



ASX RELEASE

27 July 2004

Tech One announces record profit, up 30%

The Board of Technology One today announced preliminary results for the full year ending June 30th 2004. The company's results are still to be reviewed and finalised by the company's auditors with the official results to be released on 27 August 2004.

Executive Chairman Mr Adrian Di Marco said Net Profit Before Tax is expected to rise by approximately 30% over the previous full year to \$13.1 million, making it a record result for the company.

"These are strong results, given the company fully expensed \$9.7 million, representing 19% of Revenue, into Research and Development (R&D) to bring our new generation of products to the market and give us an even stronger product leadership position ahead of our competitors," Mr Di Marco said.

"The first of these products, Finance One Connected Intelligence (CI), is now available for limited release. This investment into our new generation products positions the company well for our next stage of growth" he said.

Technology One's expenditure in R&D positions it as one of Australia's leading R&D companies. The company continued its ethos of following world best practice by fully expensing R&D in the period it is incurred, creating a strong correlation between profit and cash flow.

New Business

Mr Di Marco said a pleasing part of the result was that new licence fee revenue had increased strongly in the year by 30%. A record number of new businesses had purchased its enterprise software, with the company adding 74 new clients from a wide range of industry sectors.

The company continued to increase its dominance in the Australian Local Government market signing nine contracts with the following Councils:

- Adelaide City Council
- Baw Baw Shire Council
- Burdekin Shire Council
- Campbelltown City Council
- City of Sydney
- Ku-ring-gai Council
- Launceston City Council
- Local Government Association (Qld)
- Warwick Shire Council

The company also continued its success in the New Zealand Local Government market signing contracts with the following Councils:

- Hastings District Council
- Hutt City Council
- Porirua City Council
- South Taranaki District Council

The New Zealand office performed strongly overall during this period, signing 12 new clients. In only four years, Technology One has successfully established a solid foundation in the New Zealand market with 40 clients and 12 employees. New clients in New Zealand for the year were as follows:



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- Aviation Security
- Electricity Ashburton Limited
- Institute of Chartered Accountants New Zealand
- Jacques Martin
- Marlborough Lines Limited
- Scenic Circle Hotels Limited
- Tertiary Education Commission
- The Todd Corporation

Technology One's Asian office also attracted five new clients:

- Align Distribution Sdn Bhd
- KUB Telekomunikasi Sdn Bhd
- Kusani Sdn Bhd
- Quanterm Logistics Sdn Bhd
- WCT Construction

The Project Services division attracted clients from across Australia for custom software development projects including:

- Australian National Training Authority
- NSW Department of Lands
- Queensland Department of Primary Industries
- Queensland Department of Public Works
- Queensland Department of Tourism, Fair Trading and Wine Industry Development
- Queensland Office of Fair Trading
- Siemens Thiess Communications
- Victoria Legal Aid

Finance One, Technology One's financial management solution, continued to perform strongly against the large multinationals competitors, with new licence fee revenue increasing 54%. There was also increased traction for the new Payroll/HR product, People One with the signing of 11 new customers.

Other new clients for the year include:

- ACT Revenue Office
- Adelaide Convention Centre
- Advanced Data Integration Pty Ltd
- Ambit Recruitment
- Australian Broadcasting Authority
- Australian Maritime Safety
- Catholic Education Wagga Wagga
- Catholic Education Wollongong
- Crown Formwork Pty Ltd
- Department of Senate
- Drinx Pty Ltd
- Equity Trustees
- Fincorp Finance
- Flinders Ports Pty Ltd
- Global TV
- ICA Presents Pty Ltd
- Institute Chartered Accountants Australia
- JJ Richards E-Waste
- Le Cornu Furniture and Carpet Centre Pty Ltd
- Little Company of Mary Healthcare Limited
- Magellan Petroleum
- Melbourne Water Corporation



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- Milura Pty Ltd
- National Native Title Tribunal
- OAMPS
- OFM Investments
- Outsource Australia
- Planet Health
- Port Kembla Coal Terminal
- Portland Coast Water
- PrixCar
- QLD Competition Authority
- Qld Rural Adjustment Authority
- Secure Parking
- Softlink International Ltd
- Timberland Furniture Pty Ltd
- Urban Maintenance System
- Walter and Eliza Hall Institute of Medical Research
- Westralia Airports Corporation.

The announcement of these preliminary results is part of Technology One's continuous disclosure policy to keep the market fully informed.

Outlook

The company said that although market conditions would continue to improve, it believed the outlook for 2005 would be more challenging due to the high base the company was coming off, coupled with other factors including the establishment of its new Executive Team, introduction of the first of its new Connected Intelligence products, Finance One CI, in the market; and the investment required to continue its geographic expansion.

Once plans for the 2005 financial year are finalised, the company will issue an outlook statement to the market.

About Technology One

Technology One is one of Australia's largest and most successful publicly listed software companies. Our focus is the design, development, implementation and support of intelligent enterprise wide software solutions. We deliver totally integrated, powerful business solutions that seamlessly connect our clients with their employees, suppliers and customers. Based on state of the art technology, our solutions are backed up by an aggressive research and development program to ensure they continue to meet our Clients' needs now and in the future.

Our solutions include:

- Financial Management and Accounting (Finance One)
- Retail (Retail One)
- Wholesale and Distribution (Sales One)
- Human Resource Management and Payroll (People One)
- Higher Education and Universities (Student One)
- Local Government (Proclaim One)
- Custom Software Development (Project Services)

Key Facts

- *Technology One has been continually profitable since 1992, returning compound annual growth of 33% Net Profit After Tax, and 30% Revenue*
- *Technology One is a Top 300 Publicly Listed Company*
- *The company has 10 offices in three countries*

Contact Details

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