining a company with Oakton's reputation. They are clearly a good match for our current business and our intended strategic direction. Our combined scale, service offer and location coverage will position the combined group as a market leader "*

Oakton will confirm the completion of the transaction once all requirements have been satisfied.

### **Further Information**

Neil Wilson  
Managing Director and CEO, Oakton Limited  
Tel: +61 3 9617 0200

Acumen Alliance was advised by Blackwood Capital Limited

**About Oakton Limited (pre any impact of Acumen Alliance acquisition):** Oakton Limited is an information technology company listed on the Australian Stock Exchange [ASX:OKN]. Capitalised at approximately \$A390 million (April 2007 ), Oakton has provided Information Technology solutions for large and medium sized organisations for more than 18 years. Oakton provides a range of IT services centred around business systems. The services cover strategy and planning consulting, 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, Brisbane and Hyderabad (India).

For more information refer to [www.oakton.com.au](http://www.oakton.com.au).

# oakton

Oakton Limited ABN 50 007 028 711

## ASX Announcement Oakton acquires Acumen Alliance

focused

A photograph of a man in a white dress shirt and a patterned tie, carrying a dark grey briefcase. He is shown from the chest up, in profile, pointing his right hand towards the right side of the frame. The background is a clear, bright blue sky. The word 'focused' is written in yellow text on the left side of the image, near the man's briefcase.

## Announcement summary

oakton

- Oakton has agreed to acquire Acumen Alliance, one of Australia's largest privately owned consulting businesses. The transaction completion is subject to certain conditions being satisfied, including staff, client and Acumen Alliance shareholder approvals, and a restructure of the Acumen Alliance group.
- Acumen Alliance is a leading consulting and solutions business with offices in ACT, NSW, Victoria and Qld with the ACT / Federal Government being the largest operation of the existing business contributing approximately 50% of the total business revenue.
- Acumen Alliance is forecasting that the Business will generate approximately \$60m in revenue and \$5.5m in EBIT for FY2007.
- Total purchase consideration is payable as approximately 25% cash and 75% shares, (shares escrowed for a 12 month term), and is based on a multiple of earnings for FY2007 and over a two year (FY 2008 and 2009) earn out period, with a proportion paid at the completion of the transaction and the balance over the earn out period.

The total consideration is currently estimated to be between \$35m to \$45m, dependant on performance during the earn out period. If the business significantly under or over performs, the total consideration could fall outside this range.

