2008 Annual Report

Taking Technology Further

HANSEN TECHNOLOGIES

Hansen Technologies Limited ABN 90 090 996 455

2008 Annual Report

Company Profile

Hansen Technologies is a leading provider of billing systems and IT outsourcing services, with customers around the world. Hansen's HUB billing software is used by companies in the telecommunications, electricity, gas and water industries and is particularly relevant to the needs of energy companies in markets that are being deregulated.

Hansen also provides facilities management and outsourcing services from its purpose-built data centres in Melbourne as well as superannuation administration software.

The company prides itself on long-term relationships with its customers, many of whom have renewed their contracts several times.

We have an experienced management team, supported by dedicated and highly capable business and technical experts who have extensive knowledge of the telecommunications and energy industries. Our IT professionals are skilled in the development and delivery of software systems and management of large-scale, multi-tiered projects.

Founded in 1971, Hansen has offices in Australia and the United Kingdom and employs more than 200 people.

Notice of Annual General Meeting

The Annual General Meeting of the Company is to be held on Wednesday 19 November 2008 at 11.00am at 2 Frederick Street, Doncaster, Victoria 3108

A separate Notice of Meeting and Proxy Form are included with this report.

Highlights

- Increase in performance from ongoing operations
  - Revenue $39.1 million ↑22%
  - EBITDA $11.3 million ↑26%
  - After tax profit $6.5 million ↑189%
  - EBITDA as percentage of revenue 28%
- Dividend of 5 cents per share
- Capital return of 2 cents per share
- Earnings per share - 10.1 cents
- Net tangible assets per share at 30 June 2008 - 14.7 cents
- Sale of NSW outsourcing business
- $15.4 million after tax profit

Joint Report from the Chairman and Chief Executive Officer

In our 37th year of business and 8th as an ASX listed entity, we have entered a new chapter in the life of Hansen Technologies. With the completion of our third year of sustained improvement in operating performances we have crossed a major bridge in the evolution of our business. We are now well established in our targeted markets and geographies, allowing us to increase our focus on strategic growth opportunities.

Last year we talked about being confident of maintaining the positive momentum we had generated. It is pleasing to be able to report that this year we have not only sustained but rather accelerated that momentum, achieving record levels of performance while also improving the fundamental strength of our business.

Fiscal 2008 was an outstanding year for Hansen with strong revenue growth from ongoing operations and record profitability. Our Company is debt free, cash flow positive, paying dividends (now fully franked) and actively pursuing strategic growth opportunities.

This year we have seen good progress in all of our geographic focus areas. In Australia we have expanded our number of installed applications and developed stronger relationships with existing key customers. Last year we invested in our United Kingdom operations and we are pleased to report that this year we were successful in growing our UK sourced revenue by 25%. Our existing customers in Japan increased their commitment to Hansen solutions during this last year and we are confident we continue to be well positioned for the inevitable deregulation of the Japanese market.

However there is reason to temper our optimism. In recent weeks the world has experienced unprecedented financial turmoil. The “once in a 100 years” events which impacted the world finance markets last week are further evidence that the issues associated with the world’s tightened liquidity markets may not as yet have run their course. We need to consider the possible implications of this instability upon our targeted markets and be cautious and vigilant as we embark upon growth initiatives.

With our strengthened balance sheet and cash resources we would seem to be well positioned to manage our business through this period and allow us to take advantage of any growth opportunities which may arise.

Fiscal 2007/8 Financial Performance

Total revenue for the year, although flat, at $52.2 million, has understandably been impacted as a result of the sale of our NSW outsourcing business in August 2007.

More importantly, revenue from ongoing operations of $39.1 million represents a strong 22% increase on the previous year. Furthermore despite the sale of our NSW subsidiary we have delivered an absolute year on year increase in all key financial measurements and all business units across all geographies are now positive contributors.

Our solid growth coupled with continued focus on cost management has resulted in an EBITDA (Earnings Before Interest Tax and Depreciation) of $20.1 million. This includes $11.3 million from operations, a 26% increase on the previous year, plus $8.8 million profit on the sale of the NSW outsourcing business.

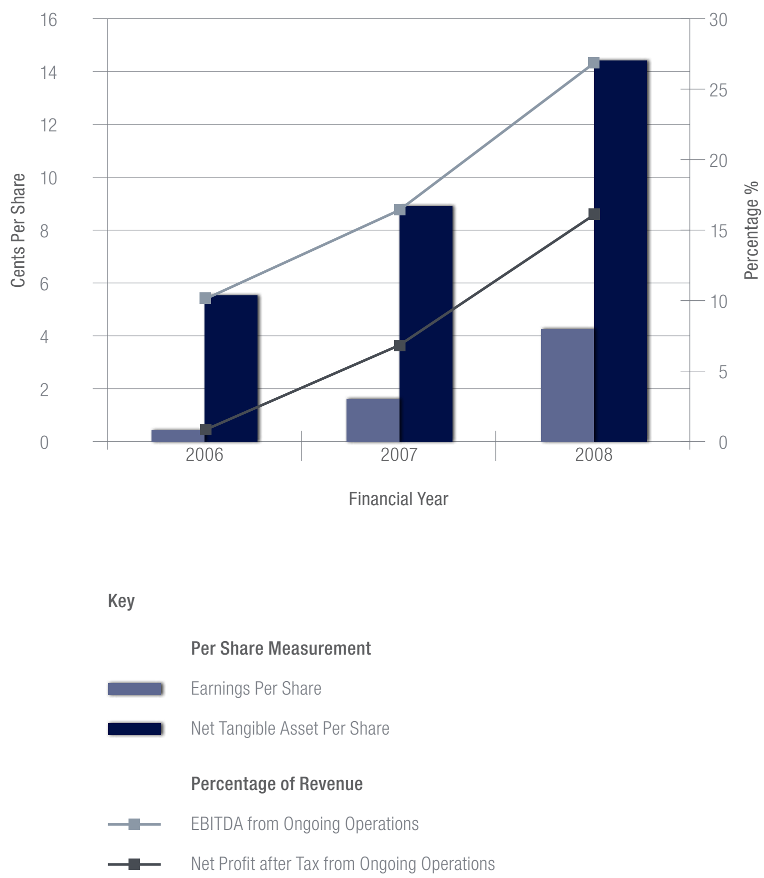
EBITDA as a % of revenue has been a key measurement for our business with 20% being an industry standard targeted measurement of a solid performance. We are pleased to see that this year we have exceeded this target with a 28% EBITDA return on revenue from ongoing operations.

