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31 August 2009

The Manager
Company Announcements Office
Australian Securities Exchange

**Announcement for Immediate Release**

The Company encloses its Preliminary Final Report for the 12 months ended 30 June 2009.

Yours faithfully,

**Francesco (Frank) Licciardello**
Managing Director

**Appendix 4E**

**Preliminary Final Report** **Period Ending 30 June 2009**

**Sirius Corporation Limited and Controlled Entities ACN 050 240 330**



***1 Details of the reporting period and the previous corresponding period.***

| | | |
|---|---|---|
| Reporting Period | Financial Year ending | **30 June 2009** |
| Previous Corresponding Period | Financial Year ending | **30 June 2008** |

***2 Results for announcement to the market***

***2.1 The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities.***

| | | |
|---|---|---|
| Revenue from continuing operations | $ | **5,345,148** |
| Total revenue in reporting period | $ | **5,345,148** |
| Previous corresponding period - Revenue from continuing operations | $ | **7,545,457** |
| Previous corresponding period - Revenue from discontinuing operations | $ | **2,401,784** |
| Previous corresponding period - Total revenue | $ | **9,947,241** |
| Percentage change up or down from the previous corresponding period of revenue from ordinary activities | % | **-29.16%** |

***2.2 The amount and percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to members.***

| | | |
|---|---|---|
| Profit (loss) from continuing operations after tax | $ | **(1,239,652)** |
| Total Profit (Loss) in Reporting Period | $ | **(1,239,652)** |
| Previous Corresponding Period - Continuing operations | $ | **(1,211,661)** |
| Percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to members. | % | **-2.31%** |

***2.3 The amount and percentage change up or down from the previous corresponding period of net profit (loss) for the period attributable to members.***

| | | |
|---|---|---|
| Profit (loss) from continuing operations after tax | $ | **(1,239,652)** |
| Reporting Period | $ | **(1,239,652)** |
| Previous Corresponding Period - Continuing operations | $ | **(1,211,661)** |
| Percentage change up or down from the previous corresponding period of net profit (loss) for the period attributable to members. | % | **-2.31%** |

***2.4 The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends.***

No dividends proposed relating to the reporting period

***2.5 The record date for determining entitlements to the dividends (if any).***

Not applicable

***2.6*** **A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.**

**Overview**

Against the background of a severe domestic and international economic slowdown, the company's performance during the 2008/09 financial year was disappointing, particularly in the first half of the year. The underlying results however (before one-off costs) continue to show operational improvement in the second half and on a full year basis. The company recorded a bottom-line loss for the year of $1.24 million compared to a $1.212 million loss in 2007/08. The underlying trend was distorted by one-off acquisition and restructuring costs. These costs derived from the failed acquisition of Mastersoft International Pty Ltd and the cost cutting plan instigated in October 2008. Adding back these one off costs, the company recorded a reduced loss in 2008/09 after tax of $0.68 million.

There was a major improvement however in the second half of the year. Strong foundations were established for the future through the securing of a number of large contracts which are scheduled to commence in the 2009-10 financial year. In addition the group repaid all its bank debt (over $0.83 million) and the company is now debt free. The group also recorded an improved cash generation during the year with an operating cash inflow of $0.193 million compared to $0.001 million in 2007/08. The group ended the year with a cash (bank) balance of $0.37 million.

Revenue from continuing operations decreased from $5.9 million in 2007/08 to $5.4 million in 2008/09 mainly due to the deferral of the commencement of new contracts in the first half. The InfoMaster division retained all of its maintenance contract revenue of approximately $1.55 million during the year and this trend is expected to be sustained into the current financial year. In addition, revenues will benefit from the inclusion of maintenance income on new contracts that are being delivered and standard CPI increases on current contracts to be billed.

