

Appendix 4E

Preliminary final report

Period ending on or after 30 June 2005

Sirius Telecommunications Limited and Controlled Entities ACN 94 050 240 330

1 Details of the reporting period and the previous corresponding period.

Reporting Period	Financial Year ending	30 June 2005
Previous Corresponding Period	Financial Year ending	30 June 2004

2 Results for announcement to the market

2.1 The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities.

Revenue from ordinary activities;		
Reporting Period	\$'000	23,209
Previous Corresponding Period	\$'000	27,543
Percentage change up or down from the previous corresponding period of revenue from ordinary activities	%	(15.7)%

2.2 The amount and percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to members.

Profit (loss) from ordinary activities after tax attributable to members;		
Reporting Period	\$'000	(4,673)
Previous Corresponding Period	\$'000	(928)
Percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to members.	%	(403.5)%

2.3 The amount and percentage change up or down from the previous corresponding period of net profit (loss) for the period attributable to members.

Net profit (loss) for the period attributable to members;		
Reporting Period	\$'000	(4,673)
Previous Corresponding Period	\$'000	(928)
Percentage change up or down from the previous corresponding period of net profit (loss) for the period attributable to members.	%	(403.5)%

2.4 The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends.

No dividends proposed relating to the reporting period

2.5 The record date for determining entitlements to the dividends (if any).

Not applicable

2.6 A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.

Refer to explanatory notes below.

The 2004/5 financial year has been one of change. In last year's annual report Sirius began a significant realignment of its business towards the growth sectors in the economy. These changes have continued during the year, culminating in a business model that positions Sirius for long term growth.

(continued next page)

Appendix 4E

Preliminary final report

Period ending on or after 30 June 2005

Sirius Telecommunications Limited and Controlled Entities ACN 94 050 240 330

2.6 A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood (continued).

The Company has survived the significant slow down after the telecommunications boom in the late 1990's and the Y2K and Dot Com bust in 2000/01. The market has changed significantly since then and is undergoing yet another transformation. Sirius is ready for this change and has positioned itself to exploit the opportunities presented. In addition to this, the Company has a substantial and well established customer base that will enable it to grow with the changes in the industry. Customers include companies like Computer Sciences Corporation, AGL, Adelaide Bank, RAA, Hamilton Island, Qantas, Swan Hill Town Council and others.

The Company has performed within expectations and has shown continuous improvement throughout the year. Sirius has achieved much in terms of setting itself up for future success, including the finalisation of the new structural alignment of the business and a more aggressive marketing plan in each of its core divisions, including an expansion of the sales teams. The changes have resulted in a steadily improving flow of business and concluded the year with a significant sale in the last quarter. The Company has also undergone an extensive training program to ensure Sirius' staff is ready for the businesses re-focusing on voice over internet protocol (VOIP) and the related developments in internet protocol (IP) telephony.

The decrease in revenues was anticipated and in line with the Company exiting low margin business. The drop in revenue by 15.7% was met by a reduction in operating costs of 14%. The result of the above was a move to an operating profit in the second half of the year (before depreciation and amortization) from a break-even position in the first half.

The Company has extended the services it provides to a number of key customers and exited certain smaller businesses where it did not have critical mass. In addition to this we have rationalised our finance and administration infrastructure in Melbourne and exited expensive occupancy leases in Sydney. The impact has been to lower the cost base of the Company, going forward.

The net loss was largely a result of the write-off of intangibles which is more fully explained below.

The overall cash position of the group has remained positive. The Fully Drawn Advance, being a special purpose advance, was raised to finance a major transaction that was delivered in July. The amount as shown within the accounts as being fully utilised was repaid in full in August 2005, when the amount was collected from the customer.

Write down of Intangible Assets

The Board has written down the remaining value of Intellectual Property on the consolidated balance sheet amounting to \$4.2 million. The full impact of this has been recognised in the Group Income Statements.

The write-down relates mainly to U Bill Data (being capitalised development costs). Despite significant market interest a sustainable level of sales for this product has not been achieved. This is mainly due to the collapse of internet costs since the commencement of the project. The balance of the write-down relates to older versions of Call Accounting and Directory Services (CADS) and U Bill IT (development costs for the current versions of these products have already been expensed). The Company does not intend to develop new software products for resale but will continue to maintain, support and enhance its current range of products. The future direction for the Company with regard to software is to distribute, customise and integrate third party software products.