Profit before tax from ongoing operations of $8.7 million, is up 195% on the prior year with the after tax profit for the year of $15.4 million representative of 10.1 cents earnings per share.

This year's strong financial performance added to the proceeds generated from the sale of our NSW outsourcing business has resulted in an improvement in the underlying cash backed strength of our Company.

During the year shareholders received distributions from the company in the form of a one cent per share final dividend for last year, two interim dividends during the year of three and one cent per share plus a two cent per share capital return, collectively totalling 7 cents per share or $10.6 million.

Results from Ongoing Operations



Despite this increased level of distribution to shareholders the Net Tangible Asset backing per Hansen Technologies Limited share rose 63% to 14.7 cents per share as at 30 June 2008.

We are pleased to advise the reintroduction of franked dividends in respect of dividends paid after 1 July 2008. The Directors have declared a fully franked one cent per share final dividend for Fiscal 2007/8 payable to those shareholders as at the record date of 26 September 2008. This dividend is scheduled to be paid on 17 October bringing the total dividends paid to shareholders in respect to fiscal 2007/8 to five cents per share.

Our Core Market Focus

As an IT software/solutions development and delivery organisation we are targeting our operational energies towards those markets we see as having inherent growth requirements for mission critical, highly adaptable and industry specific proprietary software solutions. We package our proprietary IP solutions to include a full service offering for those customers where we believe we may add value beyond just our software solutions.

UTILITIES - We are deliberately and primarily focused on delivering "best of breed" proprietary customer management, meter management and billing solutions into the Energy and Telecommunications

markets worldwide. Global deregulation and metering technology advances are mandating change to Electricity and Gas billing solutions. We are committed to be at the forefront of these new technologies affecting our areas of core competency. In addition, Hansen is developing exciting new software solutions for the Mobile Telecommunications market which we intend to market globally.

SUPERANNUATION - We continue to evolve and support the CLASSIC superannuation membership administration solution on behalf of a select group of key superannuation fund managers.

OUTSOURCING – As part of our overall total packaged solution approach we provide a full range of IT outsourcing services, including facilities management and IT operations.

Hansen has the products, industry know how and strength of balance sheet to benefit from the changes driving demand for billing solutions in the company's targeted industries and geographic markets. We have a strong focus on the geographies of Australia, United Kingdom and Japan. We are actively looking for opportunities to enter new geographic markets.

Our People

Our Company's growth and strength is a direct reflection of the quality, and commitment of our staff. At Hansen we are blessed with an employee retention rate approaching 7 years, significantly higher than the average for our industry.

On behalf of the Board of Directors and all shareholders we wish to express appreciation to our dedicated employees for their efforts over the past year and demonstrable strong commitment to our corporate goals.

Looking Forward

Hansen is firmly focused on its core competencies of delivering billing solutions into the Energy and Telecommunications markets. We remain focused on those geographies and industries where deregulation and metering technology advances are mandating change to billing solutions.

We will continue with our underlying principle of maintaining ownership of the intellectual property in our proprietary software solutions. We have developed a broad customer base with strong annuity revenue streams and we plan to continue to grow our business with this type of foundation revenue stream as a key objective.

We have the objective to be at the forefront of new technologies affecting our areas of core competency, evidenced by our projects with;

- Western Power in West Australia to enable billing on the HUB solution of up to 1 million interval meters; and
- TESCO in the UK for advanced billing functionality in a mobile telecommunications billing solution.

Our initiatives in the coming year include:

- Commercialising our investment in the HUB billing and customer care solution suite into the worldwide trend for growth in the roll out of interval meters in the

We have the objective to be at the forefront of new technologies affecting our areas of core competency.

electricity and gas industries as well as our exciting new functionality for mobile telecommunication billing;

- Begin developing an indirect distributor model for commercialising these solutions into markets where direct selling by Hansen would be either inappropriate or beyond our short to medium term growth capabilities;
- Expanding into new geographic markets where demand for billing solutions is being driven by technology change or deregulation; and
- Identify and integrate appropriate acquisitions which are compatible with our existing core business.

We believe that in 2008, we have built a solid foundation to leverage for growth into our focused markets, with the right solutions and an outstanding team of industry experts.

When we look at the market today and project what we can expect in 2009, we see promise and opportunity. We believe we are ideally positioned as well as well prepared to deliver the solutions and services required in a way that will allow our company to prosper profitably.