The one-off costs incurred during the year amounted to $0.56 million and included:

- The cost cutting initiatives and resignation of chairman $0.250 m
- Impairment on sale of listed shares/investments $0.06 m
- Failed acquisition costs $0.250 m

The 2008/09 financial results, before one-off costs, are summarised in the following table

2008/09 Results Before One-Off Costs ($ million)

| | First Half (6 months to Dec 08) | Second Half (6 months to June 09) | Full Year (2008-09) |
|---|---|---|---|
| Revenue | $2.530 | $2.815 | $5.345 |
| EBITDA | ($0.200) | $0.373 | $0.173 |
| EBIT | ($0.915) | ($0.362) | ($1.277) |
| Profit before tax | ($0.927) | ($0.473) | ($1.400) |
| Profit after tax | ($0.927) | $0.248 | ($0.680) |

Our current business focus is on meeting the needs of large enterprises and local and State government departments. The company serves a loyal and well-established customer base that includes organisations such as Qantas, Civil Aviation Services Australia (CASA), Department of Environment and Heritage, Department of Forestry and Fisheries, Brisbane City Council, Gold Coast City Council, City of Melbourne, Department of Planning, Coffs Harbour City Council, Richmond Valley Council, Cockburn City Council in Western Australia and Thames Coramandel in New Zealand. The group has over 70 customer sites that are currently producing recurrent revenue of over $1.6 million per annum.

**The First Half:** ***GFC defers spending***

In the interim (six months to December 2008) report released in February 2009, the directors advised that budgets for the group had not been achieved, largely because InfoMaster, the largest subsidiary, did not meet its revenue and profit targets. This was due to delays in some large contracts following the deferral of decisions in a number of tender decisions and contracts. In addition, delivery on contracts already won was deferred due to a slow-down in customer internal processes within local and state governments. In response, we instigated a cost cutting program in October 2008 that resulted in a reduction in corporate overheads of a further $0.25 million per annum. The restructuring program incurred $0.10 million in one-off costs including redundancies.

***2.6*** **A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood. (continued)**

**The Second Half:** ***Growth + New Tender successes***
There was positive progress on a number of fronts in the second half of the year that positioned the company well for further growth. The initiatives undertaken in the Infomaster business in the first half began to produce fruit with a number of tenders being awarded to InfoMaster within the local government sector. Tenders were also won with state government departments, a first for the group. In the second half, the group achieved revenue of $2.8 million compared to $2.5 million in the first half, representing growth of 12%. EBITDA from continuing operations in the second half was a profit of $0.373 million (before one-off costs) compared to a first half loss of $0.20 million. In the second half, the group was awarded tenders with the following customers:-

- Department of Main Roads Queensland Tender
- South Australian Department of Water, Land, Biodiversity and Conservation Tender
- Local government Association of Tasmania Tender

In addition, InfoMaster was awarded the preferred supplier status in the Wyndham City Council tender and it has executed a contract for the delivery of the first phase of the project which commenced in July 2009.

The large tender wins are a major milestone for the group in a tough market where competition was fierce against much larger competitors. They also demonstrate improving penetration in both the state and local government sectors for our products. The tender wins were achieved in both our core products, MasterPlan and AssetMaster, and demonstrate their growing market acceptance in terms of functionality and technical edge in our market segments. This has led to opportunities, both nationally and internationally, that are now being explored.

The group has a very strong qualified pipeline and has experienced a tender win strike rate of over 70% in the last 12 months. We currently have over 10 submissions awaiting decision and we have been officially short listed to the top two vendors in five submissions. We have recently been advised that we are the successful tender in one of the submissions and we have formally proceeded to contract negotiation phase of the process. We expect to sign contracts in the next 30 days, at which time the company will make an announcement to the market.

**Infomaster:** ***Improving Performance in Core business***
The Infomaster business continues to be profitable and contributed revenue of $3.2m and a EBITDA profit of $0.6 million in 2008/09. This positive result includes minor revenue from the early stages of delivery of contracts awarded in the last 6 months. It is expected that Infomaster will experience a growth rate of around 30% in the next financial year as contracts won are delivered and new orders flow into the group. InfoMaster commences the year with recurrent revenue of $1.6 million and contract orders of $1.3 million, not including very recent tender wins yet to be finalised and announced and new ad-hoc customer orders. Infomaster currently services over 70 councils and three state government departments and is continuing to grow its client base. Its products are gaining acceptance in the market as leading edge technology to solve or replace complex business processes within our market segment.