(continued next page)

Appendix 4E

Preliminary final report

Period ending on or after 30 June 2005

Sirius Telecommunications Limited and Controlled Entities ACN 94 050 240 330

2.6 A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood (continued).

Completion of the Telstra Contract

On 3 July 2005 Sirius completed its contract with Telstra Corporation Ltd for the national supply of facilities management services for the operation and maintenance of voice facilities to the Department of Defence. The contract which was valued at approximately \$7 million per annum, was for an initial period of 3 years to 3 April 2005. This was extended by three months to 3 July 2005. The completion of this contract will delay the return to full profitability by the Company. The Directors have decided to focus on business where it retains the primary relationship directly with the customer, wherever practicable, in future.

Progress in repositioning the Company

Voice over internet protocol (VOIP) is transforming the telecommunications industry, with IP telephony currently growing at over 50% per annum. Sirius has restructured itself into three distinct business units each with a specific mission to deliver a unique solution in this changing market.

Company Outlook

The drop in revenue resulting from the completion of the Telstra contract will impact on Sirius' ability to deliver a positive EBIT for the 2005 calendar year. Revenue growth in the divisions should compensate for most of this drop.

The company expects to grow its market share in both the convergent solutions and software businesses. The Company will focus on building critical mass to ensure its ability to support its Tier 1 customers. Accordingly we will sacrifice short term profitability in the interests of longer term growth. This focus on growth will limit the overall profitability of the company in the short term, although the Company is expected to generate a positive operational profit in the second half.

Appendix 4E

Preliminary final report

Period ending on or after 30 June 2005

Sirius Telecommunications Limited and Controlled Entities ACN 94 050 240 330

- 3 *A statement of financial performance together with notes to the statement, prepared in compliance with AASB 1018 or the equivalent foreign accounting standard.*

Statements of Financial Performance For the year ended 30 June 2005

	Notes	Consolidated	
		2005 \$'000	2004 \$'000
Revenue from ordinary activities	1	23,209	27,543
Cost of goods sold		(2,001)	(2,207)
Facilities management operational leases		(931)	(1,214)
Facilities management operational leases - Early termination		-	(685)
Telecommunication carrier costs		(1,769)	(2,981)
Employee benefits and related expenses		(15,369)	(15,983)
Occupancy expenses		(1,063)	(1,008)
Travel, accommodation & entertainment		(417)	(353)
Professional Fees - (non Director related)		(224)	(354)
Insurance		(224)	(245)
Borrowing cost expenses	2	(20)	(29)
Other expenses from operating activities		(801)	(945)
Depreciation and amortisation expenses	2	<u>(5,063)</u>	<u>(2,467)</u>
Profit (loss) from ordinary activities before income tax expense		(4,673)	(928)
Income tax expense	3	<u>-</u>	<u>-</u>
Net profit (loss) attributable to members of Sirius Telecommunications Limited		(4,673)	(928)
Total changes in equity other than those resulting from transactions with owners as owners	19	<u><u>(4,673)</u></u>	<u><u>(928)</u></u>

The above statements of financial performance should be read in conjunction with the accompanying notes

Appendix 4E

Preliminary final report

Period ending on or after 30 June 2005

Sirius Telecommunications Limited and Controlled Entities ACN 94 050 240 330

4 *A statement of financial position together with notes to the statement. The statement of financial position may be condensed but must report as line items each significant class of asset, liability, and equity element with appropriate sub-totals.*