## Announcement summary (continued)

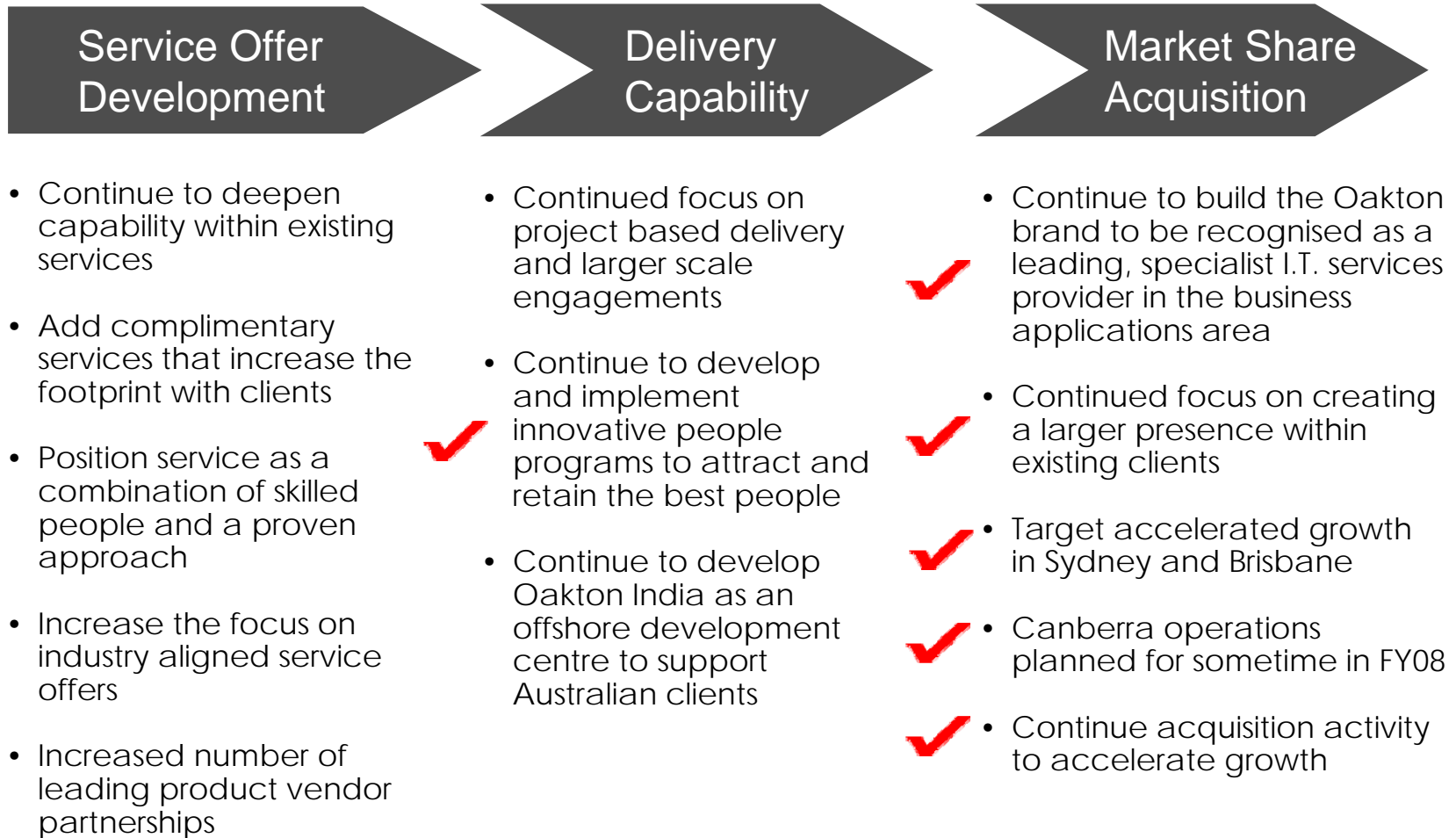
oakton

- The Acumen Alliance business is to be fully integrated into Oakton's operating model with back office and client cross sell synergies to be realised over time.
- Acumen Alliance will add approximately 280 permanent staff and 100 contract staff to Oakton's operation taking the total staff numbers to over 1000.
- In addition to extending existing Oakton service capability, Acumen Alliance will significantly strengthen Oakton's consulting service capability and add additional service offers in the I.T. Solutions area.
- Acumen Alliance clients have minimal overlap with existing Oakton clients, particularly in the ACT / Federal Government arena where Oakton does not currently operate.
- Key Acumen Alliance vendors will continue to work in the business moving forward and take on senior roles in the new combined business including the appointment of Acumen Alliance Chairman, Robert Kennedy to the Oakton Board.

# Business strategy blueprint alignment

(extract from FY2007 Half Year results presentation)

