

**HANSEN TECHNOLOGIES LTD
ABN 90 090 996 455
AND CONTROLLED ENTITIES**

**FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2007
PROVIDED TO THE ASX UNDER LISTING RULE 4.3A**

Appendix 4E Preliminary Final Report

Name of entity

| |
|---|
| Hansen Technologies Limited and its controlled entities |
|---|

| |
|---------------------|
| ABN: 90 090 996 455 |
|---------------------|

1. Reporting period

| | |
|--|--------------|
| Report for the financial year ended | 30 June 2007 |
| Previous corresponding period is the financial year ended | 30 June 2006 |

2. Results for announcement to the market

| | Current Period | Previous corresponding period | Amount Increase/ (decrease) | % Change Increase/ (decrease) |
|---|-------------------|-------------------------------------|-----------------------------------|-------------------------------------|
| Total Revenues | 52,588 | 51,250 | 1,338 | 3% |
| Profit (loss) from ordinary activities after tax attributable to members | 3,307 | 724 | 2,583 | 357% |
| Net profit (loss) for the period attributable to members | 3,307 | 724 | 2,583 | 357% |

| Dividends | Amount per security | Franked amount per security |
|--|---------------------|-----------------------------|
| Interim dividend | 0¢ | 0¢ |
| Final dividend | 1¢ | 0¢ |
| Record date for determining entitlements to the dividend | 17 September 2007 | |

NOTE:

A 1 cent per share unfranked dividend has been declared for the reporting year.

In addition, but not included in the fiscal 2006/7 results, Hansen announced yesterday the sale of its subsidiary, Hansen Professional Services Pty Ltd (HPS), a NSW based IT outsourcing business for a cash consideration of \$10.5 million.

The company raised \$6.4m in a capital raising in 2005 and now has agreed to partially return this capital to shareholders. The Directors intend to make a payment of an amount of 3 cents per share to shareholders. The Company will be making an application to the ATO to obtain confirmation that the payment will be treated for tax purposes as a return of capital in the hands of shareholders. Once the advice from the ATO is received a meeting of Shareholders will need to be called to approve the capital return. Given the timing involved in the various approvals required it is likely that this matter may well be included on the Agenda for the forthcoming Annual General meeting in November.

Please refer to the attached Preliminary Financial Report for the year ended 30 June 2007 and the accompanying press release dated 31 August 2007.

3. Income Statement

Refer to the attached preliminary financial report

4. Balance Sheet

Refer to the attached preliminary financial report

5. Statement of Cash Flows

Refer to the attached preliminary financial report

6. Dividends

| | Date of payment | Total amount of dividend |
|--|------------------------|---------------------------------|
| Interim dividend – year ended 30 June 2007 | Not Applicable | \$0 |
| Final dividend – year ended 30 June 2007 | 8 October 2007 | \$1,497,715 |

Amount per security

| | Amount per security | Franked amount per security at 30% tax | Amount per security of foreign sourced dividend |
|-------------------------------------|---------------------|--|---|
| Total dividend: Current year | 1¢ | 0¢ | N/A |
| Previous year | 0¢ | 0¢ | N/A |

Total dividend on all securities

| | Current period \$A'000 | Previous corresponding Period - \$A'000 |
|---------------------|---------------------------|--|
| Ordinary securities | 1,497,715 | 0 |
| Total | 1,497,715 | 0 |

7. Statement of retained earnings

Refer to Note 14 of the attached preliminary financial report

8. Net tangible assets per security

| | Current period | Previous corresponding period |
|--|----------------|-------------------------------|
| Net tangible asset backing per ordinary security | 9.0 cents | 5.4 cents |

9. Details of entities over which control has been gained or lost during the period:

There has been no change in the entities controlled within the consolidated group during the reporting period. However subsequent to the end of the reporting period the Company has announced the sale of its NSW Subsidiary, Hansen Professional Services Pty Ltd.

10. The financial information provided in the Appendix 4E is based on the preliminary financial report (attached), which has been prepared in accordance with the Australian equivalent of International Financial Reporting Standards (AIFRS)

11. Commentary on the results for the period.

Hansen announce significant improvement in earnings, 1 cent final dividend and an intention to make a capital return of 3 cents per share

Hansen Technologies Limited (ASX: HSN) today announced an across the board significant improvement in operating performance for the year ended 30 June 2007 resulting in solid growth in the underlying asset strength of the Company.

