

**Zintel Group Limited**

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MARKET ANNOUNCEMENT**29 May 2009****ZINTEL RESULTS ANNOUNCEMENT TO 31 MARCH 2009**

Zintel Group Limited (NZAX: ZIN) today announced full year revenue to 31 March 2009 of \$39.13m and net profit before tax of \$3.42m.

Earnings

Revenue from continuing operations of \$39.13m is up on the \$37.15m for the prior year primarily due to increased revenue in the New Zealand Enterprise business, whilst net profit before tax is on par with \$3.49m last year. Performance for the first half year to 30 September 2008 was sound with net profit before tax of \$1.86m, however, as expected the Group experienced a weaker second half of \$1.56m.

"As forecast, profit from continued operations is similar to last year's result, and net profit after tax of \$2.29m is slightly ahead of last year's \$2.27m due to lower tax this year," said Chairman, Nick Gordon.

Net profit to 31 March 2009 represents earnings of 4.55 cents per share (4.50 cps). Positive cash flow from operating activities of \$4.78m (\$2.86m) resulted in cash and investments of \$8.58m (\$6.98m) at balance date with no term debt or bank liabilities. During the year Zintel acquired the business of Commspec in New Zealand and a customer database in Australia, both of which were settled in cash.

Dividend

The Company's directors have declared a final dividend for the financial year ended 31 March 2009 of 1.00 cent per share (cps), carrying full imputation credits of 0.49 cps. This brings the full year dividend to 3.00 cps net, plus imputation credits of 1.48 cps, making a gross dividend of 4.48 cps.

This represents 66% of the profit for the year, against a policy of paying at least 40% of profits to shareholders in the form of dividend. The directors continue to consider the balance of dividends level to our shareholders whilst being mindful of economic uncertainty and retaining cash reserves to invest in growth opportunities.

The final dividend will be paid on 26 June 2009 to those shareholders on the register as at 12 June 2009.

Trading Conditions

Zintel operates three businesses: Zintel Communications Ltd and Zintel Communications Pty Ltd which manage Toll and Toll free in New Zealand and Australia respectively; Zintel Enterprise Ltd in New Zealand which provides business telephony and software solutions, together with maintenance and support services; and Zintel Payments Ltd providing payment technology products and services.

The telecommunications industry continues to be challenging with intense competition, reducing margins and increasing expenses. In this environment it is encouraging the Group has maintained profit levels in line with the prior year, although individual business unit performance has been mixed.

The Australian Communications business has again grown profitability in the last year which is positive given the industry challenges being faced. However profit from the New Zealand Communications business declined as it has yet to arrest the customer shrinkage and was particularly hard hit by the loss of its largest customer last November.

Enterprise enjoyed a considerably better year in a business that has lumpy revenues. The Commspec business has now been successfully integrated and operates within Enterprise. Although Commspec required further investment during the year, the Directors are comfortable with this acquisition and the rationale behind it.

Outlook

In January 2009, the Group announced its appointment as the exclusive New Zealand distributor for Hypercom EFTPOS terminals. We are working through bank certification and expect to be approved and selling terminals shortly. This new business activity is expected to at best break even for the year ended 31 March 2010, but should add significant profit in 2011 and beyond. This year it will require cash investment in inventory, debtors and capital equipment.

“Business as usual” projections for the year ended 31 March 2010 suggest a Group profit similar to the year just ended, although trading conditions are most uncertain and we are at the mercy of the economy and exchange rates. It should be noted that a considerable proportion of profit is generated from interest income on cash invested (\$433k to 31 March 2009) and this income is reducing as interest rates fall.

The ambition of the Directors remains to grow the Group and the Company continues to be on the lookout for acquisition and investment opportunities. Zintel is committed to operating in both the Australian and New Zealand markets, and to offer a wider range of products and services as opportunities emerge or are created. The Group has a strong balance sheet, remains profitable and is cash flow positive which augers well during a recession.

ENDS**About Zintel Group Limited**

Zintel Group Limited (www.zintel.co.nz) comprises three businesses providing a broad range of communication technology solutions in Australia and New Zealand. The Communications business offers a range of telecommunications services, specialising in Toll free services. The Enterprise business is a leading provider of integrated communications solutions based around Aastra, Alcatel-Lucent, GMT Workforce Management and Juniper data networking products. The recent inception of Zintel Payments has added payment technology products and services to the Group’s capability. Established in 1995 and listed on the NZAX in November 2003, Zintel now employs over 120 staff with offices in Sydney, Auckland, Wellington, Christchurch and Dunedin.

For further information:

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