On 12 August 2009, Fraser Coast Regional council launched PD online, an online planning and development application tracking service. The solution delivered by Infomaster using its MasterPlan and MasterView products was the first online HAF project in Australia fully funded by the Federal Government as part of the HAF-eDA programme. HAF-eDa is the Housing Affordability Fund electronic development Assessment programme. The objective of government with the HAF-eDa program is to contribute towards improved housing affordability by delivering a seamless, comprehensive and integrated electronic development assessment process in key high growth councils in Australia. The Federal Government of Australia has allocated more than $30 million to this project nationally and Infomaster currently has over 60 councils using the service and we are seen as leaders in the market.

***2.6*** **A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood. (continued)**

**Sirius Managed Services:** ***Profitable niche business***
The Sirius Managed Services (SMS) business continues to be profitable and contributed revenue of $2.0 million and an EBITDA of $0.87 million in 2008/09. The division now consists of the legacy messaging and Canberra based labour hire business. The small Games division was divested during the year. The directors expect this division to remain profitable in the next year.

**Strategic Plan & Acquisitions:** ***Plan unchanged despite slight setback***
Overall, Sirius is probably 12 months behind the scheduled implementation of its agreed strategic plan set in 2007, having only completed one acquisition in the last two years compared to the target of one acquisition a year. The economic and financial market downturn during the year meant that vendors of businesses were looking for cash rich exits. Sirius was not able to take advantage of this and instead paid down senior bank debt to consolidate its position for the future. As the economy and share market recovers, our debt free status will improve our capacity to complete larger acquisitions that may emerge.

In the interim (six months to December 2008) report, the directors advised that further scale is required to attain critical mass and that a further three profitable acquisitions will be required in the next three years to achieve the scale required to maintain and justify the company's publicly listed status to shareholders.

The acquisition led growth strategy developed in the last year will not change. The board has previously indicated that the vista has been widened to include not only acquisitions for cash and scrip but potentially also an acquisition of a much larger business, which may result in a change in control. This will assist in providing the scale and size the group requires. An attempt was made to complete such a transaction with the acquisition of MasterSoft. While this failed to complete for a variety of reasons, the objective has not been forgotten and the board remain committed to this process.

The board is committed to reviewing several acquisition targets and is focused on building shareholder wealth in the coming year.

The board is conscious of the fact that the worsening in financial and share market conditions makes it more difficult to raise capital to fund acquisitions. However, current investor support for Sirius has been good and we remain positive about the future growth prospects and the company currently is now debt free which provides greater options for the future.

**Outlook:** ***Much improved***
We have undertaken a great deal of activity during the past year. Sirius is much better positioned, has large contracts that will be delivered in the next years, and is debt free. A lot of hard work is still required in the next year to continue to mitigate the risk of being a small operating business in a volatile international financial climate. The company is in the early stages of its strategic journey, and has suffered a set back with the failed acquisition of Mastersoft International Pty Ltd. There is much work to do in the coming few years to build and retain shareholder value but we now have a much better base.