Key highlights of the results for the year ended 30 June 2007 include;

- **EBITDA of \$8.9 Million, a 63% improvement over last year**
- **After tax profit of \$3.3 million, a 357% improvement over last year**
- **A 1 cent per share unfranked final dividend (record date 17 September)**
- **An intention to make a Capital return to shareholders of 3 cents per share**
- **A positive net cash flow from operations of \$5 million resulting in \$11.9 million cash on hand at 30 June**
- **Reduced levels of R and D capitalisation at \$1.9 million compared with \$3 million last year**

| <i>Results for the year to 30 June</i> | 2007 \$A million | 2006 \$A million |
|--|-----------------------------|-----------------------------|
| Operating revenue | 51.1 | 49.5 |
| Total revenue | 52.6 | 51.2 |
| EBITDA - pre write-down | 8.9 | 5.4 |
| Profit before tax | 4.4 | 0.3 |
| Income tax (expense)/credit | (1.1) | 0.4 |
| Net profit after tax | 3.3 | 0.7 |

In addition, but not included in the fiscal 2006/7 results, Hansen announced yesterday the sale of its subsidiary, Hansen Professional Services Pty Ltd (HPS), a NSW based IT outsourcing business for a cash consideration of \$10.5 million.

The company raised \$6.4m in a capital raising in 2005 and now has agreed to partially return this capital to shareholders. The Directors intend to make a payment of an amount of 3 cents per share to shareholders. The Company will be making an application to the ATO to obtain confirmation that the payment will be treated for tax purposes as a return of capital in the hands of shareholders. Once the advice from the ATO is received a meeting of Shareholders will need to be called to approve the capital return. Given the timing involved in the various approvals required it is likely that this matter may well be included on the Agenda for the forthcoming Annual General meeting in November.

Commenting on the results Mr Andrew Hansen, managing director, said:

“I am pleased to be able to report that in the second half of this year we have been able to accelerate the improvement in our operating performances. We are now generating strong returns off the back of the development we have made in our proprietary billing solutions. Over the past year we have enjoyed a number of new project successes resulting in modest revenue growth. However much of the improvement in earnings has been through refocusing our products and enhancing our delivery capabilities.

Hansen’s new business this year included a number of significant project wins across geographic and industry sectors including two new projects for the telecommunications division of TESCO in the UK as well as energy billing solutions for AGL and the Australian Pipeline Trust.

Customer interest in our HUB energy and telecommunication billing solutions continues to be strong with demand being generated from both existing as well as new customers in Australia and the UK. We believe we understand our strengths and these would seem to parallel the market demand.

The sale of HPS completes the rationalisation of our business structure started last fiscal year.

With the internal operational changes we have implemented and the enhanced delivery capacity in the UK, I believe we are now ready to embark upon the next leg of the journey towards sustainable profitable growth.

Our Balance sheet has been strengthened by this year's strong performance. The retained net cash proceeds from the sale of HPS will further enhance this position. In declaring a dividend and the proposed capital distribution to shareholders we have been mindful of retaining sufficient cash resources to be able to take advantage of strategic growth opportunities as well as the funding required for organic growth. As we pursue strategic change we have every intention of proceeding cautiously to ensure any actions we take build upon the strength of our basic business proposition.

We start Fiscal 2008 with a significant project work load and a solid pipeline of opportunities. I believe we have developed the foundation required for growth within our targeted industry markets. I am confident of sustaining the momentum of this past year while we pursue the next stage of our strategic growth".

12. Audit of the financial report

The financial report is in the process of being audited.

13. The audit has not yet been completed

The financial report is not likely to be the subject of dispute or qualification.

Hansen Technologies Ltd and Controlled Entities
Consolidated Income Statement
For the Year Ended 30 June 2007

