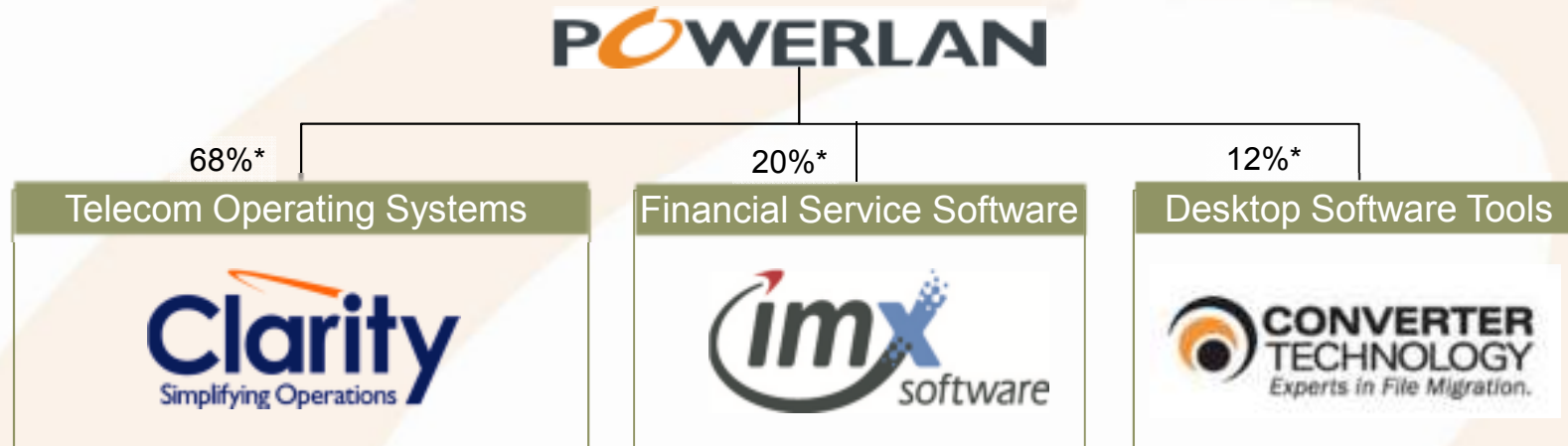# Investor Presentation
April 2011

Jon Newbery
Chief Executive Officer

Agenda

- Powerlan Overview
- Purpose of EGM
- Clarity Overview
  - Market Drivers
  - Financial
- Summary and Questions

Powerlan Today

POWERLAN

68%*	20%*	12%*
Telecom Operating Systems	Financial Service Software	Desktop Software Tools
Clarity Simplifying Operations	**imx** software	**CONVERTER TECHNOLOGY** Experts in File Migration.

Key Statistics

- Market capitalisation - $10.4 million

- 6 months revenues to Dec 2010 - $12.5 million

- Major shareholder (48%) CPS Investments (entity associated with Ian Campbell)

- 190 employees across Australia, Asia, US and UK

* Based on Dec. 31 2010 half year revenue

Powerlan Board

Dr Ian Campbell
Chairman

35 years experience in software and electronic commerce. Co-founder of the CPS Group and has successfully built and sold several software and technology businesses.

Ms Fiona McLeod
Non-Executive Director

Held local, state and national elected roles. Currently Victoria's Energy and Water Ombudsman.

Mr Geoff Harrington
Non-Executive Director

30 years experience in investment banking covering all aspects of corporate finance including divestments, acquisitions, take-overs and take-over defences.

Mr Ian Lancaster
Non-Executive Director

Accountant with over 25 years commercial experience. Held various senior executive positions with Grundy Organisation and Seven Network.