oakton



Acumen and Oakton combined **accelerates** the achievement of these directions

# Why Acumen Alliance?

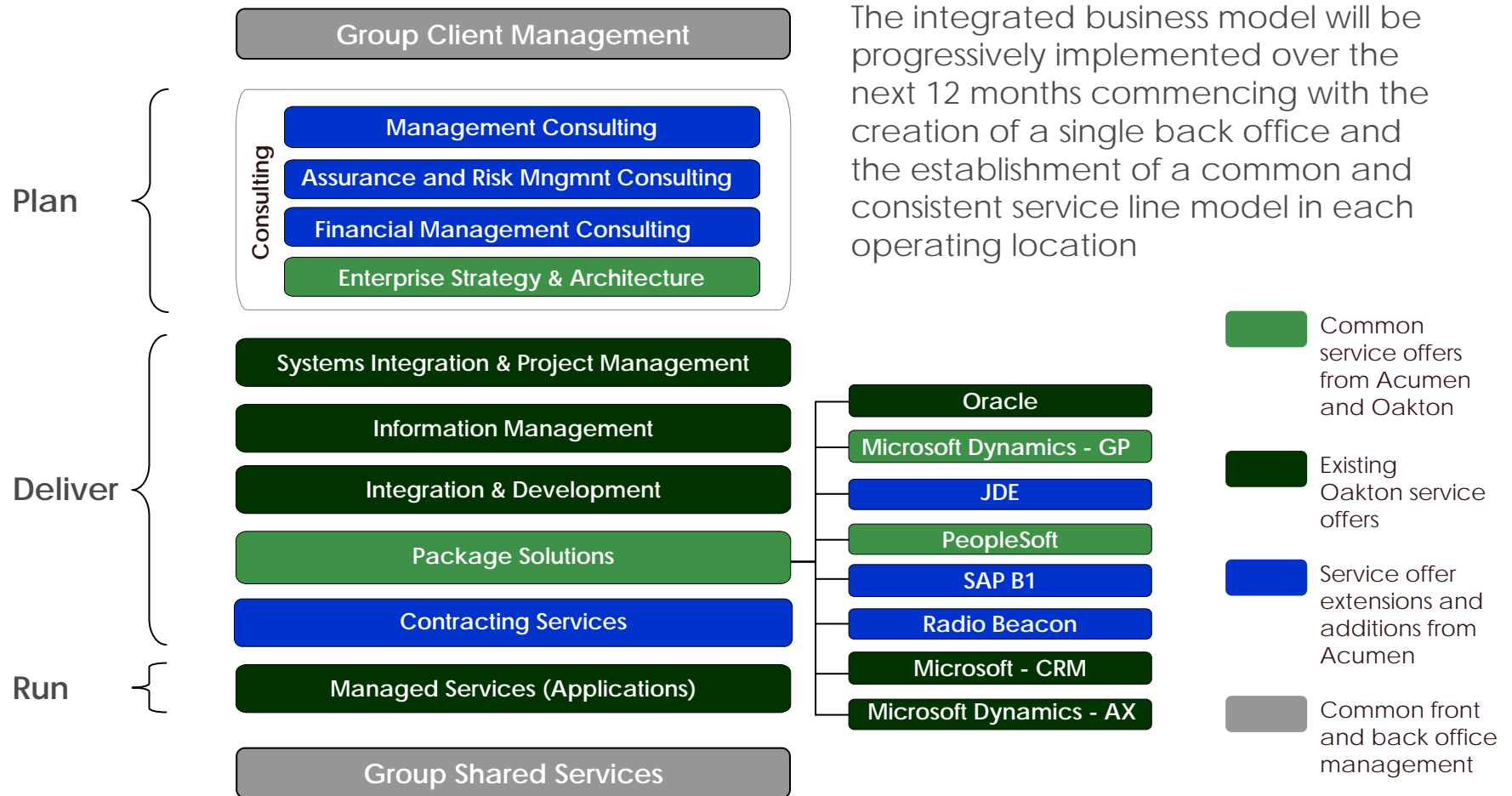
oakton

- Match to strategic direction
  - people accelerates staff number acquisition targets – already part of the team rather than hiring individually as new staff
  - clients adds key clients with little overlap – good cross sell opportunity
  - services deepens (solutions) and adds complementary services (consulting, contracting)
  - locations adds to all existing locations and creates a significant ACT presence
- Respected business of a significant scale (operational since 1996)
- Size and geographical coverage will have a significant impact
- Similar private company heritage and culture
- Executive team committed to business and capable of taking on senior roles in the combined business

# Integrated business model



## oakton Group



The integrated business model will be progressively implemented over the next 12 months commencing with the creation of a single back office and the establishment of a common and consistent service line model in each operating location