
Macquarie Telecom Group Limited

Appendix 4E

Preliminary final report Financial year ended 30 June 2013

1. Results for announcement to the market

\$A'000

Revenue and other income	down	5.7%	to	206,414
Profit after tax attributable to members	down	42.1%	to	11,328
Net profit for the period attributable to members	down	42.1%	to	11,328
Dividends (distributions)		Amount per security		Franked amount per security
Final dividend		12 ¢		12 ¢
Previous corresponding period		12 ¢		12 ¢
Record date for determining entitlements to the dividend		12 September 2013		
Payment date		10 October 2013		

2. Statement of Comprehensive Income

	Notes	CONSOLIDATED	
		2013 \$'000	2012 \$'000
Revenue and other income	6.1	206,414	218,928
Expenses	6.1	(191,093)	(194,493)
Results from operating activities		15,321	24,435
Finance income		551	2,338
Finance costs		(508)	(236)
Profit before income tax		15,364	26,537
Income tax expense		(4,036)	(6,970)
Profit after income tax for the year attributable to owners of the parent		11,328	19,567
Other comprehensive income			
Items that may be reclassified to profit and loss:			
Exchange differences on translation of foreign operations		(15)	-
Total comprehensive income for the year attributable to owners of the parent		11,313	19,567

3. Statement of Financial Position

	CONSOLIDATED	
	2013	2012
	\$'000	\$'000
CURRENT ASSETS		
Cash and cash equivalents	9,703	30,808
Receivables	6,872	6,213
Accrued income	5,026	5,600
Current tax receivable	1,509	-
Other	4,029	2,378
TOTAL CURRENT ASSETS	27,139	44,999
NON-CURRENT ASSETS		
Property, plant and equipment	96,211	69,275
Intangibles	13,445	8,387
Deferred tax assets	3,052	4,389
Other	656	959
TOTAL NON-CURRENT ASSETS	113,364	83,010
TOTAL ASSETS	140,503	128,009
CURRENT LIABILITIES		
Payables	30,278	29,826
Current tax liabilities	-	3,631
Provisions	1,443	1,239
Other	320	187
TOTAL CURRENT LIABILITIES	32,041	34,883
NON-CURRENT LIABILITIES		
Borrowings	9,000	-
Deferred tax liabilities	-	-
Provisions	1,277	1,124
Other	579	677
TOTAL NON-CURRENT LIABILITIES	10,856	1,801
TOTAL LIABILITIES	42,897	36,684
NET ASSETS	97,606	91,325
EQUITY		
Contributed equity	42,991	42,991
Reserves	179	194
Retained profit	54,436	48,140
TOTAL EQUITY	97,606	91,325

4. Statement of Changes in Equity

	Contributed Equity	Reserves	Retained Profit/(Loss)	Total
	\$'000	\$'000	\$'000	\$'000
At 1 July 2011	42,811	182	33,600	76,593
Total comprehensive income for the year	-	-	19,567	19,567
Transactions with owners in their capacity as owners:				
Share-based payments expense	-	12	-	12
Exercise of options	180	-	-	180
Dividends provided for or paid	-	-	(5,027)	(5,027)
	180	12	(5,027)	(4,835)
At 30 June 2012	42,991	194	48,140	91,325
	Contributed Equity	Reserves	Retained Profit/(Loss)	Total
	\$'000	\$'000	\$'000	\$'000
At 1 July 2012	42,991	194	48,140	91,325
Total comprehensive income for the year	-	(15)	11,328	11,313
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	-	-	(5,032)	(5,032)
	-	-	(5,032)	(5,032)
At 30 June 2013	42,991	179	54,436	97,606

5. Statement of Cash Flows

	Notes	CONSOLIDATED	
		2013 \$'000	2012 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		225,574	242,387
Payments to suppliers and employees		(191,866)	(204,546)
Interest received		663	2,564
Interest paid		(490)	(236)
Income tax paid		(7,841)	(6,236)
Other receipts		11	46
NET CASH FLOWS FROM OPERATING ACTIVITIES	6.2	26,051	33,979
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of non-current assets		(51,493)	(51,872)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		(51,493)	(51,872)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	180
Proceeds from borrowings		9,000	-
Dividends paid on ordinary shares		(5,032)	(5,027)
NET CASH FLOWS (USED IN) FINANCING ACTIVITIES		3,968	(4,847)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS		(21,474)	(22,740)
Opening cash and cash equivalents brought forward		30,808	53,463
Effects of exchange rate changes on cash and cash equivalents		369	85
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	6.2	9,703	30,808

6. Notes to the financial statements

6.1 Revenue and expenses

	Current period \$'000	Previous corresponding period \$'000
Revenue and other income		
Revenue		
Revenue from services	206,081	218,863
Other income		
Net profit on disposal of plant and equipment	2	-
Net foreign exchange gains	269	19
Other income	62	46
	206,414	218,928
Expenses		
Bad and doubtful debts	40	41
Operating lease rental	5,810	5,727
Employment costs	63,802	61,721
Carrier costs	81,071	92,123
Net loss on disposal of plant and equipment	-	1
Depreciation and amortisation	19,802	16,167
Other expenses	20,568	18,713
	191,093	194,493