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EGM at end of June

- Agenda for the Extraordinary General Meeting will be approval of:

  1. The sale of IMX Software to CPS

  2. The sale of ConverterTechnology to CPS

  3. The changing the name of the company from Powerlan to Clarity

- Each will be subject of an ordinary resolution requiring a simple majority of shares that are voted on the day

- CPS will be excluded from voting on the resolutions regarding the sale of IMX Software and ConverterTechnology

A Focus on the Core Asset

POWERLAN

- Previously announced sale of IMX and Converter businesses to CPS* for $8.839m
  - Paying down part of the $19.8m owing to CPS at end of March 2011
  - PWR to participate (50% of profit) if either asset is on-sold within 12 months
- Benefits of Asset Sales:
  - Allows management to focus on the core asset and value creation opportunity - Clarity
  - Reduces debt burden and interest expense
  - Removes negative cash flow businesses from the portfolio
  - Allows funding to be raised and focused on a single opportunity
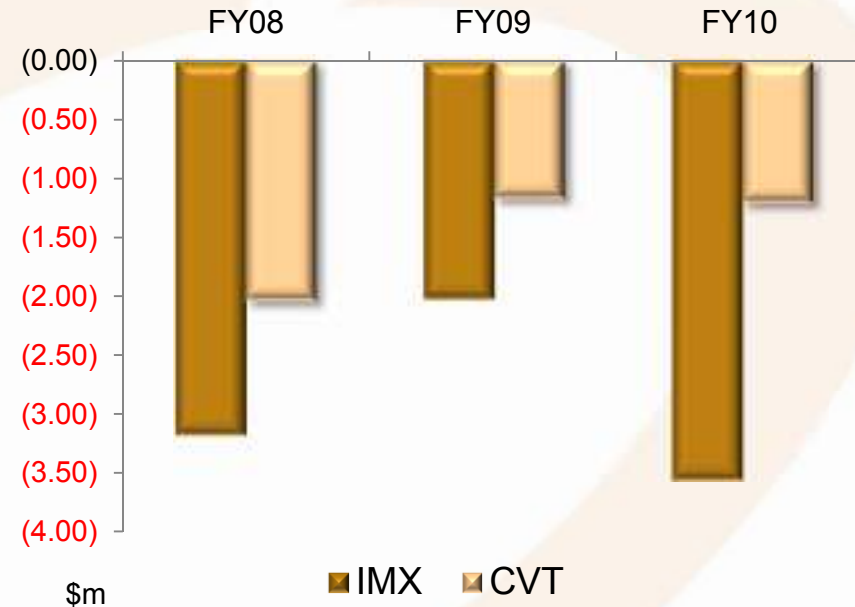
* Subject to shareholder approval

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The Focus on Clarity

- Focus on communications sector - providing operational management systems to telecommunication service providers and utilities companies

- Clearly defined strategy for future growth

- Board and Management teams able to focus future investment on growth of a single asset to enhance shareholder value

- A maturing product with a clear path to positive cash flows and profitability

- Change name of Powerlan to Clarity, so clear matching of listing to underlying business

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CLARITY OVERVIEW

Clarity Overview

Clarity Relationships

– Clarity's clients include some of the worlds leading telecommunication companies

– Clarity's solutions support over 250M subscribers worldwide

– Founded in 1994 and headquartered in Sydney, with offices across Asia, Middle East and Europe

Clarity Industry Recognition

2010 Frost & Sullivan OSS Vendor of the Year

• 2009 TMF Excellence Awards Finalist

• 2009 WA Engineering ICT Excellence Award

Global Customers

Analyst Recognition

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Clarity Management Team

Jon Newbery Chief Executive Officer

23 years of global management, finance, operational and turnaround experience. Previously COO of Powerlan. Appointed CEO of Clarity in November 2008.

Tony Kalcina Executive Director

30 years experience in the global IT and Telecoms industry. As Founder of Clarity, Tony conceived the Unified Operational Management vision, and led the company as its CEO for its first 10 years of operations. Member of TM Forum Advisory Board.

Chris Smith Chief Operating Office

15 years of business experience in the telecommunications sector. Extensive industry experience including engineering, fulfilment, pre-sales, sales, product management and strategy.

Tony Garcia Vice President Sales and Alliances

Responsible for global sales, alliances and new business expansion. Previously at HP/EDS, Telcordia and Easynet / BSkyB.

Andrew Wrigglesworth Chief Financial Officer

15 years working in senior financial and general management roles within global telecommunications providers. Member of the Chartered Institute of Management Accountants.