***3*** ***An income statement together with notes to the statement, prepared in compliance with AASB 101.***

**Income Statement**
**For the year ended 30 June 2009**

| | Notes | Consolidated **2009** | 2008 |
|---|---|---|---|
| **Revenue from continuing operations** | 1 | **5,345,148** | 5,919,021 |
| Other income - Gain on Acquisition | 1 | **-** | 1,626,436 |
| Cost of goods sold | | **(275,780)** | (297,645) |
| Facilities management operational leases | | **(13,440)** | (195,030) |
| Telecommunication carrier costs | | **(102,683)** | (112,431) |
| Employee benefits and related expenses | | **(3,606,939)** | (3,811,962) |
| Occupancy expenses | | **(489,929)** | (424,120) |
| Travel, accommodation & entertainment | | **(197,281)** | (313,868) |
| Professional Fees - (non Director related) | | **(235,761)** | (195,335) |
| Insurance | | **(80,425)** | (138,259) |
| Finance costs | 2 | **(85,372)** | (34,750) |
| Other expenses from operating activities | | **(317,642)** | (294,101) |
| Marketing | | **(141,688)** | (141,783) |
| Depreciation and amortisation expenses | 2 | **(1,449,954)** | (1,477,649) |
| Impairment expense | 2 | **(60,000)** | (498,087) |
| Acquisition expenses | | **(248,373)** | - |
| **Profit (loss) from continuing operations before income tax expense** | | **(1,960,119)** | (389,562) |
| Income tax expense/(benefit) | 3 | **(720,467)** | 822,099 |
| **Profit (loss) from continuing operations** | | **(1,239,652)** | (1,211,661) |
| Profit (loss) from discontinued operations | 14. a) | **-** | 1,221,692 |
| **Net profit (loss) attributable to members of Sirius Corporation Limited** | | **(1,239,652)** | 10,031 |
| **Total changes in equity other than those resulting from transactions with owners as owners** | | **(1,239,652)** | 10,031 |

*The above income statement should be read in conjunction with the accompanying notes*

***4*** ***A balance sheet together with notes to the statement. The balance sheet may be condensed but must report as line items each significant class of asset, liability, and equity element with appropriate sub-totals.***

**Balance Sheet**
**As at 30 June 2009**

| | Notes | Consolidated **2009** | 2008 |
|---|---|---|---|
| **Current Assets** | | | |
| Cash and Cash Equivalents | 5 | **368,947** | 1,564,791 |
| Trade and Other Receivables | 6 | **1,431,373** | 1,275,125 |
| Other | | **477,020** | 837,226 |
| **Total Current Assets** | | **2,277,340** | 3,677,142 |
| **Non Current Assets** | | | |
| Investments | | **-** | 240,000 |
| Property Plant & Equipment | 7 | **455,442** | 615,363 |
| Intangible Assets | 8 | **3,942,511** | 4,449,348 |
| Investments on Deposit | | **144,771** | - |
| **Total Non Current Assets** | | **4,542,724** | 5,304,711 |
| **TOTAL ASSETS** | | **6,820,064** | 8,981,853 |
| **Current Liabilities** | | | |
| Trade and Other Payables | 9 | **2,084,219** | 1,888,537 |
| Other | 10 | **1,790,324** | 1,606,832 |
| **Total Current Liabilities** | | **3,874,543** | 3,495,369 |
| **Non Current Liabilities** | | | |
| Other | 11 | **12,593** | 560,504 |
| Provisions | 12 | **95,928** | 128,861 |
| Deferred Tax Liability | | **3,184** | 723,652 |
| **Total Non Current Liabilities** | | **111,705** | 1,413,017 |
| **TOTAL LIABILITIES** | | **3,986,248** | 4,908,386 |
| **NET ASSETS** | | **2,833,816** | 4,073,467 |
| **Equity** | | | |
| Contributed Equity | | **10,337,947** | 10,337,947 |
| Accumulated Losses | | **(7,504,132)** | (6,264,480) |
| **TOTAL EQUITY** | | **2,833,815** | 4,073,467 |

***5 a)*** ***A statement of changes in equity together with notes to the statement. The statement of changes in equity may be condensed but must comply with the disclosure requirements of AASB 101***

**Statement of Changes in Equity**
**For the year ended 30 June 2009**

| | Consolidated **2009** | 2008 |
|---|---|---|
| **Total equity at the beginning of the financial year** | **4,073,467** | 1,519,315 |
| Profit/(Loss) for the financial year | **(1,239,652)** | 10,031 |
| Issued capital (net of transaction costs) | **-** | 2,558,694 |
| Movement in share options reserve | **-** | (14,573) |
| **Total equity at the end of the financial year** | **2,833,815** | 4,073,467 |

*The above balance sheet should be read in conjunction with the accompanying notes*

***5 b)*** ***A cash flow statement together with notes to the statement. The cash flow statement may be condensed but must report as line items each significant form of cash flow and comply with the disclosure requirements of AASB 107 Cash Flow Statements, or for foreign entities, the equivalent foreign accounting standard.***

