



8 September 2006

## Solid second half and profitable year

Hansen Technologies Limited announces that the second half of the fiscal year has, as previously forecast, been very positive. Our expansion into Europe is gathering momentum evidenced by the recently announced strategic partnering arrangement with Tesco United Kingdom for telecommunications billing. The investment we have made in our proprietary HUB billing solution has positioned us well for the restructuring, deregulation and convergence that is occurring within both the energy and telecommunications markets around the world. We are positive about the future and feel we are positioned for sustainable growth.

The Hansen Group is pleased to report for the year ended 30 June 2006 Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of \$5.4 million (an increase of \$0.5 million on the previous year) and an after tax Profit of \$0.7 million representing an improvement of \$3.4 million over last years loss.

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Results for the year to 30 June	2006 \$A million	2005 \$A million
Operating revenue	49.5	51.8
Other revenue	1.7	1.7
Total revenue	51.2	53.5
EBITDA - pre write-down	5.4	4.9
Depreciation and amortisation	(5.1)	(5.0)
EBIT – pre write-down	0.3	(0.1)
Net interest income/(expense)	0.0	(0.2)
Profit before tax – pre write-down	0.3	(0.3)
Write-down – USA Goodwill	0.0	(3.6)
Income tax credit	0.4	1.2
Net profit (Loss)	0.7	(2.7)

Additional financial measurements of note include;

- A continued strong programme of ongoing Software Research and Development but with a reduction this year of \$1 million in the capitalised R and D expenditure as we are now generating returns from the investment we have made in the technology over recent years,
- An increase in cash on hand to \$6.8 million at year end contributing strongly to a positive Working Capital position,
- Our company remains free of third party debt, other than for equipment financing arrangements of \$1.1 million,
- The directors have determined not to declare a dividend.

Mr Andrew Hansen, Managing Director, said: "The second half of this year has been positive. I am pleased that we have overcome the slow start to this year and achieved a year on year growth in our EBITDA and a return to profitability.

I am encouraged by the re-emergence of demand from telecommunication customers especially in the United Kingdom where our flexible HUB Telco products and HUB billing expertise are aligned with the convergence which is occurring. Our new arrangements with Tesco and Cable and Wireless, where we are delivering the billing solution for their "Brand in a Box" initiative, represent considerable opportunities. When these telco opportunities are added to our major energy billing project with Scottish Power it is apparent that we have achieved our objective of exporting our core billing expertise into the UK market. The combination of our strong skills base in Australia and our specialist UK telco and energy experience offers us the flexibility to be well positioned to manage the outlook for strong demand for our products in the United Kingdom.

It is pleasing to see that our decision last year to withdraw from the USA market and concentrate our expansion initiatives on the United Kingdom and Japan has been vindicated by the growth opportunities we are responding to especially in the United Kingdom. We plan to maintain our international growth focus on these select geographic markets and consolidate upon the gains we have achieved in the past year.

In addition:

We are benefiting from the investment we have made in our proprietary billing solutions. The growth opportunities which are emerging are substantially built upon the product investment we have made.

- We are achieving our objective of developing strategic relationships internationally as well as building on our existing strong market position in Australia.
- We are generating a solid base of longer term annuity and transaction based revenue streams.
- We are continuing to strive for the balance between driving short term profitability while generating longer term annuity based returns.
- As the participants in the Australian energy market reorganise and as deregulation expands into new states within Australia our pipeline of billing opportunities is growing.
- We are maintaining a stable and strong full service IT outsourcing capability.

The recent take-over activities between Australia's largest energy network and retail participants as well as the energy market regulators uncertainty on the roll out of automated interval meter reading has created a degree of uncertainty for the Australian energy market. However as the reorganisation of these major market players takes place and the regulators determine the forward direction for the next generation of meters I am optimistic that opportunities for Hansen will emerge.

Our Outsourcing and Facilities management business has been quiet yet stable over the last year representing a consistent reflection of the state of this market segment as a whole. We have added new services to our outsourcing activities which have generated a positive response. This business unit continues to provide a solid base of annuity stream revenues as well as the opportunity for the expansion of our HubFM facilities managed utility billing option.”

Last week we sold the distribution and support rights for our Asset Life software. This is a post balance date event and the sale consideration is not reflected in the results to June 2006. Asset Life management has been a solid but non core business for us since we acquired the software back in 1998. The sale of Asset Life was part of a planned strategy to focus our development resources on the fantastic growth opportunities which we are currently presented with for our core billing business. As a consequence of the sale we will no longer be directly involved in the development of Asset Life management software but we will receive rights as a distributor for Asset Life and be in a position to distribute a broader range of products made available from the purchaser.

Our CLASSIC superannuation administration software continues to be developed for its select key customers and as the superannuation industry evolves and changes the product evolves as well.

Mr Hansen said: "I wish to repeat what I said last year:

- I remain confident in the direction our company is heading,
- Our focus is unchanged,
- We have achieved strong inroads into the utility billing markets in Europe and Japan whilst maintaining our leadership position in Australia.

I am excited by the opportunities I can see ahead. We are seeing the return for our investment in the proprietary HUB billing solutions and our concentration on a select few geographic markets. I am confident we are well positioned in our markets of choice, we have the products the market is wanting and the people to deliver the solutions required.

I expect the first half of fiscal 2007 to be a period of strong growth in the United Kingdom coupled with a consolidation of activities in Australia."

*#ends#*

Note: The results for Fiscal 2006 are our first to be reported in accordance with the Australian equivalents of the International Financial Reporting Standards (AIFRS). Accordingly the results reported on here and in the Appendix 4E as lodged with the ASX are prepared in accordance with AIFRS. The corresponding figures for the previous year have been restated to bring them in line with the new AIFRS regulations.

### **About Hansen**

Hansen Technologies Limited is a leading provider of proprietary billing solutions and IT outsourcing services. Its flagship HUB billing software solutions have application across the Telecommunication, Electricity, Gas and Water industries. HUB is increasingly providing the solution for the needs of energy companies as the push towards market deregulation expands and to telecommunication companies as the push for convergence and rationalisation grows. Hansen also provides 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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