

Industry Verticals

RESOURCES AND UTILITIES

Environment

The resources and utilities sectors continued as a major focus for CITEC. These sectors are in a mature phase of their life cycles, growing at the same rate as the economy. The resources sector is an early adopter of new technology though uptake by the utilities sector is at a medium level. Both sectors are capital and labour intensive with high regulatory and safety requirements. Government assistance is low in the resources sector and high in the utilities sector.



Tony Smith
Director Resources and Utilities

The challenges and opportunities facing the resources sector include increasing discovery costs, significant ownership changes and consolidation with workforces downsizing, particularly in administration. Exploration costs are rising with the need to balance risk versus opportunity, particularly considering the increasing difficulty of detecting mineral deposits beneath cover.

CITEC has offered the sector innovative IT and business solutions to meet these industry-specific challenges. This has seen CITEC increase our market share in the sector over the previous year.

Key Contracts and Initiatives

Pacific Coal

In January 2003, CITEC won the contract with Pacific Coal to upgrade their SAP environment from version 3.1i to version 4.6. This involved reviewing the current environment and recommending environmental upgrades as well as providing project management and high level SAP expertise. CITEC managed the technical upgrade and also provided resources for the functional upgrade. Pacific Coal went live with SAP 4.6 in June 2003 on time and on budget.

QAL

In June 2003, CITEC won a contract with Queensland Alumina Limited (QAL), worth in excess of \$10 million over the first three-year period, with an option for two, one-year extensions. We are delivering to QAL the full suite of CITEC's core services including ICT management and support services plus full on-site service management, SAP infrastructure and technical systems

administration, hardware provision and support, professional services, network provision and management and 24-hour help desk support.

Both Pacific Coal and QAL are part of the Rio Tinto group of companies.

John Deere

In June 2003, CITEC renewed the corporate WAN contract with John Deere for a further two years. CITEC has been providing a CCNet Frame Relay network for John Deere's operations for several years and the renewed contract will see the organisation upgrade to CITEC's new IP network. This will further improve the service that John Deere provides its dealers throughout Australia and New Zealand.

Queensland Cement

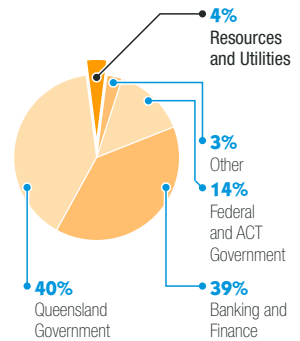
In June 2003, CITEC renewed the contract with Queensland Cement to provide network management to the newly formed Cement Australia. CITEC will work with Cement Australia to develop a flexible arrangement to ensure the organisation is able to vary the services in line with the transition from Queensland Cement to the new entity Cement Australia.

Outlook

A number of large national outsourcing tenders, to be released in 2003/04, will give CITEC the opportunity to secure another year of significant growth in this market.

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RESOURCES AND UTILITIES
Revenue by Industry Sector
Year ended 30 June 2003



« CITEC secured a major contract with Queensland Alumina Limited of Gladstone for the provision of a full suite of ICT management and support services