Kenneth Hansen
Chairman
30 September 2008

Andrew Hansen
Managing Director & CEO
30 September 2008

Board of Directors

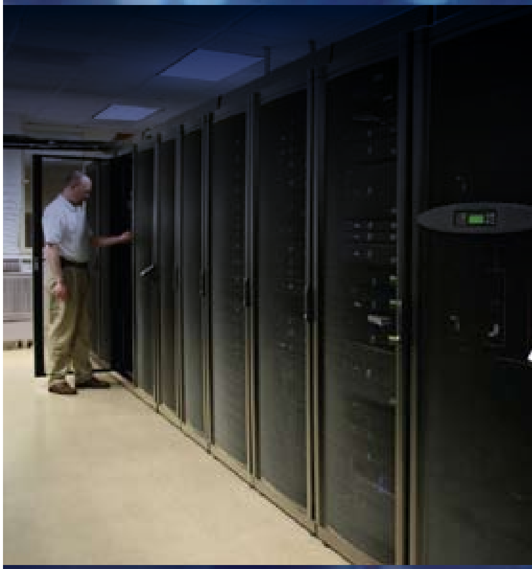
Mr Kenneth Hansen
Age 75
Chairman
Non-Executive Director
Chairman since 2000

Over forty years experience in the IT industry. Recognising the need for the safeguarding of computer records, Kenneth founded the business of Hansen in 1971 by establishing a facility in Australia providing offsite storage of computer media and records management.

Mr Andrew Hansen
Age 48
Managing Director & CEO
Managing Director since 2000

Andrew has over 28 years experience in the IT industry, joining Hansen in 1990. Prior to Hansen he held senior management positions with Amfac-Chemdata, a software provider in the health industry. Andrew is responsible for formulating the strategic direction of the Company's growth into an established software solutions provider.

The qualifications, experience and special responsibilities of each person who has been a director of Hansen Technologies Ltd at any time during or since the end of the financial year is provided here, together with details of the company secretary as at the year end.



Mr Bruce Adams

Age 48

Non-Executive Director
Director since 2000
Chairman of Audit and
Remuneration Committees

Bruce Adams has over 20 years experience as a commercial lawyer. He has practised extensively in the areas of information technology law, mergers and acquisitions and has considerable experience advising listed public companies. In early 2002, after more than ten years as a partner of two Melbourne law firms, Bruce took up a position as general counsel of Club Assist Corporation Pty Ltd, a worldwide motoring club service provider. Bruce holds degrees in law and economics from Monash University.

Mr David Osborne

Age 58

Non-Executive Director
Director since 2006
Member of Audit and
Remuneration Committees

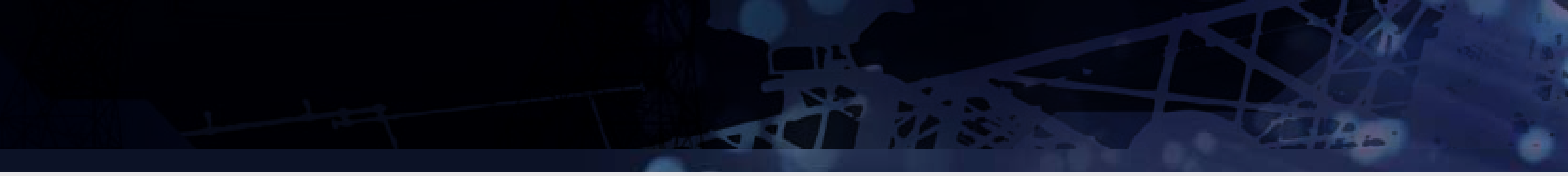
David is a Fellow of the Institute of Chartered Accountants, a Fellow of the Certified Practicing Accountants, and a Fellow of the Australian Institute of Company Directors, with over 30 years of financial management, taxation and accounting experience in public practice. David has a long standing association with Hansen having been a Board member for some years prior to the Company's listing on the ASX in June 2000.

Mr Grant Lister

Age 56

CFO & Company Secretary
CFO since 2002
Company Secretary since 2004

Grant is a qualified Chartered Accountant with more than 25 years experience in senior financial management roles and 10 years experience in such roles within the IT industry in Australia, Asia and the USA. As CFO he has responsibility for all of the financial aspects of the Hansen Group's operations throughout the world. Grant joined the Hansen Group in 2002.



Directors' Report

The Directors present their report together with the financial report of the consolidated entity consisting of Hansen Technologies Ltd and the entities it controlled, for the financial year ended 30 June 2008 and auditor's report thereon. This financial report has been prepAared in accordance with Australian Equivalents of International Financial Reporting Standards.

Principal activities

The principal activities of the consolidated entity during the course of the financial year were the development, integration and support of billing systems software for the telecommunications and utilities (gas, electricity and water) industries. Other activities undertaken by the consolidated entity include IT outsourcing services and the development of other specific software applications. There were no significant changes in the nature of the activities of the consolidated entity during the financial year.

Results

The consolidated profit after income tax attributable to the members of Hansen Technologies Ltd and its controlled entities was $15,445,301 (2007: $3,306,504).

Review of operations

In August 2007 we sold our NSW outsourcing business and as a result this year's financial results include only two months of contributions from that subsidiary.

To provide for relevant year on year comparison this year's results are presented so that the performance of those business elements which are ongoing in nature, i.e.excluding the NSW outsourcing business, are clearly identified.

It is pleasing to report that revenue from ongoing operations grew 22% this year. Earnings before interest tax and depreciation (EBITDA) is up 26%. EBITDA as a % of revenue, a key financial measurement of an IT company efficiency, has increased to 28%.

Importantly we have achieved profitability across all of our current three geographic areas of focus, (Australian, United Kingdom and Japan) as well as our core industry markets (Energy and Telecommunications).

Following the sale of our NSW outsourcing business shareholders received a 2 cent per share return of capital payment in June 2008.

This year's strong financial performance and the proceeds generated from the sale of our Sydney outsourcing business has resulted in an improvement in the underlying cash backed strength of our Company and the Net Tangible Asset backing per Hansen Technologies Limited share has risen 63% to 14.7 cents per share as at 30 June.

The energy industry in Australia and around the world is continuing the trend of deregulation. The roll out of interval metering technology and the automation of the transmission of meter readings is gaining momentum. We are focusing our energies on developing the adaptable industry specific billing solutions required to support these fundamental industry changes.