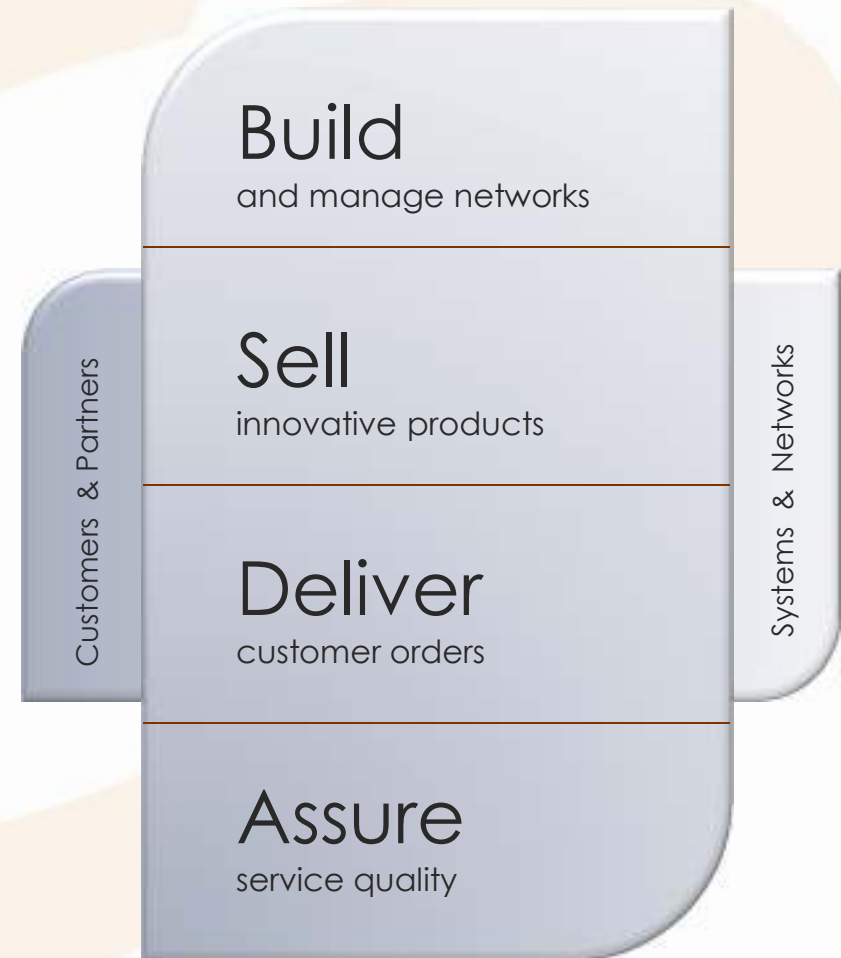**Bob Darwin** Vice President Utilities

30 years experience in utilities and telecoms. Joined Clarity in May 2010 to drive Clarity's entry into the global utilities market. Previously at Telstra, Aurora Energy, Southcorp and Hydro-Electric Corporation.

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CLARITY MARKET AND GROWTH OPPORTUNITIES

What Clarity Does

- Provides operational management systems to automate core processes for telecommunication service providers and utilities companies

- Four software product suites:
  - **Infrastructure management** - rollout and manage telecommunications networks
  - **Marketplace** - develop and sell products to wholesale and retail channels
  - **Fulfilment** - fulfil customer orders by reserving equipment and activating services
  - **Assure** – monitors network performance and alarms to provide and efficient maintenance and incident resolution

Build
and manage networks

Sell
innovative products

Deliver
customer orders

Assure
service quality

Customers & Partners

Systems & Networks

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Case Study – Telkom Indonesia

"Clarity's Fulfilment and Assurance solutions provide us with a clear view or our entire network status, regardless of the technology or the vendor.

With a single system to manage operations it is faster to identify any issues, to ensure they have minimal business impact. It also reduces the costs of our ongoing operations.

Clarity worked with us every step of the way to ensure we had a solution which provides a clear edge over the competition."

Judi Achmadi
VP IT Service Strategy,
TELKOM

Customer Profile

Telkom Indonesia offers fixed mobile services using the latest CDMA (Code Division Multiple Access) technology through its Telkom Flexi Division.

Telkom Flexi provides customers with the flexibility to use their fixed wireless CDMA digital phone both as a home telephone (fixed phone) and a mobile phone (mobility) within a local area code.