| | | Consolidated Entity | |
|---|----|----------------------------|-----------------|
| | | 2007 | 2006 |
| Note | | \$'000 | \$'000 |
| Revenue from rendering of services | 2 | 51,091 | 49,482 |
| Other revenues | 2 | 1,497 | 1,768 |
| Total revenue | | 52,588 | 51,250 |
| Employee expenses | 3 | (27,146) | (29,436) |
| Depreciation and amortisation expenses | 3 | (5,039) | (5,140) |
| Finance costs | 3 | 228 | (184) |
| Operating lease rental expenses | | (3,405) | (3,255) |
| Contractor and consultant expenses | | (1,355) | (2,595) |
| Software licence expenses | | (221) | (276) |
| Hardware and software expenses | | (5,597) | (5,424) |
| Transportation expenses | | (171) | (199) |
| Travel expenses | | (1,209) | (966) |
| Data communication expenses | | (2,723) | (3,249) |
| Legal, settlement and liquidation costs | | (132) | 94 |
| Other expenses | 3 | (1,370) | (285) |
| | | (48,140) | (50,915) |
| Profit before income tax | | 4,448 | 335 |
| Income tax benefit / (expense) | 4 | (1,141) | 389 |
| Profit from continuing operations for the year attributable to the members of the parent | | 3,307 | 724 |
| Basic earnings per share | 15 | \$0.022 | \$0.005 |
| Diluted earnings per share | 15 | \$0.022 | \$0.005 |

Hansen Technologies Ltd and Controlled Entities
Consolidated Balance Sheet
As at 30 June 2007

| | | Consolidated Entity | |
|--------------------------------|--|----------------------------|---------------|
| | | 2007 | 2006 |
| | | \$'000 | \$'000 |
| Note | | | |
| Current Assets | | | |
| | Cash and cash equivalents | 11,958 | 6,895 |
| 6 | Receivables | 8,422 | 7,934 |
| 7 | Other current assets | 1,441 | 1,838 |
| | Total Current Assets | 21,821 | 16,667 |
| Non-Current Assets | | | |
| 6 | Receivables | 153 | 243 |
| 8 | Plant and equipment | 4,182 | 4,700 |
| 9 | Intangible assets | 21,224 | 21,952 |
| 4 | Deferred tax assets | 1,597 | 2,728 |
| | Total Non-Current Assets | 27,156 | 29,623 |
| | Total Assets | 48,977 | 46,290 |
| Current Liabilities | | | |
| 10 | Payables | 4,866 | 4,245 |
| 11 | Short-term borrowings | 320 | 835 |
| 4 | Current tax payable | 6 | 0 |
| 12 | Short-term provisions | 3,879 | 4,100 |
| | Other current liabilities | 3,115 | 3,399 |
| | Total Current Liabilities | 12,186 | 12,579 |
| Non-Current Liabilities | | | |
| 11 | Long-term borrowings | 61 | 330 |
| 12 | Long-term provisions | 504 | 555 |
| | Total Non-Current Liabilities | 565 | 885 |
| | Total Liabilities | 12,751 | 13,464 |
| | Net Assets | 36,226 | 32,826 |
| Equity | | | |
| 13 | Contributed equity | 50,048 | 49,958 |
| 14a) | Foreign currency translation reserve | (448) | (425) |
| 14b) | Options granted reserve | 117 | 91 |
| 14c) | Retained earnings (accumulated losses) | (13,491) | (16,798) |
| | Total Equity | 36,226 | 32,826 |

**Hansen Technologies Ltd and Controlled Entities
Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2007**

| | | Consolidated Entity | |
|-------------|--|----------------------------|---------------|
| | | 2007 | 2006 |
| Note | | \$'000 | \$'000 |
| | Total Equity at the Beginning of the Year | 32,826 | 25,749 |
| | Exchange differences on translation of foreign operations | (23) | (199) |
| | Employee share options | 26 | 46 |
| | Net income (loss) recognised directly in equity | 3 | (153) |
| | Profit for the year | 3,307 | 724 |
| | Total recognised income for the period | 3,310 | 571 |
| | Transactions with equity holders in their capacity as equity holders: | | |
| | Contributions | 90 | 6,506 |
| | Dividends paid | 0 | 0 |
| | | 90 | 6,506 |
| | Total Equity at the End of the Year | 36,226 | 32,826 |

Attributable to:

Members of the parent

| | |
|--------|--------|
| 36,226 | 32,826 |
| 36,226 | 32,826 |

Hansen Technologies Ltd and Controlled Entities
Consolidated Statement of Cash Flows
For the Year Ended 30 June 2007