We enter fiscal 2009 in a strong financial position. We are heavily focused on supporting our existing customer base and as a result we are generating positive annuity as well as strong new service revenues. The industries we are focused on are undergoing change which we are well positioned to service. We have proprietary software solutions they will need as a result of these changes. Finally we have developed the fundamental strength of balance sheet to ensure we can continue with our organic growth as well as pursue strategic growth opportunities

Significant changes in the state of affairs

On 30 August 2007 the Company announced the sale of its NSW outsourcing services subsidiary Hansen Professional Services Pty Ltd. The subsidiary was sold effective 31 August 2007 and is reported in this financial report as a discontinued operation. Note the sale of HPS has utilised capital tax losses not previously taken to account. As such, there is no tax effect on the sale.

After balance date events

As part of normal business activities the company is from time to time in negotiations with customers, potential customers and third parties over prospective new business opportunities. When these new opportunities are significant in the overall context of our business and the negotiations reach a level where the transaction contemplated is confirmed then releases are made to the ASX in accordance with the Listing Rules on Continuous Disclosure.

No matters or circumstances have arisen since the end of the financial year up to the date of this report that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Likely developments

The company will continue to pursue its operating strategy of providing proprietary billing solutions to our targeted industries of energy and telecommunication while pursuing appropriate acquisitions to create shareholder value. In the opinion of the Directors, disclosure of any further information would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulations

The consolidated entity's operations are not subject to any significant environmental Commonwealth or State regulations or laws.

Dividend paid, recommended and declared

A one cent per share fully franked final dividend was declared on 29 August 2008 with payment to be made on 17 October 2008.

Dividends paid during the year:-

- 1 cent per share final dividend paid 8 October 2007
- 3 cents per share interim dividend paid 17 December 2007
- 1 cent per share interim dividend paid 19 March 2008

Capital return

Following the approval of shareholders at a general meeting of the company on 11 June 2008, a 2 cent per share return of capital was paid on 27 June 2008 to those shareholders noted on the company's share registry as at 20 June 2008. A Final Ruling received by the Company from the Australian Taxation Office advised this payment would be deemed a return of capital for Australian Taxation purposes.

Share options

Options over unissued ordinary shares granted by Hansen Technologies Ltd during or since the end of the financial year to the key management personnel as part of their remuneration are as follows. No options were granted to Directors during or since the end of the financial year.

	Granted Number	Grant Date
C Hunter	75,000	1-Jul-07
	75,000	1-Jul-08
G Kentish	40,000	1-Jul-07
	-	1-Jul-08
G Lister	75,000	1-Jul-07
	75,000	1-Jul-08
D Meade	75,000	1-Jul-07
	75,000	1-Jul-08
S Weir	-	1-Jul-07
	40,000	1-Jul-08
Total	530,000	

All grants of options are subject to the achievement of performance measurements for the year of issue. Subject to continuation of employment, options vest 3 years after issue date. If the vesting criteria are not met the options may be forfeited at the discretion of the Directors. Vested options expire after two years or 28 days after termination of employment.

Shares under option

Unissued ordinary shares of Hansen Technologies Ltd under option at the date of this report are as follows:

Grant Date	Exercise Date	Expiry Date	Exercise Price $	Number of Options at Date of Report
1 July 2004	1 July 2007	1 July 2009	$0.180	115,000
1 July 2005	1 July 2008	1 July 2010	$0.260	305,000
1 July 2006	1 July 2009	1 July 2011	$0.110	265,000
1 Nov 2006	1 Nov 2009	1 Nov 2011	$0.110	75,000
1 July 2007	1 July 2010	1 July 2012	$0.265	440,000
1 July 2008	1 July 2011	1 July 2013	$0.390	540,000
TOTAL				1,740,000

Note: as a result of the Capital Return of $0.02 per share on 20 June 2008, the option exercise price for options issued prior to 20 June 2008 have been reduced by the amount of the Capital Return.

If the Company makes a bonus issue of securities to ordinary shareholders, each unexercised option will, on exercise, entitle its holder to receive the bonus securities as if the option had been exercised before the record date for the bonus issue.

Shares issued on exercise of options

There have been 775,000 ordinary shares of Hansen Technologies Ltd issued during and since the end of the financial year and prior to the date of this report as a result of the exercise of employee share options.

Indemnification and insurance of Directors, Officers and Auditors

Indemnification

The Company has agreed to indemnify all of the current and former Directors and officers of the Company and its controlled entities against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors and officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses. The Company has not entered into any agreement to indemnify its auditors against any claims that might be made by third parties arising from their report on the annual financial report.

Insurance premiums

Since the end of the previous financial year, the Company has paid insurance premiums in respect of Directors' and Officers' liability and legal expenses, insurance policies for current and former Directors and officers, including executive officers of the Company and Directors, executive officers and secretaries of its controlled entities. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

Directors' meetings

The number of meetings of the Board of Directors and of each board committee held during the financial year and the numbers of meetings attended by each director were:

Director	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	A	B	A	B	A	B
Mr Kenneth Hansen	11	11	-	-	-	-
Mr Andrew Hansen	10	11	-	-	-	-
Mr Bruce Adams	11	11	3	3	1	1
Mr David Osborne	11	11	3	3	1	1

A – Number of meetings attended
B – Number of meetings held during the time the Director held office during the year

Directors' interests in shares and options

Director's relevant interest in shares of Hansen Technologies Ltd or options over shares in the company are detailed below:

	Ordinary Shares of Hansen Technologies Ltd.	Options over Shares in Hansen Technologies Ltd.
K Hansen	93,934,680	-
B Adams	215,520	-
D Osborne	245,096	-
A Hansen	11,546,174	-

Directors' interests in contracts

Directors' interests in contracts with the Company are limited to the provision of leased premises on arm's length terms and are disclosed in note 24 to the financial statements.