**Cash Flow Statement**
**For the year ended 30 June 2009**

| | Consolidated | |
|---|---|---|
| | **2009** | 2008 |
| **Cash flows from operating activities** | | |
| Receipts from customers (inclusive of GST) | **6,842,669** | 9,877,767 |
| Payments to suppliers and employees (inclusive of GST) | **(6,643,598)** | (9,872,041) |
| | **199,071** | 5,726 |
| Interest received | **46,122** | 30,517 |
| Finance costs | **(52,118)** | (34,750) |
| **Net cash inflow from operating activities** | **193,075** | 1,493 |
| **Cash flows from investing activities** | | |
| Investments | **(144,771)** | - |
| Payments for purchase of subsidiary, net of cash acquired | **-** | (2,762,551) |
| Proceeds from sale of discontinued operations | **200,000** | 1,363,381 |
| Payments for development costs | **(767,687)** | (539,204) |
| Payments for property plant and equipment | **(25,461)** | (29,444) |
| Proceeds from sale of investment | **180,000** | - |
| **Net cash (outflow) from investing activities** | **(557,919)** | (1,967,818) |
| **Cash flows from financing activities** | | |
| Repayment of borrowings | **(831,000)** | (275,000) |
| Proceeds from borrowings | **-** | 1,081,000 |
| Proceeds from rights issue (net of transaction costs) | **-** | 2,558,692 |
| **Net cash inflow/(outflow) from financing activities** | **(831,000)** | 3,364,692 |
| **Net increase/(decrease) in cash held** | **(1,195,844)** | 1,398,367 |
| Cash at the beginning of the financial year | **1,564,791** | 166,424 |
| **Cash at the end of the financial year** | **368,947** | 1,564,791 |

*The above statement of cash flows should be read in conjunction with the accompanying notes*

***Notes to Sections 3, 4 & 5.***

**1** **Revenue**

| | | Consolidated | |
|---|---|---|---|
| | | **2009** | 2008 |
| **Revenue** | | | |
| Services | | **5,299,026** | 5,888,504 |
| | | **5,299,026** | 5,888,504 |
| **Other Revenue** | | | |
| Interest received | | **46,122** | 30,517 |
| **Revenue from continuing operations** | | **5,345,148** | 5,919,021 |
| **Other Income** | | | |
| Gain on acquisition | | **-** | 1,626,436 |
| **Revenue from discontinuing operations** | 14. a) | **-** | 2,401,784 |
| **Total Revenue** | | **5,345,148** | 9,947,241 |

***Notes to Sections 3, 4 & 5.***

**2 Operating profit (loss)**

| | Consolidated 2009 | 2008 |
|---|---|---|
| **Net profit (loss) and expenses** | | |
| Profit (loss) before income tax includes the following specific expenses: | | |
| Depreciation | | |
| Plant and equipment | **175,429** | 405,907 |
| Impairment | | |
| Intellectual Property | **-** | 438,087 |
| Investment | **60,000** | 60,000 |
| Total Impairment | **60,000** | 498,087 |
| Amortisation | | |
| Deferred IT development | **279,158** | 133,363 |
| Customer maintenance contracts | **369,867** | 369,867 |
| Software | **625,500** | 568,512 |
| Total amortisation | **1,274,525** | 1,071,742 |
| Other charges against assets | | |
| Bad and doubtful debts | **33,254** | 1,000 |
| | **33,254** | 1,000 |
| Net loss on disposal of fixed assets | **552** | 25,817 |
| Finance costs | | |
| Interest and finance charges paid/payable | **85,372** | 34,750 |
| Rental expense relating to operating leases | | |
| Minimum lease payments | **501,386** | 424,120 |

