



## ASX Announcement Sale of Phoneware

Friday 14 March 2008

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Sirius Corporation Ltd (ASX:SIU) announced today that an Asset Sale Agreement for the sale of the business and assets of wholly owned subsidiary Phoneware Communication Systems Pty Ltd, has been executed with the purchaser Stratatel Ltd (ASX:STE) for \$2.5 million.

The consideration comprises of a minimum of \$2.2 million in cash, of which \$1.8 million will be paid at completion, \$300K in STE Scrip and a further \$400K cash in 12 months, of which \$200K is subject to client retention. The transaction will generate approximately a \$2.1 million profit on sale, and completion is expected to take place by the middle of April 2008.

Stratatel is an Australian publicly listed organisation established in 1997 to provide specialised software solutions for asset and expense management and cost recovery. Stratatel products are designed to maximise efficiencies, reduce expenses, recover costs and ensure policy compliance is met in order to achieve corporate governance requirements.

Stratatel Ltd Managing Director, Mike Fairclough said, "The Phoneware business is a well known provider of telecommunications management solutions and fits our objective of being the leading provider of asset and expense management and cost recovery solutions. Stratatel can assure Phoneware customers of an ongoing high standard of service and the ongoing development of feature rich solutions. This acquisition adds significantly to our base of recurrent revenue and takes our total number of corporate and government clients to approximately 1,500, providing excellent cross selling and marketing opportunities for further revenue and earnings uplift."

Sirius Corporation Managing Director, Frank Licciardello said, "The sale of Phoneware to Stratatel follows a Board decision to divest the business because it no longer fits our business criteria of IP ownership however, it fits very well into the Stratatel core business. The Phoneware brand, products and services continue to be acknowledged in the market as leaders in the telecom expense management field. Phoneware customers will benefit from the strong research and development capability of Stratatel to further enhance and provide products to loyal customers in the expense management sector."

Of the \$2.5million sale price, approximately \$2.1 million will flow to the Sirius company bank account that will be used for future acquisitions and growth in current business units over the next 12 months.

Long standing customers will expect a seamless transition with minimum change and Stratatel will now have a new eastern seaboard Melbourne office to service its broad customer base from.

The sale will ensure that the aggressive milestones set by the board for the 2007-08 financial year will be met and that the acquisition led growth strategy will be backed by funding to facilitate future growth and new investments.

*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](http://www.sirius.com.au)