| | | Consolidated Entity | |
|------|--|----------------------------|----------------|
| | | 2007 | 2006 |
| Note | | \$'000 | \$'000 |
| | Cash flows from operating activities | | |
| | Receipts from customers | 52,840 | 54,382 |
| | Payments to suppliers and employees | (45,219) | (50,338) |
| | Interest received | 382 | 200 |
| | Borrowing costs | 228 | (184) |
| | Income tax paid | 0 | 0 |
| | Net cash provided by operating activities | 8,231 | 4,060 |
| | Cash flows from investing activities | | |
| | Proceeds from sale of plant and equipment | (6) | 70 |
| | Proceeds from sale of intellectual property | 1,333 | 0 |
| | Payment for plant and equipment | (1,837) | (595) |
| | Payment for: | | |
| | Capitalised research and development | (1,964) | (3,061) |
| | Net cash used in investing activities | (2,474) | (3,586) |
| | Cash flows from financing activities | | |
| | Proceeds from share issue | 90 | 6,506 |
| | Finance and hire purchase lease payments | (784) | (972) |
| | Net cash provided by (used in) financing activities | (694) | 5,534 |
| | Net increase in cash and cash equivalents | 5,063 | 6,008 |
| | Cash and cash equivalents at beginning of year | 6,895 | 887 |
| | Cash and cash equivalents at end of the year | 11,958 | 6,895 |

Notes to the Financial Statements

30 June 2007

1. Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers Hansen Technologies Ltd as an individual parent entity and Hansen Technologies Ltd and controlled entities as a consolidated entity. Hansen Technologies Ltd is a company limited by shares, incorporated and domiciled in Australia.

The following is a summary of material accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Compliance with IFRS

Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards (AIFRSs). Compliance with AIFRS ensures compliance with International Financial Reporting Standards (IFRSs).

Historical Cost Convention

The financial report has been prepared under the historical cost convention.

(b) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and of all entities, which Hansen Technologies Ltd controlled from time to time during the year and at balance date.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation.

(c) Revenue recognition

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer. Revenue from the provision of services to customers is recognised upon delivery of the service to the customer.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks.

(e) Plant and equipment

Cost and valuation

All classes of plant and equipment are stated at cost less depreciation.

Depreciation

The depreciable amounts of all fixed assets are depreciated on a straight-line basis over their estimated useful lives commencing from the time the asset is held ready for use.

The rates applicable for each class of assets are:

| | 2007 | 2006 |
|--|-----------|-----------|
| Plant and equipment: | 9% to 40% | 9% to 40% |
| Plant and equipment under finance lease: | 9% to 40% | 9% to 40% |

(f) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Finance Leases

Leases of fixed assets, where substantially all of the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to entities within the consolidated entity are classified as finance leases. Finance leases are capitalised, recording at the inception of the lease an asset and liability equal to the present value of the minimum lease payments, and disclosed as plant and equipment under lease.

Leased assets are depreciated over the shorter of the estimated useful life of the assets and the lease term. Lease payments are allocated between interest expense and reduction of the lease liability. The interest expense is calculated using the interest rate implicit in the lease and is included in finance costs in the Income Statement.

Operating Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

(g) Intangibles*Goodwill*

Goodwill on consolidation represents the excess of the cost of an acquisition over the fair value of the Group's share of net identifiable assets of the acquired entities at the date of acquisition. Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

Research and Development

Expenditure on research activities is recognised as an expense when incurred.

Expenditure on development activities is capitalised only when it is expected that future benefits will exceed the deferred costs. Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using a straight-line method to allocate the cost over a period of 5 years, during which the related benefits are expected to be realised, once commercial production is commenced.

Other development expenditure is recognised as an expense when incurred.

(h) Impairment of assets

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(i) Taxes

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities. A balance sheet approach is adopted under which deferred tax assets and liabilities are recognized for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax asset or liability is recognised in relation to temporary differences arising from the initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for temporary differences and unused tax losses only when it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax Consolidation

The parent entity and its controlled entities have formed an income tax consolidated group under the tax consolidation legislation. The parent entity is responsible for recognising the current tax liabilities and the deferred tax assets arising in respect of tax losses for all entities in the tax consolidated group. The tax consolidated group has also entered a tax funding agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(j) Employee benefits

Liabilities arising in respect of wages and salaries, annual leave, long service leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Share-based payments

The group operates an employee share option plan and an employee share scheme. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options at grant date. The fair value of options at grant date is determined using a Black-Scholes option pricing model, and is recognised as an employee expense over the period during which the employees become entitled to the option.

(k) Financial instruments*Classification*

The group classifies its financial instruments in the following categories: loans and receivables and other financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Loans and Receivables

Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Financial Liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances.

(l) Foreign currencies*Functional and presentation currency*

The financial statements of each group entity are measured using its functional currency, which is the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, as this is the parent entity's functional and presentation currency.

Transactions and Balances

Transactions in foreign currencies of entities within the consolidated entity are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year.