**3 Income Tax**

| | Consolidated 2009 $'000 | 2008 $'000 |
|---|---|---|
| **3 a)** The income tax expense for the financial year differs from the amount calculated on the profit (loss). The differences are reconciled as follows: | | |
| Profit (loss) from continuing operations before income tax expense | **(1,960,119)** | (389,562) |
| Profit (loss) from discontinuing operations before income tax expense | **-** | 1,221,692 |
| | **(1,960,119)** | 832,130 |
| Income tax calculated @ 30% | **(588,036)** | 249,639 |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income | | - |
| Deferred tax assets written off | **-** | 572,460 |
| Deferred tax asset not brought to account | **588,036** | - |
| Deferred tax liability not brought to account | **(720,467)** | - |
| Income tax expense/(benefit) | **(720,467)** | 822,099 |
| **3 b)** Tax losses | | |
| Approximate unused tax losses for which no deferred tax asset has been recognised | **-** | 1,908,200 |
| Potential tax benefit | **-** | 572,460 |

***Notes to Sections 3, 4 & 5.***

**4 Accumulated losses**

| | Consolidated 2009 | 2008 |
|---|---|---|
| Accumulated losses at the beginning of the financial year | **(6,264,480)** | (6,274,511) |
| Net profit/(loss) attributable to members of Sirius Corporation Limited | **(1,239,652)** | 10,031 |
| Accumulated losses at the end of the financial year | **(7,504,132)** | (6,264,480) |

**5 Current assets - Cash and cash equivalents**

| | Consolidated 2009 | 2008 |
|---|---|---|
| Cash at bank and on hand | **368,947** | 1,564,791 |

**6 Current assets - Trade and other receivables**

| | **Consolidated 2009** | 2008 |
|---|---|---|
| Trade debtors | **1,467,578** | 1,306,125 |
| Less Provision for impairment of trade debtors | **(36,205)** | (31,000) |
| | **1,431,373** | 1,275,125 |

**7 Non-current assets - Property, plant and equipment**

| | Consolidated 2009 | 2007 |
|---|---|---|
| **Leasehold improvements** | | |
| At cost | **154,570** | 140,070 |
| Less: Accumulated amortisation | **(29,993)** | (22,949) |
| Total leasehold improvements | **124,577** | 117,121 |
| **Plant and equipment** | | |
| At cost | **4,307,921** | 4,309,643 |
| Less: Accumulated depreciation | **(3,977,056)** | (3,811,401) |
| | **330,865** | 498,242 |
| Plant and equipment under finance lease | **-** | - |
| Less: Accumulated amortisation | **-** | - |
| | **-** | - |
| Total plant and equipment | **330,865** | 498,242 |
| | **455,442** | 615,363 |

***Notes to Sections 3, 4 & 5.***

**8 Non-current assets - Intangible assets**

| | Consolidated 2009 | 2008 |
|---|---|---|
| IT Development | **1,450,864** | 683,177 |
| Less: Accumulated amortisation | **(412,520)** | (133,363) |
| | **1,038,344** | 549,814 |
| Customer maintenance contracts | **2,773,917** | 2,773,917 |
| Less: Accumulated amortisation | **(957,556)** | (369,856) |
| | **1,816,361** | 2,404,061 |
| Software | **2,502,083** | 2,502,083 |
| Less: Accumulated amortisation | **(1,414,277)** | (1,006,610) |
| | **1,087,806** | 1,495,473 |
| Total Intangible | **3,942,511** | 4,449,348 |

**9 Current liabilities - Trade and other payables**

| | Consolidated 2009 | 2008 |
|---|---|---|
| Trade payables | **1,282,300** | 1,306,416 |
| Other payables | **801,919** | 582,121 |
| | **2,084,219** | 1,888,537 |

**10 Current liabilities - Other**

| | Consolidated 2009 | 2008 |
|---|---|---|
| Income in advance | **1,513,025** | 1,274,367 |
| Lease Liability | **35,564** | 32,465 |
| Loans | **241,735** | 300,000 |
| | **1,790,324** | 1,606,832 |

**11 Non - Current liabilities - Other**

| | Consolidated 2009 | 2008 |
|---|---|---|
| Lease Liability | **12,594** | 48,158 |
| Other | **-** | 6,346 |
| Loans | **-** | 506,000 |
| | **12,594** | 560,504 |

**12 Non - Current liabilities - Provisions**

| | Consolidated 2009 | 2008 |
|---|---|---|
| Employee benefits - long service leave | **95,928** | 128,861 |
| | **95,928** | 128,861 |

***Notes to Sections 3, 4 & 5.***

## 13 Business combination

### a) Summary of acquisition

On 1 July 2007 the parent entity acquired 100% of the issued share capital of IFMA Pty Ltd.