Auditor's independence declaration

A copy of the auditor's independence declaration in relation to the audit for the financial year is provided with this report.

Non-audit services

Non-audit services are approved by resolution of the audit committee and approval is provided in writing to the board of Directors. Non-audit services provided by the auditors of the consolidated entity during the year, Pitcher Partners, are detailed below. The Directors are satisfied that the provision of the non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Amounts paid or payable to an auditor for non-audit services provided during the year by the auditor to any entity that is part of the consolidated entity for:

	Consolidated	
	June 2008 $'000	June 2007 $'000
Auditors of the Company		
Australia		
- taxation services	103	55
- advisory services	38	–
	141	55
Overseas Firms		
- taxation services	21	27
- advisory services	7	–
	28	27
	169	82

Remuneration report

Remuneration policies

The remuneration committee is responsible for making recommendations to the Board on remuneration policies and packages applicable to the Board members and senior executives of the Company. The remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. Executive Directors and senior executives may receive bonuses and options at the absolute discretion of the Directors. All bonuses are subject to the achievement of specified key performance indicators which vary from executive to executive but are all targeted at enhanced operating performance and agreed corporate objectives. Options issued are conditional upon the group achieving budgeted performance levels for the year of issue and are further subject to continuous employment through to the third anniversary of the issue date. Non-executive Directors do not receive any performance related remuneration.

The names and positions of each person who held the position of director at any time during the financial year is provided on page 6 of this report. The key management personnel in the consolidated group for the financial year are:

Executives	Position
C Hunter	Chief Operations Officer
G Kentish	Director, Hansen Europe
G Lister	Chief Financial Officer and Company Secretary
D Meade	Client Services Manager
S Weir	General Manager, Hansen Europe

Directors' and executives' remuneration

2008	Short-term Employee Benefits			Post Employment Benefits	Share Based Benefits			
	Salary Fees	Cash Bonus	Non-monetary	Super	Options Issued	Total	Total Performance Related	Total Options Related
	$	$	$	$	$	$	%	%
Director								
K Hansen	70,648	-	-	-	-	70,648	0%	0%
B Adams	37,037	-	-	3,333	-	40,370	0%	0%
D Osborne	37,037	-	-	3,333	-	40,370	0%	0%
A Hansen	390,000	180,849	30,401	51,976	-	653,226	28%	0%
	534,722	**180,849**	**30,401**	**58,642**	**-**	**804,614**	**22%**	**0%**
Executives								
C Hunter	152,158	36,697	17,152	16,711	8,816	231,534	20%	4%
G Kentish	161,956	-	-	-	4,702	166,658	3%	3%
G Lister	199,071	36,697	11,299	56,617	8,816	312,500	15%	3%
D Meade	134,832	27,523	34,763	14,056	8,816	219,990	17%	4%
S Weir	114,196	-	-	-	-	114,196	0%	0%
	762,213	**100,917**	**63,214**	**87,384**	**31,150**	**1,044,878**	**13%**	**3%**
	1,296,935	**281,766**	**93,615**	**146,026**	**31,150**	**1,849,492**	**17%**	**2%**

2007	Short-term Employee Benefits			Post Employment Benefits	Share Based Benefits			
	Salary Fees	Cash Bonus	Non-monetary	Super	Options Issued	Total	Total Performance Related	Total Options Related
	$	$	$	$	$	$	%	%
Director								
K Hansen	70,648	-	-	-	-	70,648	0%	0%
B Adams	37,037	-	-	3,333	-	40,370	0%	0%
D Osborne	37,037	-	-	3,333	-	40,370	0%	0%
A Hansen	351,697	72,477	31,650	38,176	-	494,000	15%	0%
	496,419	**72,477**	**31,650**	**44,842**	**-**	**645,388**	**11%**	**0%**
Executives								
C Hunter	150,274	18,349	11,202	14,795	3,026	197,646	11%	2%
G Kentish	258,120	-	-	-	1,614	259,734	1%	1%
G Lister	219,266	36,697	-	28,830	3,026	287,819	14%	1%
D Meade	117,478	13,761	36,948	11,812	3,026	183,025	9%	2%
K Speyer	129,878	18,349	-	13,340	-	161,567	11%	0%
	875,016	**87,156**	**48,150**	**68,777**	**10,692**	**1,089,791**	**9%**	**1%**
	1,371,435	**159,633**	**79,800**	**113,619**	**10,692**	**1,735,179**	**10%**	**1%**

Bonuses are paid in the August or September payroll after the financial results for the prior year have been determined to ensure the performance measurements have been achieved. Options granted as remuneration are valued at grant date in accordance with AASB 2 Share-based Payments.

Compensation options: Granted and vested during the year:

During the financial year options vested and the Company granted options over unissued ordinary shares to the following key management personnel of the Company as part of their remuneration:

		Options Granted during the year					
	Options Vested during the year	Options Granted	Grant Date	Value per Option at Grant Date	Exercise Price $	Vesting Date	Last Exercise Date
Specified Executives							
C Hunter (Chief Operations Officer)	75,000	75,000	1-Jul-07	$0.285	$0.265	1-Jul-10	1-Jul-12
G Kentish (Director, Hansen Europe)	-	40,000	1-Jul-07	$0.285	$0.265	1-Jul-10	1-Jul-12
G Lister (CFO & Company Secretary)	75,000	75,000	1-Jul-07	$0.285	$0.265	1-Jul-10	1-Jul-12
D Meade (Client Services Manager)	75,000	75,000	1-Jul-07	$0.285	$0.265	1-Jul-10	1-Jul-12
S Weir (GM, Hansen Europe)	-	-					
Total	**225,000**	**265,000**					

