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## SMS Management & Technology announces 10% increase in Revenue to \$336m

SMS Management & Technology Limited (SMS), Australia's leading consulting, technology and systems integration services provider, today announced that it had increased total revenue by 10% to \$335.8m for the year ended 30 June 2012.

Full Year Highlights				
Total Revenue <sup>1</sup>	\$335.8m	up	10%	
EBITDA <sup>1, 2</sup>	\$ 44.3m	up	5%	
Net Profit After Tax	\$ 30.6m	up	3%	
Dividends per Share (fully franked)	30.5 cents	up	2%	

Mr Tom Stianos, Chief Executive Officer said, "in the face of volatile market conditions, SMS has once again shown its resilience and strength by growing market share. This reflects the success of our broadened service offering to clients that was facilitated by our investment in the national practice structure in the prior year. During the year, we signed contracts worth \$392m, up 12% on the prior year."

EBITDA increased by 5% to \$44.3m despite a reduced contribution from the M&T Resources division which was impacted by a soft permanent recruitment market. The SMS Consulting business grew EBITDA by 7%. Mr Stianos stated that "the SMS Consulting result is particularly pleasing because it includes the higher cost to service our emerging operations in Hong Kong and Singapore."

Mr Stianos commented, "naturally, we remain alert to the state of the broader economy, however, our main focus is on our clients and their demand for our services. We continue to see growth opportunities in our industry across a number of segments which is reflected in the value of contracted sales and the ability of the business to win further market share."

As announced in February 2012, the Company commenced a program to streamline its operations with a view to improving performance. The improvement in EBITDA margins during the second half of the year is partly due to a program to remove approximately \$2m p.a. in operating costs.

The Company was able to successfully shift capacity from weaker segments of the market to those with greater demand. As a consequence, staff numbers were held steady year on year at 1,682. Significant growth was achieved from Health, ICT, Resources, Transport and Utilities. Financial Services remains one of the Company's leading market segments although it was not as strong as last year.

- 1. Revenue and EBITDA include a gain of \$0.36m relating to deferred consideration adjustments to previous business combinations.
- 2. EBITDA represents Earnings before Interest, Tax, Depreciation and Amortisation and is non-IFRS financial information.



There were no acquisitions made during the course of the year, but businesses acquired in the previous financial year contributed \$4.6m of the \$30m increase in revenue.

SMS maintains a strong balance sheet, with zero debt, and a cash balance of \$30m as at 30 June 2012. The Company intends to continue looking for strategic value-adding acquisitions in the year ahead.

The Board of Directors has increased the full year dividend by 2% to 30.5 cents per share. The record date for entitlement to the final dividend of 17.0 cents per share is 5 October 2012, with payment on 26 October 2012.

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## **About SMS**

SMS Management & Technology (SMS) [ASX:SMX] is Australia's leading consulting, technology and systems integration company employing 1,700 professionals throughout Australia, Hong Kong, Vietnam and Singapore. Established in 1986, SMS is best known for delivery excellence. SMS helps its clients improve their business performance through the implementation of strategy and the delivery of business and technology projects. Industry expertise spans the financial services, ICT, government, defence, health, utilities, resources, gaming and infrastructure sectors. www.smsmt.com