Statements of Financial Position As at 30 June 2005

	Notes	Consolidated	
		2005	2004
		\$'000	\$'000
Current Assets			
Cash Assets	4, 20	738	1,755
Receivables	5, 20	4,146	2,596
Inventories	6	457	144
Other	7	353	1,290
Total Current Assets		<u>5,694</u>	<u>5,785</u>
Non Current Assets			
Property Plant & Equipment	8	2,185	1,927
Intangible Assets	9	-	3,642
Total Non Current Assets		<u>2,185</u>	<u>5,569</u>
TOTAL ASSETS		<u>7,879</u>	<u>11,354</u>
Current Liabilities			
Payables	10, 20	3,042	2,252
Interest Bearing Liabilities	11, 20	850	131
Current Tax Liabilities	12	9	19
Provisions	13	623	901
Other	14	1,035	1,061
Total Current Liabilities		<u>5,559</u>	<u>4,364</u>
Non Current Liabilities			
Deferred Tax Liabilities	15	-	9
Provisions	16	311	299
Total Non Current Liabilities		<u>311</u>	<u>308</u>
TOTAL LIABILITIES		<u>5,870</u>	<u>4,672</u>
NET ASSETS		<u>2,009</u>	<u>6,682</u>
Equity			
Contributed Equity	17	7,779	7,779
Accumulated Losses	18	(5,770)	(1,097)
TOTAL EQUITY	19	<u>2,009</u>	<u>6,682</u>

The above statements of financial position should be read in conjunction with the accompanying notes

Appendix 4E

Preliminary final report

Period ending on or after 30 June 2005

Sirius Telecommunications Limited and Controlled Entities ACN 94 050 240 330

- 5 *A statement of cash flows together with notes to the statement. The statement of cash flows may be condensed but must report as line items each significant form of cash flow and comply with the disclosure requirements of AASB 1026 Statement of Cash Flows, or for foreign entities, the equivalent foreign accounting standard.*

Statements of Cash Flows

For the year ended 30 June 2005

	Notes	Consolidated	
		2005 \$'000	2004 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		23,972	32,159
Payments to suppliers and employees (inclusive of GST)		(23,577)	(30,175)
		<u>395</u>	<u>1,984</u>
Interest received	1	8	9
Borrowing costs	2	(19)	(29)
Income taxes paid		(19)	(19)
Net cash inflow from operating activities	24	<u>365</u>	<u>1,945</u>
Cash flows from investing activities			
Payments for property plant and equipment		(1,227)	(624)
Net cash inflow (outflow) from investing activities		<u>(1,227)</u>	<u>(624)</u>
Cash flows from financing activities			
Repayment of borrowings		(155)	(638)
Net cash inflow (outflow) from financing activities		<u>(155)</u>	<u>(638)</u>
Net increase (decrease) in cash held			
Cash at the beginning of the financial year		1,755	1,072
Cash at the end of the financial year	4	<u>738</u>	<u>1,755</u>

The above statements of cash flows should be read in conjunction with the accompanying notes

Appendix 4E

Preliminary final report

Period ending on or after 30 June 2005

Sirius Telecommunications Limited and Controlled Entities ACN 94 050 240 330

Notes to Sections 3, 4 & 5.

1. Revenue

	Consolidated	
	2005	2004
	\$'000	\$'000
Revenue from operating activities		
Sales of goods	3,105	3,219
Services	<u>20,096</u>	<u>24,315</u>
	<u>23,201</u>	<u>27,534</u>
Revenue from outside the operating activities		
Interest received	<u>8</u>	<u>9</u>
	<u>23,209</u>	<u>27,543</u>

2. Operating profit (loss)

	Consolidated	
	2005	2004
	\$'000	\$'000
Net profit (losses) and expenses		
Profit (loss) from ordinary activities before income tax expense includes the following specific net expenses:		
Expenses		
Depreciation		
Plant and equipment	<u>799</u>	<u>910</u>
Amortisation		
Leasehold improvements	19	19
Plant and equipment under finance lease	46	127
Goodwill	-	234
Deferred software development	<u>4,199</u>	<u>1,177</u>
Total amortisation	<u>4,264</u>	<u>1,557</u>
Other charges against assets		
Bad and doubtful debts	<u>52</u>	<u>2</u>
Borrowing costs		
Interest and finance charges paid/payable	<u>20</u>	<u>29</u>
Rental expense relating to operating leases		
Minimum lease payments	<u>1,599</u>	<u>1,247</u>

Appendix 4E

Preliminary final report

Period ending on or after 30 June 2005

Sirius Telecommunications Limited and Controlled Entities ACN 94 050 240 330

Notes to Sections 3, 4 & 5.