Clarity Solution

Clarity products deployed:
- Alarm Manager across a multi-vendor network
- Ticket Manager for fault and trouble management
- Corporate Intelligence Manager and Performance Manager for network KPIs Monitoring and reporting
- Discovery for auto discovery of network additions, moves and deletions
- Inventory Manager and Service Manager for inventory process automation

Business Impact

Flexi has measured several performance improvements, directly improving the customer experience:
- 23% improvement in Mean Time to Restore (MTTR) services
- 8% reduction in dropped calls
- 17% reduction in blocked calls
- 99% asset validity audit
- 10% improvement in manpower productivity

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Clarity Business Model

- Clarity sells its products and services to telecommunication service providers and utilities in ANZ, Asia and EMEA
  - Direct Sales Team
  - Partner channels (NW Equipment Vendors and Systems Integrators)
- To win a contract in an international tender typically takes 12 to 18 months
  - Several selection stages including RFI, RFP, Contract Negotiations
  - Large deals may require coordinated response from a consortium of vendors and Systems Integrators
- The implementation of a Clarity solution takes between 1 and 3 years to complete, with teams of 10 to 25 people
  - Releases/revenue streams generally phased in 3-9 month deliverables
  - Partners may provide delivery team resources
- Support &Maintenance contracts, along with technical and future upgrades are typical, with ongoing revenue streams over many years
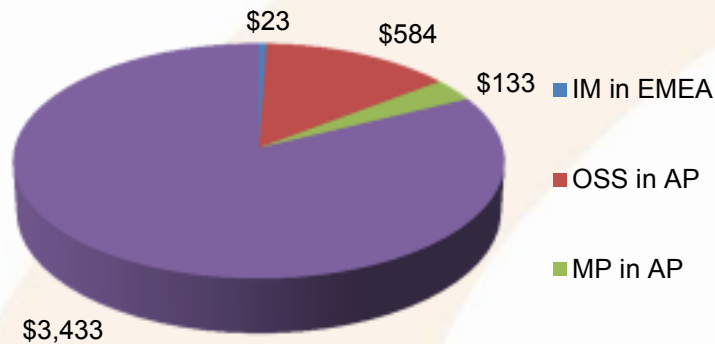
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Clarity's Alliances Strategy

- Leverage global reach of Sales Partners to grow revenues through

  - Increase in number of deals accessed

  - Ability to recognise licence revenues earlier

- Attract alliances by providing opportunities for partners to generate additional revenues through service delivery

Alliance Categories

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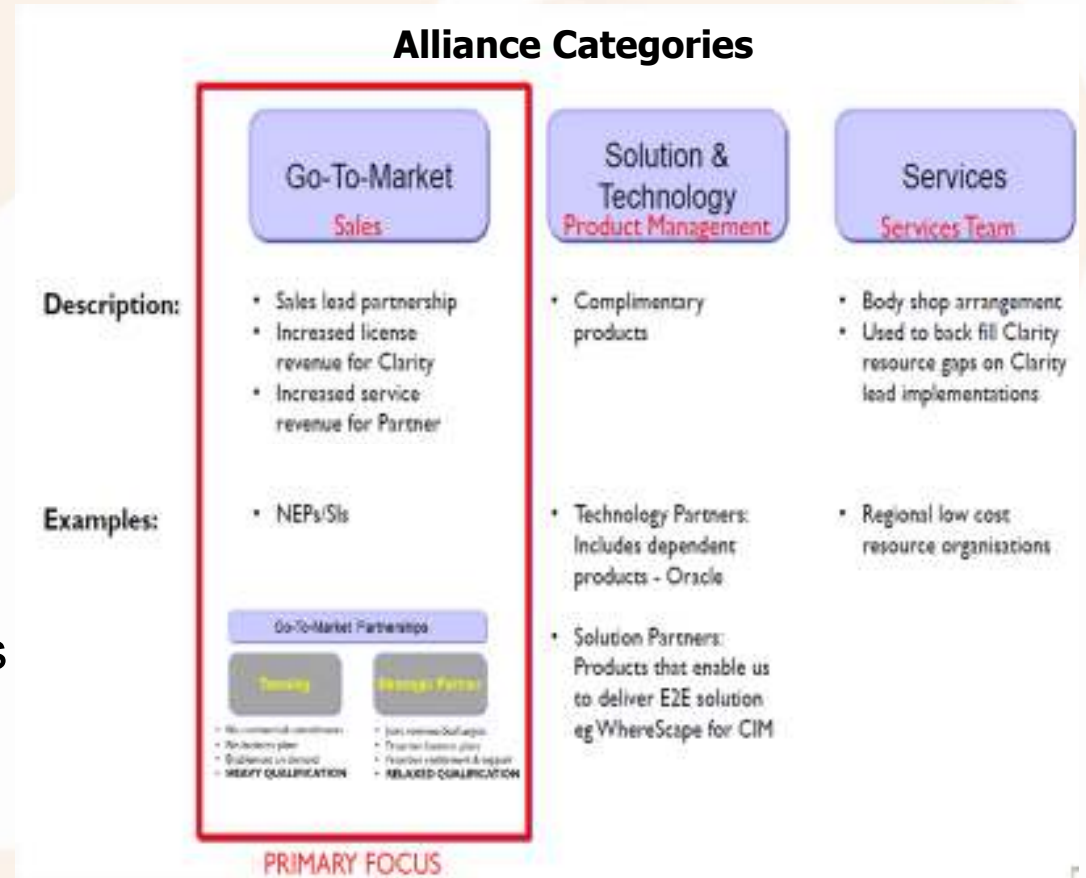
Market Opportunity

