

Name of entity

POWERLAN LIMITED

ABN

87 057 345 785

QUARTER ENDED

31 December 2008

**Consolidated statement of cash flows**

	Current Quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from customers	9,326	13,810
1.2 Payments for		
(a) staff costs	(7,647)	(13,065)
(b) advertising and marketing	(178)	(306)
(c) research and development	-	-
(d) leased assets	-	(1)
(e) cost of goods sold	(870)	(1,954)
(f) rent	(450)	(898)
(g) professional fees	(399)	(606)
(h) travel and accommodation	(776)	(1,417)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	30
1.5 Interest and other costs of finance paid	(6)	(14)
1.6 Income taxes refunded/(paid)	(4)	(14)
1.7 Other (provide details if material)	(122)	(1,098)
<b>Net operating cash flows</b>	<b>(1,119)</b>	<b>(5,533)</b>

Appendix 4C  
Quarterly report for entities  
admitted on the basis of commitments

	Current Quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,119)	(5,533)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5) Note 1	-	-
(b) equity investments	-	-
(c) intellectual property Note 2	-	(260)
(d) physical non-current assets Note 2	(141)	(399)
(e) other non-current assets	-	(70)
1.10 Proceeds from disposal of:		
(a) businesses (item 5) Note 3	-	1,249
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(141)</b>	<b>520</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(1,260)</b>	<b>(5,013)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	3,300	8,629
1.18 Repayment of borrowings	(312)	(1,907)
1.19 Dividends paid	-	-
1.20 Other	-	-
<b>Net financing cash flows</b>	<b>2,988</b>	<b>6,722</b>
<b>Net increase (decrease) in cash held</b>	<b>1,728</b>	<b>1,709</b>
1.21 Cash at beginning of quarter/year	1,673	1,692
1.22 Exchange rate adjustments to item 1.20	-	-
<b>1.23 Cash at end of period</b>	<b>3,401</b>	<b>3,401</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

	Current Quarter \$A'000	Year to date \$A'000
1.24 Aggregate amount of payments to the parties included in item 1.2	321	942
1.25 Aggregate amount of loans to the parties included in item 1.11	-	-

1.26 Explanation necessary for an understanding of the transactions

Directors included in 1.24	Current Quarter	Year to date
Ian Campbell	96,426	194,412
Geoff Harrington	12,500	25,000
Ian Lancaster	12,500	25,000
Fiona McLeod	12,500	25,000
Services rendered by DMA Insurance (party related to Ian Lancaster)	48,762	97,524
Services rendered by CPS Systems (party related to Ian Campbell)	138,209	575,347

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A
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2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A
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**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	9,750	6,550
3.2 Credit standby arrangements	-	-

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current Quarter	Previous Quarter
	\$A'000	\$A'000
4.1 Cash on hand and at bank	3,401	1,673
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (please specify)	-	-
<b>Total: cash at end of month (item 1.23)</b>	<b>3,401</b>	<b>1,673</b>

## Acquisitions and disposals of business entities

- 5.1 Name of entity
- 5.2 Place of incorporation or registration
- 5.3 Consideration for acquisition or disposal
- 5.4 Total net assets
- 5.5 Nature of business

Acquisitions (Item 1.9(a)) \$A'000	Disposals (Item 1.10(a)) \$A'000
Omnix Holdings Ltd	Garradin Pty Ltd
United Kingdom	Australia
1,535	1,249
631	838
Mobile network planning software	Solution for retail and wholesale investment managers

### Additional Information

- 1 During the year the Company paid \$1.53 million to subscribe for new shares in Omnix Holdings Ltd (Omnix), representing a 51% majority interest in Omnix. The amount paid for new shares is eliminated on consolidation resulting in a zero balance being shown in 1.9(a).
- 2 During the first quarter of the year, the Company acquired certain customer contracts and assets of Dot Communications Pty Ltd for \$375K relating to their Viper business, including, a source code license to use Dot's Viper Wholesale Service Delivery Platform. The deal includes a combination of an upfront cash payment and success based royalty payments over a period of three years.
- 3 On 29 June 2007, the Company sold its wholly owned subsidiary Garradin Pty Ltd to Bravura Solutions Limited for \$10 million (net of cash transferred). The amount received during the first half of the year represents the final deferred consideration payment bringing the total consideration received to \$10 million.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of additional note 2) or other standards acceptable to ASX.
- 2 This statement does ~~does not~~\* give a true and fair view of the matters disclosed.



Jon Newbery  
(Director/Company Secretary)

**Additional Notes**

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
  
- 2 The definitions in, and provisions of, AASB 1026: Statement of Cash Flows apply to this report except for the paragraphs of the Standard set out below.
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a) - policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
  
- 3 Accounting Standards. ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.