3. Income Tax

	Consolidated	
	2005	2004
	\$'000	\$'000
a) The income tax expense for the financial year differs from the amount calculated on the profit (loss). The differences are reconciled as follows:		
Profit (loss) from ordinary activities before income tax expense	<u>(4,673)</u>	<u>(928)</u>
Income tax calculated @ 30%	(1,402)	(278)
Tax effect of permanent differences		
Non deductible depreciation and amortisation	-	234
Sundry items	3	124
FITB not brought to account	<u>1,399</u>	<u>(80)</u>
Income tax expense	<u>-</u>	<u>-</u>

- b) Sirius Telecommunications Limited and its subsidiaries have consolidated for taxation purposes.
The future income tax benefit (FITB) for tax losses and timing differences not brought to account of approximately \$3.0m will only be obtained if:
- The consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for losses to be realised;
 - the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and
 - no changes in tax legislation adversely affect the consolidated entity in realising the benefits from the deduction for the tax losses.

4. Current assets - Cash assets

	Consolidated	
	2005	2004
	\$'000	\$'000
Cash at bank and on hand	<u>738</u>	<u>1,755</u>

5. Current assets - Receivables

	Consolidated	
	2005	2004
	\$'000	\$'000
Trade debtors	4,207	2,705
Less: Provision for doubtful debts	(61)	(109)
	<u>4,146</u>	<u>2,596</u>

6. Current assets - Inventories

	Consolidated	
	2005	2004
	\$'000	\$'000
Raw materials and stores - at cost	<u>457</u>	<u>144</u>

7. Current assets - Other

	Consolidated	
	2005	2004
	\$'000	\$'000
Deposits	8	1

Prepayments	108	275
Accrued Income	209	1,012
Sundry Debtors	28	2
	<u>353</u>	<u>1,290</u>

Appendix 4E

Preliminary final report Period ending on or after 30 June 2005

Sirius Telecommunications Limited and Controlled Entities ACN 94 050 240 330

Notes to Sections 3, 4 & 5.

8. Non-current assets - Property, plant and equipment

	Consolidated	
	2005	2004
	\$'000	\$'000
Leasehold improvements		
At cost	17	87
Less: Accumulated amortisation	(4)	(67)
Total leasehold improvements	<u>13</u>	<u>20</u>
Plant and equipment		
At cost	5,335	4,548
Less: Accumulated depreciation	(3,193)	(2,736)
	<u>2,142</u>	<u>1,812</u>
Plant and equipment under finance lease	457	457
Less: Accumulated amortisation	(427)	(362)
	<u>30</u>	<u>95</u>
Total plant and equipment	<u>2,172</u>	<u>1,907</u>
	<u>2,185</u>	<u>1,927</u>

Reconciliations

Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

	Leasehold Improvements	Plant and equipment	Plant and equipment under lease	Total
	\$'000	\$'000	\$'000	\$'000
Consolidated				
Carrying amount at 1 July 2004	20	1,812	95	1,927
Net additions / (reductions)	12	1,129	(19)	1,122
Depreciation / amortisation expense	(19)	(799)	(46)	(864)
Carrying amount at 30 June 2005	<u>13</u>	<u>2,142</u>	<u>30</u>	<u>2,185</u>

9. Non-current assets - Intangible assets

	Consolidated	
	2005	2004
	\$'000	\$'000
Goodwill at cost	-	335
Less: Accumulated amortisation	-	(335)
	<u>-</u>	<u>-</u>
Deferred software development	6,353	5,950
Less: Accumulated amortisation	(6,353)	(2,308)
	<u>-</u>	<u>3,642</u>
	<u>-</u>	<u>3,642</u>

Pursuant to the company's accounting policy in respect of Intangibles, the company reviewed the carrying value of the deferred software development costs in consideration of future benefits expected to arise there from. In the light of strategic business and operational changes during the year, changes in market conditions and the consequential absence of demand for specific products to which these costs relate, the deferred software costs have been

written down to nil.

Appendix 4E

Preliminary final report

Period ending on or after 30 June 2005

Sirius Telecommunications Limited and Controlled Entities ACN 94 050 240 330

Notes to Sections 3, 4 & 5.

10. Current liabilities - Payables

	Consolidated	
	2005	2004
	\$'000	\$'000
Trade creditors	2,176	1,013
Other creditors	866	1,239
	<u>3,042</u>	<u>2,252</u>

11. Current liabilities - Interest bearing liabilities

	Consolidated	
	2005	2004
	\$'000	\$'000
Secured		
Hire purchase / lease liability	-	131
Fully Drawn Advance	850	-
	<u>850</u>	<u>131</u>

Security for interest bearing liabilities

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of a default. Fully Drawn Advance is secured against inventory and associated trade debtors related to equipment sales.