Clarity's Product and ISV Services
Addressable Market Today
(USD $740Mn of $4,173Mn)

$23
$584
$133 ■ IM in EMEA
$3,433
■ OSS in AP
■ MP in AP

Numbers sourced from Analysys Mason 2011 forecasts..

- With current resourcing, Clarity will win approximately 5% ($35M) of its addressable market of $740M
  - $3,433M market is not addressed due to resource constraints
- Alliance programs can provide access to expanded market, so that Clarity could win in excess of $200M
  - Increase addressed market by $3,433M to $4,173M
  - Win ratio maintained at 5%

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Key Market Drivers 2012

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Drivers	Action	Solution
EBITDA is falling	Cut OpEx, CapEx, grow revenues, get closer to customer	Streamline systems, automate processes, to reduce costs, time and errors
ARPU is falling	New revenue source, redefine metric as "lifetime customer"	Innovate by targeting customers through micro segmentation and channels.
Customer expectation rising	Deliver more value "real" service integration, improved customer experience	Measure, influence, predict and optimise customer experience through unified systems that map product to customers to service to network
Services are becoming commodity	Deliver more-value added, tightly integrated services	Unify product catalogue with order management, fulfilment and assurance for agile service delivery

Simplify

Process Automation

Data Cleansing

Value Chain Integration

Customer Experience

Ref: TM Forum 2011 Strategic Plan

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Key Market Drivers 2020 Vision

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25% ARPU Decline by 2014
- US$2 per month, 1cent/min India
- Global drop in voice ~ 50%

Bandwidth Demand Explosion
- 1 Trillion Connected Devices – embedded in cars, home appliances, even the body (Machine to Machine (M2M) market).

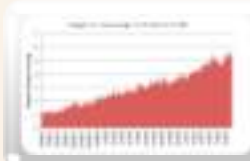### Decoupling of Revenue & Traffic
- Costs will overtake Revenue as bandwidth usage increases, but premium revenues will go to others.

Over The Top Players Challenge
- Apple winning the Customer Premium Revenue

Google Fastest Growing Telco
- 3rd Largest, Cable FTTH, WiMax, Global Cache Centers

