



## **Market Announcement**

27 May 2011

### **Zintel pays dividends with 65% profit increase for year ending 31 March 2011**

With revenue up 17% to \$58 million and net profit before tax up 65% to \$804k, Zintel Group (NZAX: ZIN) has proven its ability to execute growth plans during a challenging year in both Australia and NZ. "Comparing half year on half year best demonstrates we are delivering what we set out to do", says Chairman Nick Gordon. "After acquiring the business of Cogent Communications on 1 October 2009, Zintel Group lost \$808,000 in the six months to 31 March 2010. This was reduced to a loss of only \$39,000 in the subsequent six months to 30 September 2010, and I am delighted to announce a profit of \$843,000 in the most recent half year. Significantly, cash in bank has increased from \$3.9m at 30 September 2010 to \$5.55m at balance date and we have declared a dividend of 1 cent per share."

Revenue for the year to 31 March 2011 of \$58.116 million (\$49.508m prior year) resulted in net profit before tax of \$804,000 (\$488,000) and after tax profit of \$524,000 (\$272,000). Total equity has increased to \$11.2m (\$10.68m). A dividend of 1 cent, plus imputation credits of 0.4286 cents, making a total gross dividend of \$554,131 payable on 3 August 2011 to shareholders on the register on 20 July 2011.

Nick Gordon goes on to say, "We have improved operational efficiency but still require a lot of further change in order to continue to improve profitability on revenue of almost \$60m. We continue to invest in sales people whilst reducing operational expenses and are focused on bringing together a strong executive management team. Zintel Cogent division continues to make reducing losses which we aim to turn to profit in the coming year, whilst Zintel Australia and Zintel Payments both made strong profits."

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### **About Zintel Group limited**

Established in 1995 and listed on the NZAX, Zintel Group Limited provides a broad range of business telecommunication solutions to companies across New Zealand and Australia. The Group comprises of three businesses - Zintel Cogent, Zintel Payments and Zintel Communications in Australia. Zintel Cogent provides innovative telecommunications solutions, including business phone systems, contact centre solutions, Mobile, Toll free and voice services through to network infrastructure and structured cabling. Zintel Payments is a New Zealand importer and distributor for EFTPOS terminals. Zintel Communications Pty is Australia's Toll free specialist and provides a range of competitive business telecommunication services. Zintel Group has over 230 employees operating from 15 nationwide offices across New Zealand and Australia.

### **For further information:**

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