Group Companies

The financial statements of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- All resulting exchange differences are recognised as a separate component of equity.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve as a separate component of equity in the balance sheet.

(m) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(n) Rounding amounts

The company is of a kind referred to in ASIC Class Order CO 98/0100 and in accordance with that Class Order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

2 Revenue

| | | Consolidated Entity | |
|------|---|---------------------|---------------|
| | | 2007 | 2006 |
| Note | | \$'000 | \$'000 |
| | Revenues from continuing operations | | |
| | Revenue from sale of goods and services | 49,758 | 49,482 |
| | Sale of intellectual property | 1,333 | 0 |
| | | <hr/> | <hr/> |
| | | 51,091 | 49,482 |
| | Other income: | | |
| | <i>From operating activities</i> | | |
| | Net foreign exchange gains/(losses) | (302) | 298 |
| | Interest – other parties | 381 | 200 |
| | Other income | 1,418 | 1,270 |
| | | <hr/> | <hr/> |
| | Total other revenues | 1,497 | 1,768 |
| | Total revenue from ordinary activities | 52,588 | 51,250 |

3 Profit from continuing operations

| | | Consolidated Entity | |
|------|--|---------------------|--------|
| | | 2007 | 2006 |
| Note | | \$'000 | \$'000 |

Profit from continuing operations before income tax has been determined after the following specific expenses:

Employees benefits expense

| | | | |
|--|--|---------------|---------------|
| Wages and salaries | | 24,901 | 27,028 |
| Workers compensation costs | | 78 | 78 |
| Superannuation costs | | 2,141 | 2,285 |
| Expense of share based payments | | 26 | 45 |
| <i>Total employee benefits expense</i> | | <u>27,146</u> | <u>29,436</u> |

Depreciation of non-current assets

| | | | |
|---|---|--------------|--------------|
| Plant and equipment | 8 | <u>1,916</u> | <u>2,122</u> |
| <i>Total depreciation of non-current assets</i> | | <u>1,916</u> | <u>2,122</u> |

Amortisation of non-current assets

| | | | |
|---|---|--------------|--------------|
| Plant and equipment under finance lease | 8 | 431 | 431 |
| Research and development | 9 | <u>2,691</u> | <u>2,587</u> |
| <i>Total amortisation of non-current assets</i> | | <u>3,123</u> | <u>3,018</u> |

Finance costs expensed

| | | | |
|--|--|--------------|------------|
| Interest charges (reversal) | | (236) | 170 |
| Finance charges paid or payable under finance leases | | 8 | 14 |
| <i>Total finance costs expensed</i> | | <u>(228)</u> | <u>184</u> |

Other expenses

| | | | |
|---|--|--------------|------------|
| Movement in provision for doubtful debts | | 27 | (4) |
| Net loss on disposal of plant and equipment | | (3) | 17 |
| Other expenses | | <u>1,346</u> | <u>272</u> |
| <i>Total other expenses</i> | | <u>1,370</u> | <u>285</u> |

4 Income tax

| | Consolidated Entity | |
|--|---------------------|--------------|
| | 2007 | 2006 |
| | \$'000 | \$'000 |
| (a) The components of tax expense: | | |
| Current tax | 1,544 | 0 |
| Deferred tax | (572) | (416) |
| Transfer of losses | 0 | 0 |
| Prior period timing differences brought to account | 0 | 0 |
| Under/(over) provision in prior year | 169 | 27 |
| <i>Total Income tax expense</i> | <u>1,141</u> | <u>(389)</u> |
| (b) Income tax expense / (benefit) | | |
| Prima facie income tax expense / (benefit) calculated at 30% (2005: 30%) on the profit from ordinary activities | 1,334 | 101 |
| Tax effect of amounts which are not deductible in calculating taxable income | | |
| Non deductible write off of goodwill on consolidation | 0 | 0 |
| Non deductible write down of investment | 0 | 0 |
| Current year losses not brought to account | 76 | 112 |
| Capital losses absorbed not previously brought to account | (266) | 0 |
| Other non allowable items | 24 | 34 |
| Under (over) provision in prior years | 169 | 27 |
| Prior period temporary differences not previously brought to account | 0 | (150) |
| Research and development allowances | (196) | (497) |
| Non assessable income | 0 | (16) |
| Unrecognised tax losses brought to account | 0 | 0 |
| <i>Income tax expense</i> | <u>1,141</u> | <u>(389)</u> |
| (c) Deferred tax relates to the following: | | |
| <i>Deferred tax liabilities</i> | | |
| Research and development expenditure capitalised | 2,231 | 2,451 |
| Other income not yet assessable | 9 | 222 |
| Other | 0 | 86 |
| <i>Total deferred tax liabilities</i> | <u>2,240</u> | <u>2,759</u> |
| <i>Deferred tax assets</i> | | |
| Employee benefits | 1,185 | 1,292 |
| Provisions | 135 | 74 |
| Other payables | 572 | 417 |
| Difference in depreciation and amortisation of plant and equipment for accounting and income tax purposes | 1,203 | 1,078 |
| Losses available for offset against future taxable income | 733 | 2,624 |
| Other | 9 | 2 |
| <i>Total deferred tax assets</i> | <u>3,837</u> | <u>5,487</u> |
| <i>Net deferred tax</i> | <u>1,597</u> | <u>2,728</u> |
| Deferred tax assets not brought to account, the benefits of which will only be realised if the condition for deductibility set out in Note 1(i) occur | | |
| (d) Revenue tax losses | 4,476 | 4,479 |
| | <u>4,476</u> | <u>4,479</u> |