Assets pledged as security

The carrying amounts of assets pledged as security are:

Current assets

Cash Assets	738	1,755
Receivables	4,146	2,596
Inventories	457	144
Other	353	1,290

Non-current assets

Property Plant & Equipment	2,185	1,927
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Total assets pledged as security

	<u>7,879</u>	<u>7,712</u>
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Financing arrangements

Unrestricted access was available at balance date to the following lines of credit:

Credit standby arrangements

Total facilities

Bank overdrafts	500	500
Fully Drawn Advance	850	-
	<u>1,350</u>	<u>500</u>

Used at balance date

Bank overdrafts	-	-
Fully Drawn Advance	850	-
	<u>850</u>	<u>-</u>

Unused at balance date

Bank overdrafts	500	500
Fully Drawn Advance	-	-
	<u>500</u>	<u>500</u>

12. Current liabilities - Current tax liabilities

Consolidated

2005	2004
\$'000	\$'000

Income tax	<u>9</u>	<u>19</u>
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Appendix 4E

Preliminary final report

Period ending on or after 30 June 2005

Sirius Telecommunications Limited and Controlled Entities ACN 94 050 240 330

Notes to Sections 3, 4 & 5.

13. Current liabilities - Provisions

	Consolidated	
	2005	2004
	\$'000	\$'000
Employee benefits	623	642
Restructuring	-	259
	<u>623</u>	<u>901</u>

14. Current liabilities - Other

	Consolidated	
	2005	2004
	\$'000	\$'000
Income in advance	<u>1,035</u>	<u>1,061</u>

15. Non-current liabilities - Deferred tax liabilities

	Consolidated	
	2005	2004
	\$'000	\$'000
Income Tax	<u>-</u>	<u>9</u>

16. Non-current liabilities - Provisions

	Consolidated	
	2005	2004
	\$'000	\$'000
Employee benefits	<u>311</u>	<u>299</u>

17. Contributed equity

	Consolidated	
	2005	2004
	\$'000	\$'000
Ordinary Shares		
Fully paid	<u>7,779</u>	<u>7,779</u>

18. Accumulated losses

	Consolidated	
	2005	2004
	\$'000	\$'000
Accumulated losses at the beginning of the financial year	(1,097)	(169)
Net profit (loss) attributable to members of Sirius Telecommunications Limited	(4,673)	(928)
Accumulated losses at the end of the financial year	<u>(5,770)</u>	<u>(1,097)</u>

19. Equity

	Consolidated	
	2005	2004
	\$'000	\$'000

Total equity at the beginning of the financial year	6,682	7,484
Total changes in equity recognised in the statements of financial performance	(4,673)	(928)
Share allocation - Employee Share Purchase Plan	-	126
Total equity at the end of the financial year	<u>2,009</u>	<u>6,682</u>

Appendix 4E

Preliminary final report

Period ending on or after 30 June 2005

Sirius Telecommunications Limited and Controlled Entities ACN 94 050 240 330

Notes to Sections 3, 4 & 5.

20. Financial instruments

a) Credit Risk Exposure

The credit risk of financial assets of the consolidated entity which have been recognised on the balance sheet, other than investments in shares, is generally the carrying amount net of any provisions for doubtful debts.

b) Interest rate risk exposure

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods for each class of financial asset or liability is set out below. Exposures arise predominantly from assets and liabilities bearing variable interest rates as the consolidated entity intends to hold fixed rate assets and liabilities to maturity.

