

**NZX Market Announcement from Cynotech Holdings Limited 26<sup>th</sup> February 2009.  
Preliminary Announcement – Full Year**

The Directors of Cynotech Holdings Limited report the results for the year ended 31<sup>st</sup> December 2008.

Net profit after tax attributable to Group shareholders is \$2,279,877 unaudited which compares to the audited net profit to December 2007 of \$1,806,109, an increase of 26%.

Profit before taxation is \$3,215,835 (2007, \$1,559,416), an increase of 106%.

Total assets now stand at \$35,239,430 (2007, \$26,024,850).

Total Group equity is \$13,628,309 (2007, \$11,551,611). Group equity as a percentage of total assets is 39% (2007, 44%).

A final ordinary dividend at the rate of 0.75 (3/4) of one cent per share has been declared payable on 1<sup>st</sup> May 2009 to those shareholders on the register at 5pm on 24 April 2009. The final dividend represents a 50% increase on the rate of final dividend paid for the previous year, and the total 2008 dividend is a 150% improvement on the total 2007 Dividend.

The profit result is quite satisfactory given the current economic circumstances and also taking account of the devastation that has occurred in some other companies involved in the finance company sector.

A prudent approach has been taken to the value of all the Group's assets, but in particular, the Directors have very carefully considered the collectability of all loan receivables and have made appropriate provisions after taking into account the current market values of securities and their ability to be realized.

Most asset values are now either included in the Financial Statements or supported on the basis of a net present value derived from discounted cash flow calculations (DCF) which assume various discount rates and assigns a number of probability criteria related to the component parts of the DCF calculation. This approach is consistent with current NZ IFRS accounting standards.

Other trading operations of the Group have produced satisfactory results.

The Group's collection activities in respect of the distressed loan books purchased, incorporating the loan receivables from National Finance and Western Bay Finance, have been very successful and good monthly increases have been achieved in the number of debtors repaying in regular instalments and monthly cash flows are increasing accordingly.

Allan Hawkins  
Chairman  
26<sup>th</sup> February 2009