5 Dividends on ordinary shares

2007

A 1 cent per share unfranked final dividend has been declared.

2006

No dividend was declared in respect of the 2006 financial year.

6 Receivables

Current

Trade debtors

7,773

5,830

Less: Provision for doubtful debts

(47)

(20)

7,726

5,810

Sundry debtors

696

2,124

8,422

7,934

Non-current

Term Debtor

153

243

153

243

The weighted average effective interest rate on the term debtor is 6.33% (2006: 8.25%) at 30 June 2007.

7 Other current assets

Current

Prepayments

1,191

972

Accrued revenue

250

795

Other revenue

0

71

1,441

1,838

Note

| Consolidated Entity | |
|---------------------|--------|
| 2007 | 2006 |
| \$'000 | \$'000 |

8 Plant and equipment

| | Consolidated Entity | |
|--|---------------------|--------------|
| | 2007 | 2006 |
| | \$'000 | \$'000 |
| Plant and equipment, at cost | 20,096 | 21,001 |
| <i>Accumulated depreciation</i> | (16,120) | (16,938) |
| | <u>3,976</u> | <u>4,063</u> |
| Plant and equipment under finance lease, at cost | 3,762 | 3,762 |
| <i>Accumulated amortisation</i> | (3,556) | (3,125) |
| | <u>206</u> | <u>637</u> |
| Total plant and equipment | <u>4,182</u> | <u>4,700</u> |

Note

(a) Reconciliations

Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the current financial year.

Plant and equipment

| | | |
|---|--------------|--------------|
| Carrying amount at beginning of year | 4,063 | 5,678 |
| Additions | 1,837 | 595 |
| Disposals | (3) | (87) |
| Depreciation expense | (1,916) | (2,122) |
| Net foreign currency movements arising from foreign operation | (5) | (1) |
| Carrying amount at end of year | <u>3,976</u> | <u>4,063</u> |

Plant and equipment under finance lease

| | | |
|--------------------------------------|------------|------------|
| Carrying amount at beginning of year | 637 | 1,068 |
| Additions | 0 | 0 |
| Disposals | 0 | 0 |
| Amortisation expense | (431) | (431) |
| Carrying amount at end of year | <u>206</u> | <u>637</u> |

9 Intangibles

| | Consolidated Entity | |
|--|---------------------|-----------------|
| | 2007 | 2006 |
| | \$'000 | \$'000 |
| Goodwill, at cost | 18,479 | 18,479 |
| <i>Accumulated impairment</i> | <u>(4,693)</u> | <u>(4,693)</u> |
| | 13,786 | 13,786 |
| Software research and development, at cost | 20,924 | 18,961 |
| <i>Accumulated amortisation</i> | <u>(13,486)</u> | <u>(10,795)</u> |
| | 7,438 | 8,166 |
| Total intangible assets | <u>21,224</u> | <u>21,952</u> |

Note

Reconciliation of goodwill at cost

| | | |
|---|----------------|----------------|
| Opening amount | 18,479 | 18,479 |
| Increase/(Decrease) due to acquisition adjustments relating to previously acquired entities | 0 | 0 |
| Current year write down | <u>0</u> | <u>0</u> |
| Closing amount | <u>18,479</u> | <u>18,479</u> |
| Accumulated impairment at beginning of year | (4,693) | (4,693) |
| Current year write down | <u>0</u> | <u>0</u> |
| Accumulated impairment at end of year | <u>(4,693)</u> | <u>(4,693)</u> |