	Notes	Floating interest rate \$'000	Fixed interest maturing in:			Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	Non interest bearing \$'000	
2005						
Financial assets						
Cash and deposits	4	738	-	-	-	738
Current receivables (excluding accruals)	5	-	-	-	4,146	4,146
		<u>738</u>	<u>-</u>	<u>-</u>	<u>4,146</u>	<u>4,884</u>
Weighted average interest rate		4.30%				
Financial liabilities						
Trade and other creditors (excluding accruals)	10	-	-	-	2,176	2,176
Interest bearing liabilities	11	-	850	-	-	850
		<u>-</u>	<u>850</u>	<u>-</u>	<u>2,176</u>	<u>3,026</u>
Weighted average interest rate			9.25%	9.25%		
Net financial assets (liabilities)		<u>738</u>	<u>(850)</u>	<u>-</u>	<u>1,970</u>	<u>1,858</u>
2004						
Financial assets						
Cash and deposits	4	1,755	-	-	-	1,755
Current receivables (excluding accruals)	5	-	-	-	2,596	2,596
		<u>1,755</u>	<u>-</u>	<u>-</u>	<u>2,596</u>	<u>4,351</u>
Weighted average interest rate		4.30%				
Financial liabilities						
Trade and other creditors (excluding accruals)	10	-	-	-	1,013	1,013
Interest bearing liabilities	11	-	131	-	-	131
		<u>-</u>	<u>131</u>	<u>-</u>	<u>1,013</u>	<u>1,144</u>
Weighted average interest rate			8.75%	8.75%		
Net financial assets (liabilities)		<u>1,755</u>	<u>(131)</u>	<u>-</u>	<u>1,583</u>	<u>3,207</u>

c) Net fair value of financial assets and liabilities

On-balance sheet

The carrying amounts of financial assets and liabilities at balance date equal their net fair value.

21. Director and executive disclosures

Directors

The following persons were directors of Sirius Telecommunications Limited during the financial year:

Name	Position	
D.Abraham	Non-executive director	Chairman
G.Ward	Non-executive director	
R.Mason	Executive director	Deputy Chairman
T.Currie	Executive director	

Executives (other than directors) with the greatest authority for strategic direction and management

The following persons were the executives with the greatest authority for the strategic direction and management of the consolidated entity ("specified executives") during the financial year :

Name	Position
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S.Frankenfeld	Chief Executive Officer
T.Johns (1/7/04 - 30/7/04)	General Manager - Managed Services and Facilities Management
D.Kucera	Chief Financial Officer
J.Rackham	General Manager - Sales and Marketing
J.Vaughan (from 15/3/05)	Company Secretary

Appendix 4E

Preliminary final report

Period ending on or after 30 June 2005

Sirius Telecommunications Limited and Controlled Entities ACN 94 050 240 330

Notes to Sections 3, 4 & 5.

22. Related parties

Wholly owned group

The wholly-owned group consists of Sirius Telecommunications Limited, Phoneware Communication Systems Pty Limited, Phoneware Australia Pty Limited, UMG Pty Limited, and Phoneware Asia Pte Limited.

Transactions between Sirius Telecommunications Limited and other entities in the wholly-owned group during the year ended 30 June 2005 consisted of non-interest bearing advances to fund working capital requirements.

Controlling Entities

The ultimate parent entity in the wholly owned group is Sirius Telecommunications Limited, a company incorporated in Australia.

23. Investments in controlled entities

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2005	2004
			%	%
Phoneware Communication Systems Pty Limited	Australia	Ordinary	100	100
Phoneware Australia Pty Limited	Australia	Ordinary	100	100
UMG Pty Limited	Australia	Ordinary	100	100
Phoneware Asia Pte Limited	Singapore	Ordinary	100	100
Sirius Telecommunications (Vic) Pty Limited	Australia	Ordinary	-	100
Sirius Telecommunications (ACT) Pty Limited	Australia	Ordinary	-	100
Sirius Telecommunications (NSW) Pty Limited	Australia	Ordinary	-	100
Gamegod Pty Limited	Australia	Ordinary	-	100
CTI Services Pty Limited	Australia	Ordinary	-	100
CTI International Pty Limited	Australia	Ordinary	-	100

During the year the following companies were de-registered;

Sirius Telecommunications (Vic) Pty Limited
 Sirius Telecommunications (ACT) Pty Limited
 Sirius Telecommunications (NSW) Pty Limited
 Gamegod Pty Limited
 CTI Services Pty Limited
 CTI International Pty Limited

During the year iMedia Corporation Pty Limited changed its name to UMG Pty Limited

The investment in UMG Pty Limited is held by Phoneware Communication Systems Pty Limited

