



# Sirius

## ASX/Media Release

### Employee Incentive Options

Wednesday 7 September 2005

The Board of Sirius Telecommunications Ltd (Sirius) is pleased to announce that Sirius has issued 1,600,000 incentive options today to the following employees of the company, the details of which are set out in the following table:

NAME OF HOLDER	NO OF OPTIONS ISSUED*	ISSUE PRICE (\$)	EXERCISE PRICE (\$)**	VESTING DATE***	EXPIRY DATE
Mr Siegmund <u>FRANKENFELD</u> Chief Executive Officer, Sirius	700,000	Nil	0.20	30 June 2007	31 December 2010
Mr Dominik <u>KUCERA</u> Chief Financial Officer, Sirius	300,000	Nil	0.20	30 June 2007	31 December 2010
Ms Tracy Anne <u>CURRIE</u> Chief Executive Officer, Phoneware Communications Systems Pty Ltd and Director, Sirius	300,000	Nil	0.20	30 June 2007	31 December 2010
Mr Jonathan David <u>RACKHAM</u> General Manager, Sirius Converged Solutions	300,000	Nil	0.20	30 June 2007	31 December 2010

\*The issue has been made under and subject to the terms and conditions of the Sirius Employee Options Plan, as approved by shareholders on 21 October 2004. A copy of the Plan rules is available from Sirius.

\*\*The exercise price of the options represents a 100% premium to the Sirius share price of \$0.10, the quoted price on 26 April 2005, the date the options were originally proposed by the company's Remuneration and Nomination Committee subject to full Board approval.

\*\*\* The options are incentive-based options that are tied to various performance hurdles\*\*\*\* fixed by the Board. The options have a term of two years, vesting on 30 June 2007 provided that all the performance hurdles are met.

\*\*\*\*Performance hurdles:

The options may be exercised only upon the achievement of both of the following performance hurdles that closely relate to and enhance total shareholder returns:

- (i) First performance hurdle: achievement of positive EBIT  
EBIT for the 2006-07 financial year as recorded in Sirius's audited financial accounts for financial year ending 30 June 2007 must be a positive figure (exclusive of any write-downs of intellectual property based on the adoption of international accounting standards or other factors); and
- (ii) Second performance hurdle: share price to outperform index  
Sirius's share price index must outperform the ASX/S&P Share Price Index for Telecommunications Services by at least 1%, as measured on each of 30 June 2006 and 30 June 2007. The ASX/S&P Share Price Index for Telecommunications Services is calculated from a base value of 1786.8, its value on 14 April 2005 when Sirius's share price was \$0.10c. On each measurement date, Sirius's share price index, measured by the gains and/or losses of Sirius's ordinary shares by closing value (last traded price) will be compared to the ASX/S&P Share Price Index for Telecommunications Services. The ASX/S&P Share Price Index for Telecommunications Services measures the capital gains and losses of all companies listed in the Index by closing value (last traded price).

If each of the above performance hurdles is not achieved on the applicable measurement date(s), then no options will vest and the options will automatically expire after 30 June 2007. If the performance hurdles are achieved the options will vest on 30 June 2007 and option holders will have until 31 December 2010 in which to exercise their entitlement. All vested options remaining unexercised after 31 December 2010 will expire.

It is the intention of the Board of Sirius to consider further issues of incentive-based options to employees under the Sirius Employee Options Plan at regular intervals.

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