Reconciliation of software research and development at cost

| | | |
|---|-----------------|-----------------|
| Opening amount | 18,961 | 15,900 |
| Expenditure capitalised in current period | 1,963 | 3,061 |
| Current year write down | <u>0</u> | <u>0</u> |
| Closing amount | <u>20,924</u> | <u>18,961</u> |
| Accumulated amortisation at beginning of year | (10,795) | (8,208) |
| Current year charge | <u>(2,691)</u> | <u>(2,587)</u> |
| Accumulated amortisation at end of year | <u>(13,486)</u> | <u>(10,795)</u> |

10 Payables

Current

| | | |
|----------------|--------------|--------------|
| Trade payables | 1,547 | 1,388 |
| Other payables | <u>3,319</u> | <u>2,857</u> |
| | <u>4,866</u> | <u>4,245</u> |

11 Borrowings

| | | Consolidated Entity | |
|--------------------|-------------------------|---------------------|------------|
| | | 2007 | 2006 |
| Note | | \$'000 | \$'000 |
| Current | | | |
| <i>Secured</i> | | | |
| | Hire purchase liability | 97 | 235 |
| | Finance lease liability | 223 | 600 |
| | | <u>320</u> | <u>835</u> |
| Non-current | | | |
| <i>Secured</i> | | | |
| | Hire purchase liability | 0 | 97 |
| | Finance lease liability | 61 | 233 |
| | | <u>61</u> | <u>330</u> |

12 Provisions

| | | | |
|--------------------|---|--------------|--------------|
| Current | | | |
| | Employee benefits | 3,728 | 4,000 |
| | Occupancy lease | 151 | 100 |
| | | <u>3,879</u> | <u>4,100</u> |
| Non-current | | | |
| | Employee benefits | 220 | 313 |
| | Occupancy lease | 284 | 242 |
| | | <u>504</u> | <u>555</u> |
| | (a) Aggregate employee benefits liability | <u>3,948</u> | <u>4,313</u> |
| | (b) Number of employees at year end | <u>262</u> | <u>306</u> |

Reconciliations

Reconciliations of the carrying amounts of each class of provision, except for the employee benefits provision, are set out below:

Provisions - Occupancy Lease - current

| | | | |
|--|---|------------|------------|
| | Carrying amount at beginning of year | 100 | 336 |
| | Provisions made during the year - surplus leased premises | 51 | (140) |
| | Adjustments made during the year | 0 | 7 |
| | Payments made during the year | 0 | (103) |
| | Carrying amount at end of year | <u>151</u> | <u>100</u> |

| | | Consolidated Entity | |
|-------------|--|----------------------------|---------------|
| | | 2007 | 2006 |
| Note | | \$'000 | \$'000 |

Provisions - Occupancy Lease - Non current

| | | |
|---|-----|------|
| Carrying amount at beginning of year | 242 | 339 |
| Provisions made during the year - surplus leased premises | 42 | (97) |
| Payments made during the year | 0 | 0 |
| Carrying amount at end of year | 284 | 242 |

The provision for occupancy lease is an onerous lease provision as well as providing for the makegood of the Sydney premises. It is provided for in line with the lease rental term and will be released or reversed upon expiration of the lease.

13 Contributed Equity

a) Issued and paid up capital

| | | |
|-----------------------------|--------|--------|
| Ordinary shares, fully paid | 50,048 | 49,958 |
|-----------------------------|--------|--------|

b) Movements in shares on issue

| | | |
|---|--------|--------|
| Balance at beginning of year | 49,958 | 43,452 |
| Shares issued under Rights Issue | 0 | 6,440 |
| Shares issued under Employee Share Plan | 90 | 105 |
| Transaction costs on issue of shares | 0 | (39) |
| Balance at end of year | 50,048 | 49,958 |

