



ASX Announcement
**SIRIUS ANNOUNCES RELAUNCH OF PHONEWARE DIVISION, AN
EXPANDED FOCUS & MAJOR NEW CONTRACTS IN PIPELINE**

Thursday, 1 March 2007

At the release of the 2006/07 half year results, on 22nd February, Sirius announced completion of its new strategic plan, which includes: a focus on its IT&T business; moving up the value chain toward higher margin specialist software products and services; and moving from being product-focused to solutions-focused, delivering best-of-breed solutions to customers.

Its largest subsidiary, Phoneware (www.phoneware.com.au) has in the past been targeting the telephone "call accounting" market, which involves supplying software and services essentially to the fixed-line telephone market. Phoneware is the **market leader** in this segment with an estimated 45% share of the market, estimated at around \$10m pa. Customers include major organisations such as ANZ, IAG, Coles Myer, AMP, and government departments.

Over the past six months or so, Phoneware has been leveraging its leadership position into the much broader telecommunication expense management systems (TEMS) market, which is many times larger, and covers all forms of telecommunications including fixed and mobile voice, data, internet and wireless. In Australia, the TEMS market is in its early stages of its development and Phoneware has a first-mover advantage in this. The new tag-line of Phoneware is: "The Telecommunications Expense Management Experts".

Phoneware now supplies TEMS to allow major enterprises to:

- Better manage and control their telecommunications spend (\$35bn pa in Australia), including cost allocation, contract management and renewal etc.
- Reduce billing errors by telecommunications suppliers, which can be significant (7-20% according to independent experts), and usually in their favour
- Manage land lines, data networks, PABX service agreements etc

Phoneware has formed new relationships with Tangoe Inc, a global leader in TEM, and TSA, a local specialist in the field of TEM. Also existing relationships with long-term partner Synvoice have been realigned and strengthened.

Sirius has received extensive requests for demonstrations and product specifications from existing customers and large enterprise clients. As a result, **Phoneware will be conducting high-level executive briefings in Sydney on the 15th of March and Melbourne on the 29th of March. Several institutions in this financial services sector have already engaged Phoneware in extensive pilot programs and we are confident that this will lead to new major contacts in the near future.**

For further information about the briefings or other information in this release, contact either:
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Background:

Sirius is a long established, listed telecommunications software and services company. (www.sirius.com.au) During the 2005/06 year, the company underwent a major restructuring which returned the company to profitability. Sirius currently has two divisions: Phoneware Communication Systems (Phoneware) and Sirius Managed Services (SMS). Frank Licciardello was appointed CEO in August 2006.

In the 2006/07 half year results, announced on 22 February, Sirius announced:

- Underlying results continued to improve with a movement into profitability, a trend which is expected to continue
- A record profit, assisted by the profit on sale of the SCS business.
- An improving cash position.
- Completion of the new strategic plan, the core elements of which include: Focus on IT&T business, but moving up the value chain toward higher margin specialist software products and services; Accelerated growth, both by acquisition and organically; and an increased marketing and sales focus
- Acquisition targets identified (all profitable) and first acquisition expected before June