Largest Provider of International Traffic
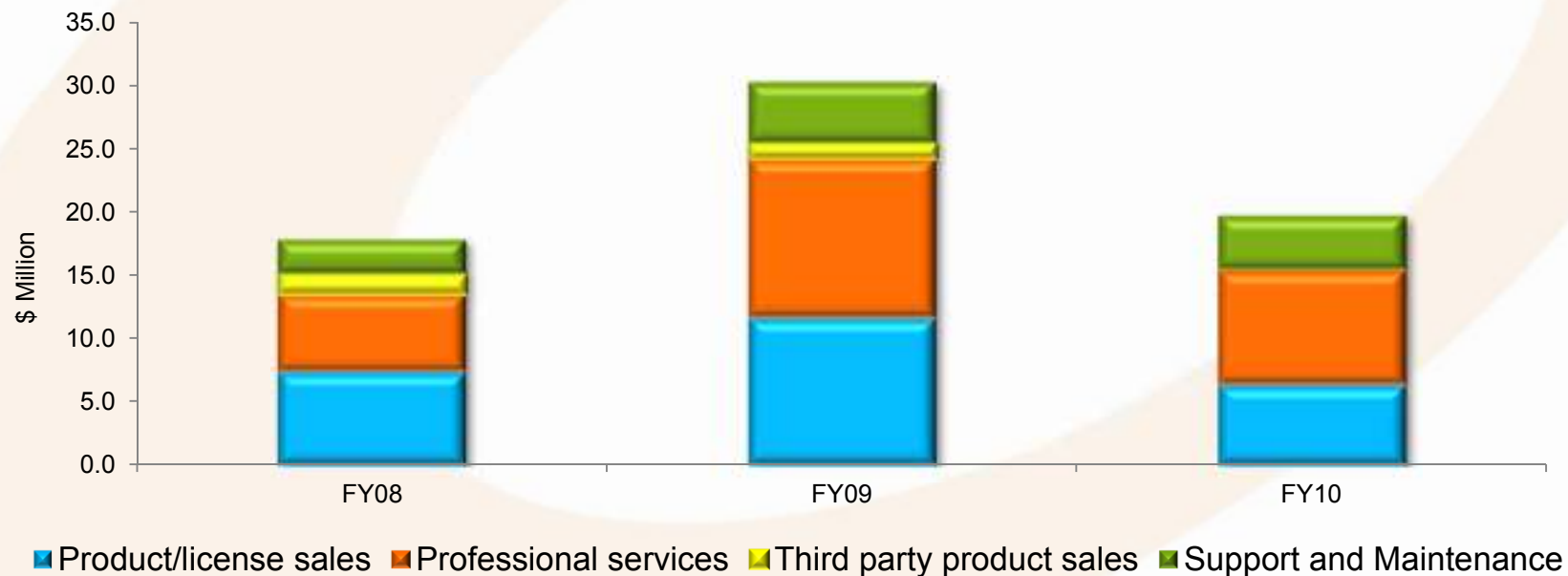- 13% of all International Calls

- Significant investment in networks and support systems is needed to support high bandwidth usage
- Future business models are unknown, but we can predict:
  - The network will still be needed
  - Operators must make money to support investment
  - Business models will be extended to embrace ASPs (Application Service Providers) such as traffic, health, education service providers
  - Service Assurance will be a critical component of ASP to Operators agreements
  - Automation will be critical in managing trillions of devices
    - Auto-provisioning
    - Auto-discovery
    - Auto-assurance
    - Auto-settlement

Traditional business models need to change through total transformation.

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FINANCIAL OVERVIEW

Historical Revenue by Type

- FY09
  - $12m of license fees recognised in a strong sales year
  - Acquisition of Omnix Software added $4m of revenue
- FY10
  - Impact of Global Financial Crisis and strong Australian Dollar supressed sales and new business revenues

Legend: ■ Product/license sales ■ Professional services ■ Third party product sales ■ Support and Maintenance