24. Reconciliation of operating profit (loss) after income tax to net cash inflow from operating activities

	Consolidated	
	2005	2004
	\$'000	\$'000
Operating profit (loss) after income tax	(4,673)	(928)
Depreciation and amortisation	5,063	2,467
Change in operating assets and liabilities		
Trade debtors and receivables	(1,550)	1,696
Inventories	(313)	(11)
Other operating assets	1,333	(606)
Trade creditors and accruals	790	(924)
Provision for income taxes payable	(19)	(19)
Other provisions	(266)	270
Net cash inflow (outflow) from operating activities	<u>365</u>	<u>1,945</u>

Appendix 4E

Preliminary final report

Period ending on or after 30 June 2005

Sirius Telecommunications Limited and Controlled Entities ACN 94 050 240 330

- 6 *Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable and (if known) the amount per security of foreign sourced dividend or distribution.*

No payments made.

- 7 *Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.*

No plans approved.

- 8 *A statement of retained earnings showing movements.*

	Consolidated	
	2005	2004
	\$'000	\$'000
Accumulated losses at the beginning of the financial year	(1,097)	(169)
Net profit (loss) attributable to members of		
Sirius Telecommunications Limited	(4,673)	(928)
Accumulated losses at the end of		
the financial year	<u>(5,770)</u>	<u>(1,097)</u>

- 9 *Net tangible assets per security with the comparative figure for the previous corresponding period.*

Reporting Period	Cents	<u>4.3</u>
Previous Corresponding Period	Cents	<u>6.6</u>

- 10 *Details of entities over which control has been gained or lost during the period.*

- 10.1 *Name of the entity.*

Not applicable

- 10.2 *The date of the gain or loss of control.*

Not applicable

- 10.3 *Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.*

Not applicable

Appendix 4E

Preliminary final report

Period ending on or after 30 June 2005

Sirius Telecommunications Limited and Controlled Entities ACN 94 050 240 330

11 Details of associates and joint venture entities including the following.

11.1 Name of the associate or joint venture entity.

Joint Venture in association with Elijosh Pty Ltd.

Sirius Telecommunications Limited interest in Joint Venture held by Sirius Telecommunications SA/NT

Joint Venture is a 50%-50% operation between Elijosh Pty Ltd and Sirius Telecommunications SA/NT.

11.2 Details of the reporting entity's percentage holding in each of these entities.

Sirius Telecommunications Limited holding in Sirius Telecommunications SA/NT is 100%.

11.3 Where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.

Reporting Period	\$'000	14
Previous Corresponding Period	\$'000	47

12 Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.

Refer to explanatory notes below.

13 For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards).

Not applicable

14 A commentary on the results for the period. The commentary must be sufficient for the user to be able to compare the information presented with equivalent information for previous periods. The commentary must include any significant information needed by an investor to make an informed assessment of the entity's activities and results, which would include but not be limited to discussion of the following.

14.1 The earnings per security and the nature of any dilution aspects.

	Consolidated	
	2005	2004
	Cents	Cents
Basic earnings per share	(10.2)	(2.0)
Diluted earnings per share	(i)	(i)
Weighted average number of shares used as the denominator		
Weighted average number of shares used as the denominator in calculating basic earnings per share	45,907,500	45,752,158
Diluted Earnings per share		
Weighted average number of shares used as the denominator in calculating diluted earnings per share	(i)	(i)

(i) Not materially different to basic earnings per share

14.2 Returns to shareholders including distributions and buy backs.

None made

Appendix 4E

Preliminary final report

Period ending on or after 30 June 2005

Sirius Telecommunications Limited and Controlled Entities ACN 94 050 240 330

14.3 Significant features of operating performance.

Refer to section 2.6

14.4 The results of segments that are significant to an understanding of the business as a whole.

Segment information

The consolidated entity and all its controlled entities operate in the telecommunications industry and is considered by the Board to operate within a single segment of that industry, being the field of Managed Services.

The activities of the consolidated entity are carried out wholly from within the Australasian region which is considered by the Board to represent one geographical market.

14.5 A discussion of trends in performance.

Refer to section 2.6

14.6 Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified.

Refer to section 2.6

15 A statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed

This report is based on accounts that are in the process of being audited.

16 If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification.

No change anticipated from the results reported.

17 If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.

No dispute or qualification known at the date of lodgement of this report.



(Director)

Tracy Currie
Print Name

13 September 2005
Date