Number of options held by Key Management Personnel (consolidated):

	Balance 30 June 2007	Granted as Remuneration	Options Exercised	Options Forfeited	Balance 30 June 2008	Vested at 30 June 2008	
						Total	Exercisable
Directors							
K Hansen (Chairman)	-	-	-	-	-	-	-
B Adams	-	-	-	-	-	-	-
D Osborne	-	-	-	-	-	-	-
A Hansen (MD & CEO)	-	-	-	-	-	-	-
Specified Executives							
C Hunter	300,000	75,000	150,000	-	225,000	-	-
G Kentish	40,000	40,000	-	80,000	-	-	-
G Lister	300,000	75,000	150,000	-	225,000	-	-
D Meade	300,000	75,000	75,000	-	300,000	75,000	75,000
S Weir	-	-	-	-	-	-	-
Total	**940,000**	**265,000**	**375,000**	**80,000**	**750,000**	**75,000**	**75,000**

Value of options granted as remuneration that have been exercised or lapsed during the financial year:

	Balance 1 July 2007	Value Granted	Value Exercised	Value Lapsed	Balance 30 June 2008
Directors					
K Hansen	-	-	-	-	-
D Osborne	-	-	-	-	-
B Adams	-	-	-	-	-
A Hansen	-	-	-	-	-
Specified Executives					
C Hunter	23,453	8,816	11,849	-	20,420
G Kentish	1,614	4,702	-	6,316	-
G Lister	23,453	8,816	11,849	-	20,420
D Meade	23,453	8,816	4,273	-	27,996
S Weir	-	-	-	-	-
Total	**71,973**	**31,150**	**27,971**	**6,316**	**68,836**

Rounding of amounts

The amounts contained in the report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Dated at Melbourne this 30th day of September 2008.

Signed in accordance with a resolution of the Directors:

Kenneth Hansen
Director

Andrew Hansen
Managing Director & CEO

Auditor's independence declaration
To the Directors of Hansen Technologies Ltd.

In relation to the independent audit for the year ended 30 June 2008, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the Corporations Act 2001

(ii) No contraventions of any applicable code of professional conduct

Dated at Melbourne this 30th day of September 2008.

DB Rankin
Partner

Pitcher Partners
Melbourne

30 September 2008

Pitcher Partners

2008 Financial Statements and Notes

Consolidated Income Statement

For the Year Ended 30 June 2008

	Note	Consolidated Entity 2008 $'000	Consolidated Entity 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Revenue from ongoing operations	4	39,084	32,138	-	-
Other revenues	4	1,531	1,741	11,542	986
Total revenue		**40,615**	**33,879**	**11,542**	**986**
Employee expenses	5	(19,521)	(19,413)	(916)	(808)
Depreciation and amortisation expenses	5	(3,697)	(3,996)	-	-
Finance costs	5	(6)	234	-	-
Operating lease rental expenses	5	(1,723)	(1,463)	-	-
Contractor and consultant expenses		(1,359)	(1,147)	(310)	(41)
Software licence expenses		(145)	(221)	-	-
Hardware and software expenses		(2,609)	(2,545)	-	-
Transportation expenses		(84)	(86)	-	-
Travel expenses		(1,002)	(1,076)	(2)	(1)
Data communication expenses		(254)	(257)	-	-
Legal costs		(111)	(131)	(61)	-
Other expenses	5	(1,413)	(811)	(99)	(101)
Total expenses		**(31,924)**	**(30,912)**	**(1,388)**	**(951)**
Profit before income tax		**8,691**	**2,967**	**10,154**	**35**
Income tax expense	6(b)	(2,176)	(696)	(4)	(2)
Profit after income tax from ongoing operations		**6,515**	**2,271**	**10,150**	**33**
Profit from discontinued operations	7	164	1,035	-	-
Profit on sale of business	7	8,766	-	-	-
Profit after income tax from discontinued operations		**8,930**	**1,035**	**-**	**-**
Profit for the year attributable to the members of the parent		**15,445**	**3,306**	**10,150**	**33**

		Cents per share	Cents per share
Basic earnings per share for ongoing operations		4.3	1.5
Basic earnings per share for discontinued operations		5.9	0.7
Total basic earnings per share	21	**10.2**	**2.2**
Diluted earnings per share for ongoing operations		4.2	1.5
Diluted earnings per share for discontinued operations		5.9	0.7
Total diluted earnings per share	21	**10.1**	**2.2**

The consolidated income statement is to be read in conjunction with the notes to the financial statements set out on pages 20 to 46.

Consolidated Balance Sheet

As at 30 June 2008

	Note	Consolidated Entity 2008 $'000	Consolidated Entity 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Current assets					
Cash and cash equivalents	19	21,871	11,958	168	15
Trade receivables	9	5,576	8,422	25	33
Other current assets	10	967	1,441	6	5
Total current assets		**28,414**	**21,821**	**199**	**53**
Non-current assets					
Trade receivables	9	145	153	37,228	32,907
Other financial assets	11	-	-	11,000	11,000
Plant and equipment	12	3,325	4,182	-	-
Intangible assets	13	19,823	21,224	-	-
Deferred tax assets	6	-	1,597	129	1,913
Total non-current assets		**23,293**	**27,156**	**48,357**	**45,820**
Total assets		**51,707**	**48,977**	**48,556**	**45,873**
Current liabilities					
Trade and other payables	14	3,403	4,866	252	206
Short-term borrowings	15	-	320	-	-
Current tax payable		2,244	6	2,240	-
Short-term provisions	16	3,218	3,879	316	150
Unearned income		453	3,115	-	-
Total current liabilities		**9,318**	**12,186**	**2,808**	**356**
Non-current liabilities					
Trade and other payables	14	-	-	4,253	4,518
Long-term borrowings	15	-	61	-	-
Deferred tax liabilities	6	233	-	-	-
Long-term provisions	16	170	504	-	-
Total non-current liabilities		**403**	**565**	**4,253**	**4,518**
Total liabilities		**9,721**	**12,751**	**7,061**	**4,874**
Net assets		**41,986**	**36,226**	**41,495**	**40,999**
Equity					
Share capital	17	47,916	50,048	47,916	50,048
Foreign currency translation reserve	18(a)	(479)	(448)	-	-
Options granted reserve	18(b)	137	117	137	117
Accumulated losses	18(c)	(5,588)	(13,491)	(6,558)	(9,166)
Total equity		**41,986**	**36,226**	**41,495**	**40,999**

