

Financial Summary

» Key Facts

Year ended 30 June	2004	2003	2002	2001	2000
Operating Results					
Total Revenue \$m	126.885	126.746	125.700	120.486	126.336
Net Profit/(Loss) after Tax \$m	1.960	(164)	1.294	(2.117)	1.427
EBIT \$m	1.501	(1.536)	474	(5.174)	309
EBITDA \$m	7.033	4.680	8.069	3.667	7.547
Capital Investment \$m	7.808	7.516	5.994	3.795	10.690
Financial Position					
Cash Reserves \$m	10.925	9.005	9.493	4.232	3.016
Equity \$m	25.985	23.479	23.942	23.061	25.201
Total Assets \$m	49.250	44.557	44.063	37.929	44.608
Net Debt \$m	3.156	3.534	3.591	-	1.500
Key Measures					
Profit Margin (EBIT/Total Revenue) %	1.18	(1.21)	0.38	(4.29)	0.24
Return on Assets (EBIT/Avg Net Assets) %	0.80	(0.87)	0.29	(3.13)	0.17
Number of Employees (Full Time Equivalent) No.	555	565	621	617	-
Gearing Ratio %	10.83	13.08	13.04	-	5.62

» Cashflow and capital expenditure

Cash from operating activities of \$1.735m continues to demonstrate the strong cash flow generated from our business as substantiated by the year end cash reserves of \$10.925m. Internally generated cash was used to fund capital investment of \$7.808m while maintaining a low gearing ratio of 10.83%.

» Financial management and reporting

In 2002/03 CITEC implemented a new costing system to record costs at client, service level agreement and product levels. The new system, Activity Based Business Model (ABBM) was enhanced during the 2003/04 year to better manage the business through the ability to make more timely decisions and improve on our pricing.

Finance and Corporate Services staff contributed to CITEC's operating profit through the development of internal efficiencies such as online procurement, continuing cost reduction strategies, and concentrated efforts on debtors resulting in debtors 30 days or less measured at 92%.

CITEC introduced an improved flexible budget process, designed to encourage managers to monitor the rate of cost and/or the rate of profitability for service delivery. The organisation is committed to using budget and ABBM reporting to improve the

profitability for CITEC as well as service delivery to clients.

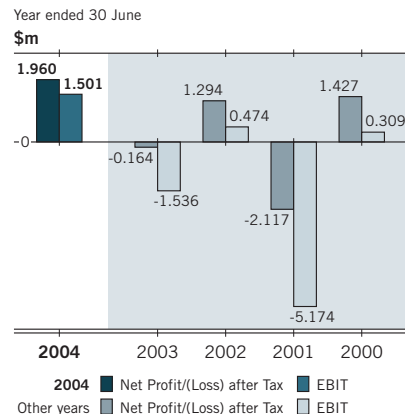
CITEC is classified a "for profit" entity by International Financial Reporting Standards (IFRS) requiring a significant focus by finance personnel in meeting IFRS requirements.

» Regulatory compliance

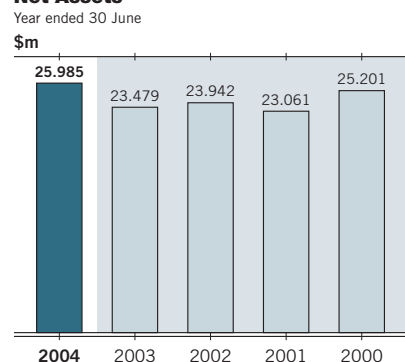
As a commercial business unit of the Queensland Government, CITEC must comply with stringent corporate governance and compliance requirements. In 2003/04 CITEC was subject to a variety of audit and compliance reviews including:

- » Business Activity Statement review conducted by the Australian Taxation Office (ATO), resulting in cooperative compliance and a favourable outcome;
- » Fringe Benefits Tax audit conducted with the ATO recognising full compliance and no adjustment required;
- » The production of financial statements to facilitate the machinery-of-Government change from the Department of Innovation, Information and Economy, Sport and Recreation Queensland to the Department of Public Works;
- » External audit of financial and compliance matters by Queensland Audit Office; and
- » 100% stock take conducted, resulting in a complimentary review from Internal Audit.

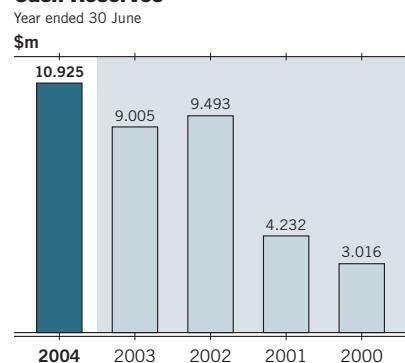
» Financial Performance



» Net Assets



» Cash Reserves



» Capital Investment

