

ASX Announcement

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Smartgroup outperforms prospectus forecasts for 2014 full year, declares maiden dividend

Smartgroup Corporation Ltd (ASX: SIQ), one of Australia's largest providers of salary packaging administration and novated leasing services, today reported its financial results for the full year ended 31 December 2014.

Profit after tax, as measured by proforma NPATA, was \$17.4 million for the full year, exceeding the prospectus forecast of \$16.5 million. Revenue was \$72.8 million, exceeding the prospectus forecast of \$69.6 million by \$3.2 million. **Both revenues and earnings exceeded the prospectus forecast by 5%.**

Smartgroup had a net cash balance of \$5.9 million at 31 December 2014.

The Board of Directors declared a maiden fully franked dividend of 6.1 cents per share, payable on 31 March 2015 with a record date of 13 March 2015.

Smartgroup Chairman Michael Carapiet said, "It is pleasing to report that in its first year as a public company, Smartgroup has outperformed prospectus forecasts for revenue, earnings and cashflow. The 6.1 cent dividend announced today represents a payout ratio of 70% of NPATA for the six months to 31 December 2014, at the top-end of our target range of 60-70%. This reflects the business's strong cash generation during the period."

Smartgroup Chief Executive Officer Deven Billimoria said, "This is a solid result underpinned by our focus on operational efficiencies and our unrelenting commitment to outstanding customer service. With Smartgroup achieving industry leading tender-win and client-retention rates, the business is positioned for continued growth."



Deven Billimoria and Chief Financial Officer Tim Looi will hold a briefing tomorrow to discuss the results. The details are as follows:

Time: 9.00 am AEST

Date: Thursday 26 February 2015

The audio briefing will be streamed live at this time and can be accessed via the Smartgroup company page on the Open Briefing website:

<http://www.openbriefing.com/OB/1702.aspx>. This can also be accessed from the investor section of the Smartgroup website: <http://ir.smartgroup.com.au/investors/>

For further information visit www.smartgroup.com.au or contact:

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