The consolidated balance sheet is to be read in conjunction with the notes to the financial statements set out on pages 20 to 46.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2008

	Note	Consolidated Entity 2008 $'000	Consolidated Entity 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Total equity at the beginning of the year		**36,226**	**32,827**	**40,999**	**40,759**
Exchange differences on translation of foreign operations	18	(31)	(23)	-	-
Employee share options	18	20	26	20	117
Net income (loss) recognised directly in equity		**(11)**	**3**	**20**	**117**
Profit for the year		15,445	3,306	10,150	33
Total recognised income and expense for the period		**15,434**	**3,309**	**10,170**	**150**
Transactions with equity holders in their capacity as equity holders:					
Employee share plan	17	130	90	130	90
Options exercised	17	148	-	148	-
Capital issued under dividend reinvestment plan	17	641	-	641	-
Capital return paid	17	(3,051)	-	(3,051)	-
Dividends paid	8	(7,542)	-	(7,542)	-
		(9,674)	**90**	**(9,674)**	**90**
Total equity at the end of the year attributable to members of the parent		**41,986**	**36,226**	**41,495**	**40,999**

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 20 to 46.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2008

	Note	Consolidated Entity 2008 $'000	Consolidated Entity 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Cash flows from operating activities					
Receipts from customers		45,736	52,840	1,604	1,011
Payments to suppliers and employees		(33,520)	(45,214)	(1,160)	(715)
Interest received	4	1,467	371	4	-
Borrowing costs		(6)	234	-	-
Income tax paid		-	-	-	-
Net cash provided by operating activities	19(a)	**13,677**	**8,231**	**448**	**296**
Cash flows from investing activities					
Proceeds from sale of plant and equipment		-	9	-	-
Proceeds from sale of intellectual property		-	1,333	-	-
Net proceeds from sale of subsidiary	19(a)	9,942	-	-	-
Payment for plant and equipment		(2,259)	(1,853)	-	-
Payment for capitalised research and development		(1,694)	(1,963)	-	-
Net cash provided by (used in) investing activities		**5,989**	**(2,474)**	**-**	**-**
Cash flows from financing activities					
Proceeds from share issue	17	130	90	130	90
Payment of capital return	17	(3,051)	-	(3,051)	-
Proceeds from options exercised	17	148	-	148	-
Net advances to controlled entities		-	-	(563)	(380)
Dividends paid net of dividend re-investment		(6,901)	-	(6,901)	-
Inter company dividend		-	-	9,942	-
Finance and hire purchase lease payments		(79)	(784)	-	-
Net cash used in financing activities		**(9,753)**	**(694)**	**(295)**	**(290)**
Net increase in cash and cash equivalents		**9,913**	**5,063**	**153**	**6**
Cash and cash equivalents at beginning of year		11,958	6,895	15	9
Cash and cash equivalents at end of the year	19(b)	**21,871**	**11,958**	**168**	**15**

The consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 20 to 46.

1. Basis of Preparation

This financial report is a general purpose financial report that has been prepared in accordance with the measurement and recognition criteria of the Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers Hansen Technologies Ltd as an individual parent entity and Hansen Technologies Ltd and controlled entities as a consolidated entity. Hansen Technologies Ltd is a company limited by shares, incorporated and domiciled in Australia.

The financial report was authorised for issue by the Directors as at the date of the Directors' report.

The following is a summary of material accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Compliance with IFRS
Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards. Compliance with Australian Equivalents of International Financial Reporting Standards ensures compliance with International Financial Reporting Standards (IFRS).

Historical Cost Convention
The financial report has been prepared under the historical cost convention.

(b) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and of all entities, which Hansen Technologies Ltd controlled from time to time during the year and at balance date. Details of the controlled entities are contained in Note 24.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation.

(c) Revenue recognition

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer. Revenue from the provision of services to customers is recognised upon delivery of the service to the customer.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, and short term deposits with an original maturity of three months or less held at call with financial institutions.

(e) Plant and equipment

Cost and valuation
All classes of plant and equipment are stated at cost less depreciation.

Depreciation
The depreciable amounts of all fixed assets are depreciated on a straight-line basis over their estimated useful lives commencing from the time the asset is held ready for use.

The rates applicable for each class of assets are:

	2008	2007
Plant and equipment and leasehold improvements:	8% - 40%	9% - 40%
Plant and equipment under finance lease:	8% - 40%	9% - 40%

(f) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Finance Leases
Leases of fixed assets, where substantially all of the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to entities within the consolidated entity are classified as finance leases. Finance leases are capitalised, recording at the inception of the lease an asset and liability equal to the present value of the minimum lease payments, and disclosed as plant and equipment under lease.

Leased assets are depreciated over the shorter of the estimated useful life of the assets and the lease term. Lease payments are allocated between interest expense and reduction of the lease liability. The interest expense is calculated using the interest rate implicit in the lease and is included in finance costs in the Income Statement.