14 Reserves and retained profits

| | | Consolidated Entity | |
|---|-------------|---------------------|----------|
| | | 2007 | 2006 |
| | | \$'000 | \$'000 |
| | Note | | |
| Foreign currency translation | 14 (a) | (448) | (425) |
| Options granted reserve | 14 (b) | 117 | 91 |
| Retained earnings (accumulated losses) | 14 (c) | (13,491) | (16,798) |
| (a) Foreign currency translation reserve | | | |
| <i>Movements in reserve</i> | | | |
| Balance at beginning of year | | (425) | (226) |
| Movement during the year | | (23) | (199) |
| Balance at end of year | | (448) | (425) |
| (b) Options granted reserve | | | |
| <i>Movements in reserve</i> | | | |
| Balance at beginning of year | | 91 | 45 |
| Movement during the year | | 26 | 46 |
| Balance at end of year | | 117 | 91 |
| (c) Retained earnings (accumulated losses) | | | |
| Balance at the beginning of year | | (16,798) | (17,522) |
| Dividends Paid | | 0 | 0 |
| Net profit attributable to members of Hansen Technologies Ltd | | 3,307 | 724 |
| Balance at end of year | | (13,491) | (16,798) |

15 Earnings per share

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

| | | |
|---|-------|-----|
| Basic earnings - ordinary shares | 3,307 | 724 |
| Diluted earnings - ordinary shares | 3,307 | 724 |

| | 2007 | 2006 |
|--|-------------|-------------|
| | no. shares | no. shares |
| Weighted average number of ordinary shares used in calculating basic earnings per share: | | |
| Number for basic earnings per share - ordinary shares | 149,459,802 | 140,142,288 |
| Number for diluted earnings per share - ordinary shares | 151,383,282 | 141,637,288 |
| Basic earnings per share | \$0.022 | \$0.005 |
| Diluted earnings per share | \$0.022 | \$0.005 |

16. Segment Information

Business Segments

| | Billing | | IT Outsourcing | | Other | | Consolidated | |
|---|---------|--------|----------------|--------|--------|--------|---------------|---------------|
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Revenue | | | | | | | | |
| External segment revenue | 23,274 | 21,849 | 22,915 | 23,322 | 4,902 | 4,311 | 51,091 | 49,482 |
| Other unallocated revenue | | | | | | | 1,497 | 1,768 |
| Total revenue | | | | | | | 52,588 | 51,250 |
| Result | | | | | | | | |
| Segment result | 4,933 | 1,252 | 2,741 | 2,703 | 1,805 | 669 | 9,479 | 4,624 |
| Unallocated corporate expenses | | | | | | | (5,031) | (4,289) |
| Profit from ordinary activities before income tax | | | | | | | 4,448 | 335 |
| Income tax (expense) / benefit | | | | | | | (1,141) | 389 |
| Net profit | | | | | | | 3,307 | 724 |
| Depreciation and amortisation | 3,347 | 3,483 | 1,256 | 1,312 | 269 | 279 | 4,872 | 5,074 |
| Depreciation and amortisation - unallocated | | | | | | | 167 | 66 |
| | | | | | | | 5,039 | 5,140 |
| Segment result is inclusive of some individually significant items. | | | | | | | | |
| Individually significant segment items | | | | | | | | |
| Sale of intellectual property | 0 | 0 | 0 | 0 | 1,333 | 0 | 1,333 | 0 |
| Assets | | | | | | | | |
| Segment assets | 14,381 | 16,479 | 7,044 | 8,407 | 1,090 | 1,081 | 22,515 | 25,967 |
| Unallocated corporate assets | | | | | | | 26,462 | 20,323 |
| Consolidated total assets | | | | | | | 48,977 | 46,290 |
| Liabilities | | | | | | | | |
| Segment liabilities | 5,024 | 5,173 | 6,085 | 7,165 | 838 | 890 | 11,947 | 13,228 |
| Unallocated corporate liabilities | | | | | | | 804 | 236 |
| Consolidated total liabilities | | | | | | | 12,751 | 13,464 |
| Acquisition of non-current assets | 1,122 | 394 | 333 | 185 | 2 | 16 | 1,457 | 595 |

Geographical Segments

| | Australia | | USA | | Europe | | Other | | Consolidated | |
|---|-----------|--------|--------|--------|--------|--------|--------|--------|--------------|--------|
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| External segment revenue by location of customers | 44,562 | 46,120 | 129 | 278 | 6,400 | 3,084 | 0 | 0 | 51,091 | 49,482 |
| Segment assets by location of assets | 44,213 | 42,729 | 20 | 114 | 4,623 | 3,330 | 121 | 117 | 48,977 | 46,290 |
| Acquisition of non-current assets | 849 | 451 | 0 | 2 | 608 | 142 | 0 | 0 | 1,457 | 595 |