FY11 Backlog, Revenue & Loss

POWERLAN

- Strong sales in H1 FY11 (approx. $17M) resulting in sharp increase in contracted future revenues
- Strong pipeline of opportunities – in excess of $100M over next 2 years
- Upward order trend, leading to increased revenues and reduced losses quarter on quarter
- Appreciation of Australian Dollar continues to be a challenge - 95% of sales denominated in other currencies
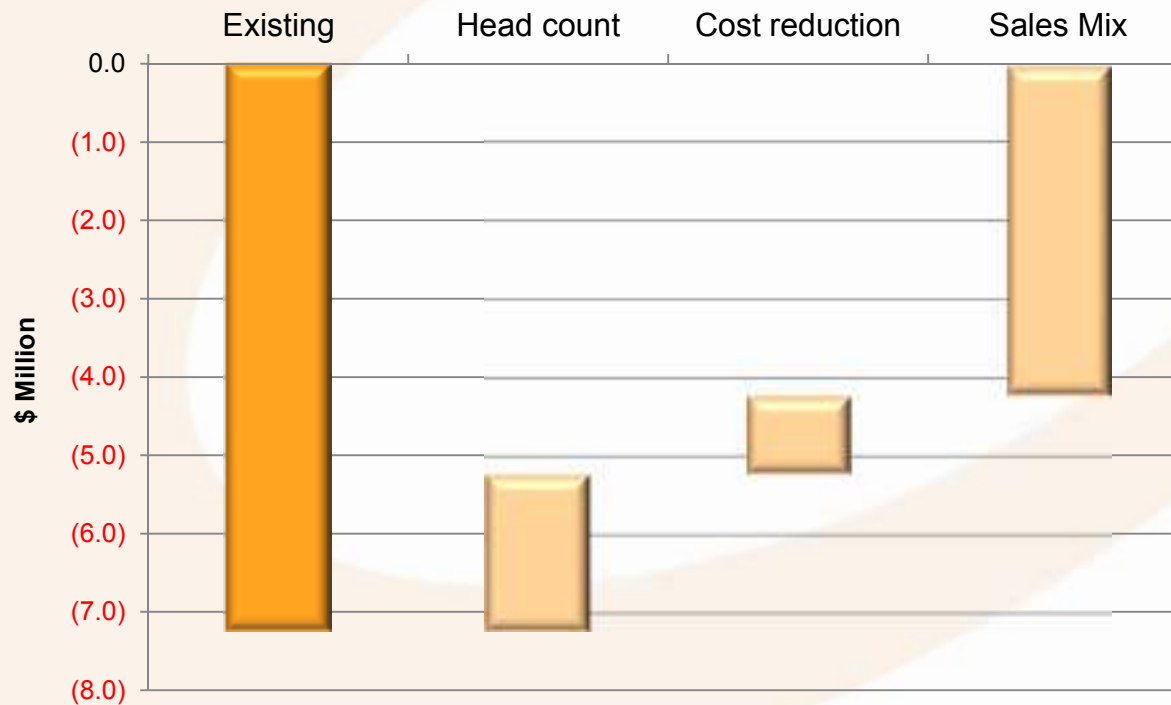
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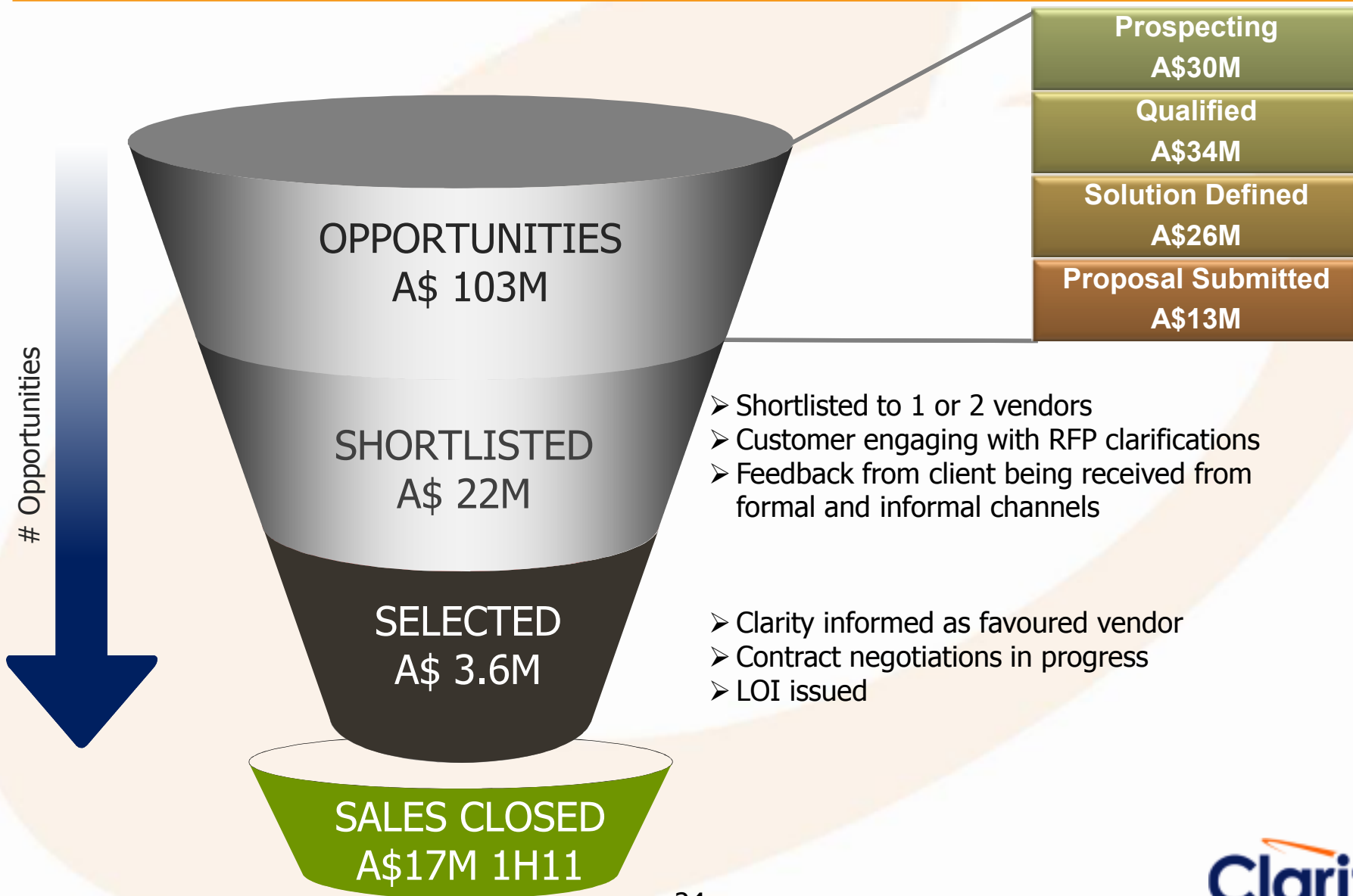
Better Business Performance