6.2 Reconciliation of cash

	2013 \$'000	2012 \$'000
Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the financial statements is as follows:		
Cash on hand and at bank	6,777	12,704
Short term deposits	2,926	17,600
Restricted cash*	-	504
Total cash at end of period	9,703	30,808
Reconciliation of the profit after income tax to the net cash flows from operations		
Profit after income tax	11,328	19,567
Amortisation of non-current assets	5,328	4,462
Depreciation of non-current assets	14,474	11,705
(Profit)/loss on sale of plant and equipment	(2)	1
Share based payments expense	-	12
Net foreign currency gains	(384)	(85)
Changes in assets and liabilities		
(Increase)/decrease in:		
Trade receivables	(480)	410
Accrued income	574	2,276
Prepayments	(1,651)	(306)
Current tax receivable	(1,509)	-
Deferred tax assets	1,337	1,265
Other receivables	(179)	(296)
Increase/(decrease) in:		
Trade and other creditors	453	(4,492)
Current tax liabilities	(3,631)	(441)
Deferred tax liabilities	-	-
Provisions	358	(34)
Other liabilities	35	(65)
Net cash inflow from operating activities	26,051	33,979

* Bank deposits held by financial institutions as security against letters of credit.

7. NTA backing

	Current period	Previous corresponding Period
Net tangible asset backing per ordinary security	\$4.01	\$3.96

8 Review of operations

8.1 Significant information on financial performance and position

Further commentary on significant information is contained in the press release dated 21 August 2013 accompanying this statement.

8.2 Events occurring after the reporting period

On 21 August 2013, the directors declared a fully franked final dividend of 12 cents per share to the holders of fully paid ordinary shares in respect of the financial year ended 30 June 2013, to be paid to the shareholders on 10 October 2013. This dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is \$2.52 million.

The impact on the franking account of the dividend recommended by the directors since the end of the reporting period, but not recognised as a liability at the reporting date, will be a reduction in the franking account of \$1.08 million.

9. Commentary on the results for the period

9.1 Earnings per share (EPS)

Details of basic and diluted EPS are as follows:

	Current period cents	Previous corresponding period cents
Basic earnings per share		
Basic earnings per share attributable to the ordinary equity holders of the company	54.0	93.4
Diluted earnings per share		
Diluted earnings per share attributable to the ordinary equity holders of the company	54.0	93.4
	Number	Number
Weighted average number of ordinary shares used in calculating basic profit per share	20,967,121	20,941,162
Weighted average number of ordinary shares and potential ordinary shares used in calculating diluted profit per share	20,967,121	20,955,543
	\$'000	\$'000
Profit used in calculating basic and diluted profit per share	11,328	19,567

9.2 Segment reporting

Refer attachment 1.

9.3 Trends in performance

Ratios	Current period	Previous corresponding period
<p>Profit before tax from continuing operations / revenue from continuing operations Consolidated profit from continuing operations before tax as a percentage of revenue from continuing operations</p>	7.4%	12.1%
<p>Profit after tax from continuing operations / equity interests Consolidated net profit after tax from continuing operations attributable to members as a percentage of total equity (similarly attributable) at the end of the period</p>	11.6%	21.4%

9.4 Additional commentary

Further commentary on the results for the period is contained in the press release dated 21 August 2013 accompanying this statement.

10. Annual meeting

The annual meeting will be held as follows:

Place	Museum of Sydney
Date	22 November 2013
Time	9.00am
Approximate date the annual report will be available	25 October 2013

Compliance statement

1. Basis of preparation of the Preliminary Final Report
The preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A, the disclosure requirements of ASX Appendix 4E and Australian Accounting Standards. The accounting policies have been consistently applied by each entity in the consolidated entity and, except where there is a change in accounting policy, are consistent with the prior year.
2. Changes in accounting policies
Nil.
3. This report, and the financial statements upon which the report is based, use the same accounting policies.
4. This report does give a true and fair view of the matters disclosed.
5. This report is based on accounts which have been audited.
6. The entity has a formally constituted audit committee.

Signed:



David Tudehope
Director

Date: 21 August 2013

ATTACHMENT 1

Segment Description

The consolidated entity operates in four primary operating segments providing services to corporate and government customers. The Voice segment relates to the provision of voice telecommunications services. The Data segment relates to the provision of services utilising the Macquarie Telecom data network. The Hosting segment relates to the provision of services utilising Macquarie Telecom's data hosting facilities. The Mobile segment relates to the provision of mobile telecommunications services.

All activities are principally conducted in Australian.

Segment Accounting Policies

Segment accounting policies are the same as the consolidated entity's policies described in Note 2 to the Financial Statements.

Operating segments

	Voice		Data		Hosting		Mobiles		Consolidated	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Revenue										
Sales to customers outside the consolidated entity	65,814	76,199	61,050	62,428	60,371	58,530	18,846	21,706	206,081	218,863
Other income	-	-	2	16	93	49	-	-	95	65
Total segment revenue	65,814	76,199	61,052	62,444	60,464	58,579	18,846	21,706	206,176	218,928
Unallocated revenue									238	-
Total consolidated revenue									206,414	218,928
Results										
Segment result before income tax	16,127	17,243	6,132	5,231	67	7,819	1,706	3,156	24,032	33,449
Unallocated revenue and expenses									(8,711)	(9,014)
Profit before income tax and finance costs									15,321	24,435
Finance income									551	2,338
Finance costs									(508)	(236)
Consolidated entity profit before income tax									15,364	26,537
Income tax expense									(4,036)	(6,970)
Consolidated entity profit after income tax									11,328	19,567