The acquired business contributed revenues of $3,248,959 and net profit of $303,456 to the Group for the period 1 July 2007 to 30 June 2008.

Details of the fair value of the assets and liabilities acquired and gain on acquisition are as follows

| | $ |
|---|---|
| Purchase consideration (refer to (b) below): | |
| Cash Paid | 2,887,368 |
| Fair values of shares issued | 100,000 |
| Direct costs relating to the acquisition | 550,396 |
| Total purchase consideration | 3,537,764 |
| Fair value of net identifiable assets acquired (refer to (c) below) | 5,164,200 |
| Gain on Acquisition | 1,626,436 |

### b) Purchase consideration

| | $ |
|---|---|
| Outflow of cash to acquire subsidiary, net of cash acquired: | |
| Cash consideration | 3,437,764 |
| Less: Balances acquired | |
| Cash | 364,649 |
| | 364,649 |
| Outflow of Cash | 3,073,115 |

### c) Assets and Liabilities acquired

The assets & liabilities arising from the acquisition are as follows:

| | Acquiree's carrying amount | Fair Value |
|---|---|---|
| | $ | $ |
| Cash | 364,649 | 364,649 |
| Trade Receivables | 834,966 | 834,966 |
| Other Assets | 199,809 | 199,809 |
| Plant & Equipment | 327,011 | 327,011 |
| Trade Payables | (515,986) | (515,986) |
| Other Liabilities | (184,019) | (184,019) |
| Borrowings | (149,929) | (149,929) |
| Employee benefits liabilities | (270,133) | (270,133) |
| Intellectual Property – Software & Maintenance | - | 5,276,000 |
| Deferred Tax Asset | - | 113,832 |
| Deferred Tax Liability | - | (832,000) |
| Net Assets | 606,368 | 5,164,200 |

At the date of this financial report, no additional payments are anticipated

***Notes to Sections 3, 4 & 5.***

**14 Discontinued operations**

**14. a) Discontinued operations - Asset Sale of Phoneware Communication Systems Pty Ltd**

**i) Description**

On 1 May 2008, Sirius Corporation Limited executed an asset sale agreement for its subsidiary company, Phoneware Communication Systems Pty Ltd, which provided Telecom Expense Management (TEM) services to large enterprises.

Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

**ii) Financial performance and cash flow information**

The financial performance and cash flow information presented are for the period 1 July 2007 to 30 April 2008, being the date of disposal and the year ended 30 June 2007

| | Consolidated | |
|---|---|---|
| | **2009** | 2008 |
| | **$** | **$** |
| Revenue | - | 2,401,784 |
| Expenses | - | (3,266,235) |
| Profit/(loss) before income tax | - | (864,451) |
| Income tax expense | - | - |
| Profit/(loss) after income tax of discontinued operations | - | (864,451) |
| | | |
| Gain on sale of division before income tax | - | 2,086,143 |
| Income tax expense | - | - |
| Gain on sale of division after income tax | - | 2,086,143 |
| | | |
| **Profit/(loss) after income tax of discontinued operations** | - | 1,221,692 |
| | | |
| Net cash inflow from operating activities | - | 101,308 |
| Net cash inflow (outflow) from investing activities | - | 1,363,381 |
| Net cash (outflow) from financing activities | - | - |
| **Net increase in cash generated by the division** | - | 1,464,689 |

**iii) Carrying amount of assets and liabilities**

The carrying amounts of assets and liabilities as at 30 April 2008 (date of sale) and 30 June 2007 were:

| | Consolidated | |
|---|---|---|
| | **2009** | 2008 |
| | **$** | $ |
| Trade receivables | - | 79,534 |
| Other current assets | - | 54,378 |
| Property, plant and equipment | - | 89,176 |
| Capitalised software costs | - | 303,617 |
| **Total assets** | - | 526,705 |
| | | |
| Unearned income and other current liabilities | - | 558,109 |
| Provision for employee benefits | - | 64,262 |
| **Total liabilities** | - | 622,371 |
| | | |
| **Net assets** | - | (95,666) |

