



1 September 2005

A period of consolidation and product development

Hansen Technologies Limited (ASX:HSN), today announces that the previously advised slow down in growth in the second half of the fiscal year restricted operating revenue growth to 3% year on year. During the second half of the year the company undertook considerable development of the next generation of its proprietary HUB billing software to extend the solution offering to Australian and international energy industry customers. Although this development activity opened up new international market opportunities it had the affect of limiting the short term margin generation of the business and as a result the Group's pre write-down, Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of \$5.3 million was \$0.6 million lower than for 2003/4.

In June 2005 Hansen announced its intention to restrict its USA energy industry marketing activities and as a consequence a \$3.6 million non cash related write-off of goodwill was foreshadowed. The resulting after tax loss was \$3.4 million compared with a profit in 2003/4 of \$0.6 million. In light of this result the Directors have decided not to declare a final dividend.

Revenue from Hansen's core proprietary utilities billing software, HUB, continues to grow. During the year an investment was made into rolling out HUB to the international market. The margin from the initial international projects was less than we would normally target but reflects the investment necessary to establish HUB as a core system for these key customers and to secure longer term profitable relationships. Also during the year we concentrated our energies on the implementation of the latest version of HUB. The increasing size and complexity of the new projects have resulted in a short-term impact on profit, but they represented the catalyst for enhancements to our processes and procedures which will deliver a stronger more sustainable base upon which to grow.

Mr Andrew Hansen, Managing Director, said: "The second half of this year has been a period of consolidation for the Group. The reduced operating result was disappointing but there have been a number of positive developments which position the company well for the future;

- We have continued to grow our HUB Revenue while also enhancing the product technically and extending the functional areas which it can service within the energy industry.

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- We have been successful in delivering our HUB Billing software into the Japanese and European energy markets.
- Our outsourcing business continues to provide an alternate platform for HUB as well as a stable platform for business growth, development of annuity revenue streams and the opportunity to offer to all customers a full IT service capability.
- The expansion of our involvement in superannuation administration software and asset management solutions is an encouraging development.
- We are beginning to see the re-emergence of some telecommunications opportunities.”

Results for the year to 30 June	2005 \$A million	2004 \$A million
Operating revenue	51.8	50.2
Other revenue	2.0	3.0
Total revenue	53.8	53.2
EBITDA - pre write-down	5.2	5.9
Depreciation and amortisation	(5.0)	(4.7)
EBITA – pre write-down	0.2	1.2
Goodwill amortisation	(1.0)	(1.0)
EBIT – pre-write down	(0.8)	0.2
Net interest income/(expense)	(0.2)	0.0
Profit before tax – pre write-down	(1.0)	0.2
Write-down – USA Goodwill	(3.6)	0.0
Income Tax credit	1.2	0.4
Net profit	(3.4)	0.6

Billing systems

We continue to be strongly focused on:

- consolidating our strong market position in Australia; and
- achieving controlled expansion into deregulating utility markets internationally.

The outlook within the Australian energy markets is strong and we are well positioned to maintain our leadership in this market space.

During the year Hansen, in conjunction with our Japanese distributor, Toshiba Solutions, developed and delivered the HUB billing solution for its first two customers in the Japanese electricity market. The Japanese electricity market is due to be deregulated over the next two years and further opportunities within this industry in Japan are expected to develop. Furthermore the gas utility market in Japan is in the process of deregulating and Hansen's Japanese adapted billing solution and positive market presence should position us well for opportunities in this market.

Our electricity billing project for Scottish Power in the United Kingdom is on track and additional energy industry opportunities in Europe are emerging.

As previously advised, due to increasing opportunities in Asia and Europe, Hansen decided to restrict its pro-active energy industry marketing activities in the USA. We continue to maintain our product delivery and customer support capability in the USA as well as a capacity to respond to market driven opportunities.

Outsourcing

All major contracts re-tendered during the year were renewed.

Hansen's outsourcing presence in Victoria and New South Wales continues to provide a platform for expansion of the HubFM facilities managed utility billing option and also allows Hansen to offer a full turn key services solution.

Other Software Revenue

Earlier this week Hansen announced the expansion of our services activities in the superannuation industry with the signing of two significant agreements to provide the CLASSIC superannuation administration software to Vision Super and Future Plus Financial Services. We are optimistic that CLASSIC will become a popular solution for superannuation administrators of accumulation and defined benefit funds.

Hansen's proprietary whole of life asset management software product, ASSET LIFE, which has been traditionally marketed towards urban and rural water authorities, is emerging as a genuine offering for major infrastructure management in local government and the construction industry in general.

Outlook

Mr Hansen said: "I remain confident in the direction our company is heading. Our focus is unchanged. The results for the second half of this year were not as positive as I would have liked but we have been successful in achieving strong progress in the evolution of our proprietary billing systems and have expanded considerably the solutions we can deliver to energy industry customers. We have made strong inroads into the energy billing markets in Japan and Europe whilst maintaining our leadership position in Australia.

The marketing activities over the past year and the enhancements to the software offering have positioned Hansen to benefit from the growing international trend towards deregulation of the energy markets.

Our outsourcing services business provides the solid foundation for the full service nature of our software business. The opportunities for our other software products are growing. I am especially excited about the opportunities for CLASSIC within the superannuation industry.

I expect the first half of Fiscal 2006 to be a continuation of the consolidation of our business. Major new opportunities are being developed which should deliver a solid performance in the second half."

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About Hansen

Hansen Technologies Limited is a leading provider of proprietary billing solutions and IT outsourcing services. Its flagship HUB billing software has application across the Telecommunication, Electricity, Gas and Water industries. HUB is increasingly providing the solution to the needs of energy companies as the push towards utility market deregulation expands. Hansen also provide facilities managed and outsourcing services from its purpose-built data centres located in Melbourne and Sydney. Founded in 1971, Hansen has offices in Australia, the United Kingdom and the United States.

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