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SMS Management & Technology 2008 full year results; Revenue increased 35% to \$238m, Net Profit after Tax up 37%

SMS Management & Technology, Australia's leading consulting, technology and enterprise solutions company today announced that revenue for the year ended 30 June 2008 increased by 35% to reach \$237.9m. This excluded \$13.4m revenue from pass through services. Normalised Net Profit after Tax increased by 42% to \$25.5m (excluding \$0.7m after tax in due diligence costs expensed as a result of a discontinued acquisition).

The Company has zero debt, holds net cash of \$16.5m, and continues to explore acquisition opportunities that are in line with its growth strategy.

Highlights for the 2008 Financial Year include:

	June 2008	% change
Total revenue	\$237.9m	+35%
Cash generated from earnings	\$37.9m	+42%
Normalised Net Profit after tax	\$25.5m	+42%
Earnings per share	38.2c	+36%
Full year dividend (cents per share, fully franked)	25c	+19%

Mr Tom Stianos, Chief Executive Officer said,

'SMS has continued to extend and broaden its services and practices which has allowed us to contest more market segments and deliver end-to-end solutions for our clients. This has in turn resulted in further market share gains as indicated by the 35% revenue growth.'

Earnings per share grew 36% to 38.2 cents per share. The directors have declared a final fully franked dividend of 15 cents per share bringing the total dividend for the year to 25 cents per share fully franked (up 19%). The record date for entitlement to the dividend is 26 September 2008 with payment on 31 October 2008. The dividend payout ratio has been set at 65% as foreshadowed at the AGM in October 2007. This payout ratio takes into account the requirement to fund further organic growth.

Total Learn Pty Ltd was acquired during the year and has accelerated the Operational Learning and Change practice within SMS. This is performing above expectations and we are well underway to replicate its success in all SMS regional offices. Previous acquisitions have also been embedded into the SMS business unit structure, further driving cross-sell opportunities and delivering operational efficiencies.

The Technology Services division doubled in size during the year and is forecast to continue to grow strongly as SMS increasingly provides end-to-end solutions to its clients.



Despite recent share market volatility, demand for SMS services remains robust with \$260m of new contracts signed during the year and a further \$198m of proposals and bids currently in the pipeline. SMS has been successful in attracting the talent required to meet client demands and has achieved good staff retention. The Company sees significant additional demand stemming from new initiatives including the National Broadband Network, core banking system replacements, major resources projects, investment in infrastructure, and large Defence projects. Many of these new initiatives will lead to further demand for SMS services towards the end of FY2009 and will significantly add to demand in FY2010.

The SMS Annual General Meeting will take place on 27 October 2008 in Melbourne.

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About SMS

SMS Management & Technology (SMS) [ASX:SMX] is Australia's leading consulting, technology and enterprise solutions company employing over 1,400 professionals. 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, mining, gaming and infrastructure sectors.
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