



ASX Announcement

Acquisition of MasterSoft International Pty Ltd

1 July 2009

The Board of Sirius Corporation Ltd (ASX:SIU) is pleased to announce that yesterday a Share Sale and Purchase Agreement was executed with MasterSoft Holdings Pty Ltd under which Sirius will acquire 100% of the issued capital of MasterSoft International Pty Ltd (**MasterSoft**) in exchange for the issue to its shareholder, MasterSoft Holdings Pty Ltd, of Sirius scrip.

MasterSoft owns and operates MasterSoft Systems Pty Ltd in Sydney and Melbourne Australia as well as MasterSoft Systems Limited based in Wellington New Zealand. The MasterSoft Group has an established track record in providing complete information management solutions for a range of top 200 Australian and New Zealand companies and government departments.

Further information about MasterSoft is attached to this announcement.

The transaction is conditional on several matters including completion of satisfactory due diligence by MasterSoft of the affairs of Sirius, receipt of any necessary approvals from ASX and Sirius shareholder approval of the transaction by ordinary resolution.

For the purposes of the transaction the Sirius and MasterSoft business have each been valued by agreement at 4 times their respective audited EBITDA for the 2009 calendar year (less debt and subject to certain agreed adjustments) to represent a notional enterprise value for each entity.

The Sirius shares to be issued as consideration for the acquisition will be issued in two tranches. The first tranche will be issued at completion being 104,323,857 Sirius shares.

The second tranche of Sirius shares will be issued on or about 30 April 2010 subject to an earn out calculation based on the relative notional enterprise value of each entity for the 2009 calendar year. The number of Sirius shares to be issued to MasterSoft Holdings Pty Ltd will be such number as is required to ensure that MasterSoft Holding Pty Ltd's shareholding in Sirius reflects the notional enterprise value of MasterSoft as a proportion of the overall agreed notional enterprise value of both Sirius and MasterSoft. If subsequent shareholder approval is required and not obtained, the second tranche must be satisfied by Sirius in cash calculated by reference to the VWAP of Sirius shares over the 20 preceding ASX trading days from today's date.

All Sirius shares issued as part of the consideration will be subject to 12 month voluntary escrow agreements from date of issue.

The acquisition will add approximately 80 staff to the group and provide a sales presence in Melbourne, Sydney, Brisbane, Auckland and Wellington. MasterSoft staff will be retained as part of the acquisition. Key executive and management have also been retained and will form part of the board and management of Sirius.

At completion Mr Gary Buttsworth, CEO of MasterSoft, Mr John Paterson, a Director of MasterSoft, and Mr Clyde McConaghy Managing Director of Smarter Capital will join the board of Sirius. Mr Frank Licciardello and Mr Keith Goss will remain as directors.

The notice of meeting of Sirius shareholders will be accompanied by an Independent Expert's report. The information is planned to be distributed to shareholders in early August 2009 with the general meeting being convened in September 2009 for shareholders to vote on the proposal.

The indicative timetable for the proposed transaction is as follows:

Action	Date
Completion of due diligence	28 July 2009
Despatch of Notice of Meeting, Explanatory Notes and Independent Experts Report	4 August 2009
General Meeting	7 September 2009
Completion	10 September 2009

Mr Frank Licciardello, Group Managing Director of Sirius has indicated that, "MasterSoft has a profitable track record and a strong national blue chip enterprise client base. The board believes that MasterSoft is well positioned for future growth in sales and profitability and will provide a presence in the lucrative corporate enterprise vertical market with its target customers being top 200 Australian companies and Commonwealth Government departments."

The acquisition is expected to increase Sirius annual revenue by \$15 million per annum compared to 08-09. The acquisition is expected to be earnings per share accretive immediately.

Mr Gary Buttsworth, CEO of MasterSoft, noted that, "The sale to Sirius means a new era for MasterSoft after 20 years as a private company. Our basic attributes of providing high levels of customer service and high end information management solutions will be the same as always and I believe that MasterSoft will continue to be an exciting and dynamic company. I believe that Infomaster has a leading edge technology suite of products and an attractive national local government customer base. Both organisations will benefit from the synergies that will drive already identified cross selling and up selling sales opportunities."

A background briefing note on MasterSoft follows this announcement.

The Sirius directors recommend that shareholders await receipt of the Notice of Meeting and accompanying materials, including the report from the Independent Expert.

For further information, please contact:

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About Sirius Corporation Ltd

Sirius is a long established software and services company that underwent a change in focus in 2006/07. Its focus is on providing software and services to large enterprises. The company operates via a federated or hub-and-spoke model which involves Sirius acting as a holding company (hub) for a number of software and service companies. The company is pursuing an acquisition-led growth strategy, which envisages strong growth and profitability over the next few years.

www.sirius.com.au.

Profile of MasterSoft International Pty Ltd

MasterSoft International Pty Ltd (MasterSoft) provides complete information management solutions for a range of top 200 Australian and New Zealand companies and government departments, allowing organisations to create a unified and accurate view of their customers and clients and maximise the value, efficiency and compliance of their information assets.

MasterSoft has over 20 years experience delivering enterprise software solutions. Many Australian Commonwealth Government departments and agencies, including Centrelink, Medicare and the Australian Taxation Office, have been MasterSoft's customers for more than 10 years and have ongoing relationships with the company. Other blue chip customers – typically in the banking, finance, telecommunications and utility sectors – include Telstra Corporation, Suncorp-Metway, IAG Insurance and Allianz Australia.

MasterSoft's solutions are based on proven enterprise software products from established suppliers. The company has key reseller partnerships with Pitney Bowes Software, a US-based multinational company, and MasterSoft Research Pty Ltd, a related party of the group. Pitney Bowes Software supplies MasterSoft with customer communications management software. MasterSoft Research Pty Ltd develops key intellectual property including the NADIS and Harmony suites of customer data quality software products.

The company demonstrates the highest levels of flexibility and professionalism in solutions delivery, enabling it to compete successfully with larger multinational services companies. MasterSoft's value proposition is based on its superior technical knowledge of information management solutions and relationships with trusted suppliers, combined with a proven track record of successful project delivery.

MasterSoft has built an enviable reputation in Australia and New Zealand for both its knowledge of customer data quality solutions and implementation expertise. MasterSoft has successfully implemented over 250 customer data quality solutions since its inception. These solutions include:

- Single customer view / IT transformation;
- Anti-money laundering / Identity fraud / Know your customer; and
- Postal compliance.

MasterSoft continues to invest in its services capabilities and supplier partnerships to provide complete information management solutions based on a strong foundation of customer data quality and information integrity. These solutions provide value to the company's customers by extending their information capabilities in the areas of:

- Customer data insight and analytics;
- Customer communications management; and
- Workflow management.

In recent years the company has implemented a number of customer communications management (CCM) solutions leveraging its customer data quality expertise. MasterSoft's largest Australian software and services contract, for example, is a multi-million dollar agreement for the provision of CCM solutions to support a major IT transformation project.

For more information, please visit www.msi.com.au.