- Improving the sales mix
  - Increasing the number of resellers of Clarity products & services
  - Leveraging alliance & partners to improve market penetration
  - Earlier revenue recognition

- Upselling to existing customers
  - Continuing to improve and leverage long-standing relationships with existing customers

- Reducing the R&D spend
  - A major tranche of pure product development has now been completed

- Reducing operational overheads
  - $3m annualised savings targeted this year
  - Utilising lower cost third party resources to substitute high cost contractors
  - Localising support costs on long term projects

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Future Financial Performance

POWERLAN

- Reducing H1 FY11 losses leading to break even within 12-18 months
  - Headcount efficiency as pure R&D spend reduces
  - General cost reduction through ongoing business as usual expense rigour
  - Positive margin mix of license revenue through expansion of alliances strategy

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Current Sales Pipeline

POWERLAN

Prospecting
A$30M

Qualified
A$34M

Solution Defined
A$26M

Proposal Submitted
A$13M

OPPORTUNITIES
A$ 103M

SHORTLISTED
A$ 22M

- Shortlisted to 1 or 2 vendors
- Customer engaging with RFP clarifications
- Feedback from client being received from formal and informal channels

SELECTED
A$ 3.6M

- Clarity informed as favoured vendor
- Contract negotiations in progress
- LOI issued

SALES CLOSED
A$17M 1H11

\# Opportunities

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Functional Gaps and Overlaps

Supplier	Telecoms Software Segment						
	Billing	Customer Care	Service Fulfilment	Service Assurance	NMS	SDP	Middleware
Amdocs			Cramer $375m x5 Rev				
Oracle			Metasolv $219m x2 Rev				
Ericsson							
Huawei							
Alcatel-Lucent							
Nokia Siemens Networks				NetA			
Clarity							

High Investment Activity

- In the past 5 year over 70 transactions in Industry
- 2x to 8x revenue multiples achieved
- Key drivers of value include:
  - state of technology
  - quality of people and process
  - financial stability
  - customers base
  - channel readiness
  - branding

Clarity OSS Competitor Revenue 2009

Assurance and Fulfilment Revenue Only

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SUMMARY

Summary

- Powerlan to sell IMX Software and ConverterTechnology to CPS to allow focus on Clarity, reduce debt and remove negative cash flow businesses

- Hold EGM at end of June to approve sales and name change

- Clarity has deployed major operational systems in over 35 telecoms over the past 17 years achieving high industry recognition

- There is a major telecom and utilities imperative to simplify operations, requiring investment in new systems like Clarity's

- Clarity is showing strong pipeline and sales growth driven by partner led opportunities

- The OSS telecom software market is highly fragmented, presenting good medium to long term investment and partnership options

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THANK YOU

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