***Notes to Sections 3, 4 & 5.***

**14. a) Discontinued operations (continued)**

**iv) Details of the sale of the division**

| | Consolidated | |
|---|---|---|
| | **2009** | 2008 |
| | **$** | $ |
| Consideration received or receivable: | | |
| Cash | **-** | 2,200,000 |
| Shares issued as consideration | **-** | 300,000 |
| | **-** | 2,500,000 |
| Adjustments | **-** | (436,619) |
| Total disposal consideration | **-** | 2,063,381 |
| Carrying amount of net assets sold | **-** | 95,666 |
| Costs associated with sale of division | **-** | (72,904) |
| **Gain on sale before income tax** | **-** | 2,086,143 |
| Income tax expense | **-** | - |
| **Gain on sale before after tax** | **-** | 2,086,143 |

***6 Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable and (if known) the amount per security of foreign sourced dividend or distribution.***

No payments made.

***7 Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.***

No plans approved.

***8 A statement of retained earnings showing movements.***

See Statement of Changes in Equity

***9 Net tangible assets per security with the comparative figure for the previous corresponding period.***

| | | |
|---|---|---|
| Reporting Period | Cents | **(1.10)** |
| Previous Corresponding Period | Cents | **0.35** |

***10 Details of entities over which control has been gained or lost during the period.***

***10.1 Name of the entity.***

Not Applicable

***10.2 The date of the gain or loss of control.***

Not Applicable

***10.3*** ***Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.***

Not Applicable

***11*** ***Details of associates and joint venture entities including the following.***

***11.1*** ***Name of the associate or joint venture entity.***

Not applicable

***11.2*** ***Details of the reporting entity's percentage holding in each of these entities.***

Not applicable

***11.3*** ***Where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.***

| | | |
|---|---|---|
| Reporting Period | $'000 | **N/A** |
| Previous Corresponding Period | $'000 | **N/A** |

***12*** ***Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.***

Refer to explanatory notes above & refer 2.6.

***13*** ***For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards).***

Not applicable

***14*** ***A commentary on the results for the period. The commentary must be sufficient for the user to be able to compare the information presented with equivalent information for previous periods. The commentary must include any significant information needed by an investor to make an informed assessment of the entity's activities and results, which would include but not be limited to discussion of the following.***

***14.1*** ***The earnings per security and the nature of any dilution aspects.***

| | Consolidated | |
|---|---|---|
| | **2009** | 2008 |
| | **Cents** | Cents |
| Basic earnings per share (continuing operations) | **(1.24)** | (1.21) |
| Basic earnings per share (discontinuing operations) | **-** | 1.22 |
| | **(1.24)** | 0.01 |
| Diluted earnings per share (continuing operations) | **(i)** | (i) |
| **Weighted average number of shares used as the denominator** | | |
| Weighted average number of shares used as the denominator in calculating basic earnings per share | **100,232,727** | 100,232,727 |
| **Diluted Earnings per share** | | |
| Weighted average number of shares used as the denominator in calculating diluted earnings per share | **(i)** | (i) |

(i) Not materially different to basic earnings per share

***14.2 Returns to shareholders including distributions and buy backs.***

None made

***14.3 Significant features of operating performance.***

Refer to section 2.6

***14.4 The results of segments that are significant to an understanding of the business as a whole.***

**Segment information**

The consolidated entity and all its controlled entities operate in the information technology industry and are considered by the Board to operate within a single segment of that industry, being the field of software and services.

The activities of the consolidated entity are carried out wholly from within the Australasian region which is considered by the Board to represent one geographical market.

***14.5 A discussion of trends in performance.***

Refer to section 2.6

***14.6 Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified.***

Refer to section 2.6

***15 A statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed***

This report is based on accounts that are in the process of being audited.

***16 If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification.***

No change anticipated from the results reported.

***17 If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.***

No dispute or qualification known at the date of lodgement of this report.

**Francesco Liccardello**
**Managing Director**

**Date: 31 August 2009**
**Melbourne**