Operating Leases
Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

(g) Intangibles

Goodwill
Goodwill on consolidation represents the excess of the cost of an acquisition over the fair value of the Group's share of net identifiable assets of the acquired entities at the date of acquisition.

Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

Research and Development
Expenditure on research activities is recognised as an expense when incurred.

Expenditure on development activities is capitalised only when it is expected that future benefits will exceed the deferred costs. Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using a straight-line method to allocate the cost over a period of five years, during which the related benefits are expected to be realised, once commercial production is commenced. Other development expenditure is recognised as an expense when incurred.

(h) Impairment

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicates that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(i) Taxes

Current income tax expense or benefit is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

A balance sheet approach is adopted under which deferred tax assets and liabilities are recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax asset or liability is recognised in relation to temporary differences arising from the initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for temporary differences and unused tax losses only when it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax Consolidation

The parent entity and its controlled entities have formed an income tax consolidated group under the tax consolidation legislation. The parent entity is responsible for recognising the current tax liabilities and the deferred tax assets arising in respect of tax losses, for the tax consolidated group. The tax consolidated group has also entered into a tax funding agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(j) Employee benefits

Liabilities arising in respect of wages and salaries, annual leave, long service leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Share-based payments

The group operates an employee share option plan and an employee share scheme. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options at grant date. The fair value of options at grant date is determined using a Black-Scholes option pricing model, and is recognised as an employee expense over the period during which the employees become entitled to the option.

(k) Financial instruments

Classification

The group classifies its financial instruments in the following categories: loans and receivables and other financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial instruments at initial recognition.

Loans and receivables

Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Financial liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances.

(l) Foreign currencies

Functional and presentation currency

The financial statements of each group entity are measured using its functional currency, which is the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, as this is the parent entity's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies of entities within the consolidated entity are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year.

Group companies

The financial statements of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- All resulting exchange differences are recognised as a separate component of equity.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve as a separate component of equity in the balance sheet.

(m) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(n) Rounding amounts

The company is of a kind referred to in ASIC Class Order CO 98/0100 and in accordance with that Class Order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(o) New accounting standards and interpretations

A number of accounting standards and interpretations have been issued at the reporting date but are not yet effective. The Directors have not yet assessed the impact of these standards or interpretations. Issued standards that may impact Hansen include:

AASB 3	Business combinations
AASB 8	Operating segments
AASB 101	Presentation of financial statements
AASB 123	Borrowing costs
AASB 127	Consolidated and separate financial statements

(p) Discontinued operations

On 31 August 2007 the Company sold its NSW outsourcing services subsidiary Hansen Professional Services Pty Ltd (HPS). The income statement for the current period reflects this sale by disclosing the 2 months trading results of HPS as a separate line under the description profit/(loss) from discontinued operations. Note 7 details the breakdown of HPS's trading results and its impact on cash flows for the current period.

2. Critical Accounting Estimates and Judgements

The Group makes certain estimates and assumptions concerning the future, which, by definition will seldom represent actual results. The estimates and assumptions that have a significant inherent risk in respect of estimates based on future events, which could have a material impact on the assets and liabilities in the next financial year, are discussed below:

(a) Impairment testing of intangible assets

The intangible assets of goodwill and capitalised software development are subjected to periodic review to assess if their carrying value has been impaired.

This assessment compares the carrying book value with the recoverable amount of these assets using value in-use discounted cash flow projection calculations based on management's determination of budgeted cash flow projections and gross margins, past performance and its expectation for the future. Given the long term income generating nature of the intangible assets the valuation applies a discounted value to cash flow over an extended five year period plus a terminal value at the end of the period. In respect of this fiscal year a 14.50% weighted cost of capital discount rate has been applied. The growth rates utilised vary by business unit from zero to a maximum of 10% per annum.

(b) Income taxes

Income tax benefits are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

There had been significant expenditure on research and development on the HUB billing software in the 2008 year. Returns are beginning to be derived from this investment, which comprises the majority of the carried forward losses. Recognition of the carried forward losses is based upon the probable future profits of the group

3. Financial Risk Management

(a) Interest rate risk

Interest rate risk exposures

The consolidated entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at balance date, are as follows:

				Fixed interest maturing in:				
	Note	Weighted Average Effective Interest Rate	Floating Interest Rate $'000	1 Year or Less $'000	1 to 5 Years $'000	More than 5 Years $'000	Non-interest Bearing $'000	Total Carrying Amount as per Balance Sheet $'000
2008								
Financial assets								
Cash	19	7.90%	21,871	-	-	-	-	21,871
Trade and other receivables	9	8.17%	-	402	145	-	5,174	5,721
Other assets	10		-	-	-	-	163	163
			21,871	402	145	-	5,337	27,755
Financial liabilities								
Trade and other payables	14		-	-	-	-	3,403	3,403
Borrowings	15	9.45%	-	-	-	-	-	-
			-	-	-	-	3,403	3,403
2007								
Financial assets								
Cash	19	6.10%	11,958	-	-	-	-	11,958
Trade and other receivables	9	7.45%	-	696	153	-	7,726	8,575
Other assets	10		-	-	-	-	250	250
			11,958	696	153	-	7,976	20,783
Financial liabilities								
Trade and other payables	14		-	-	-	-	4,866	4,866
Borrowings	15	9.45%	-	320	61	-	-	381
			-	320	61	-	4,866	5,247

(b) Credit risk exposures

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts of those assets, as disclosed in the Balance Sheet and Notes to the Financial Statements.

Credit risk for derivative financial instruments arises from the potential failure by counterparties to the contract to meet their obligations. The credit risk exposure to forward exchange contracts is the net fair value of these contracts.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

Concentrations of credit risk

The consolidated entity minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a large number of customers.

Concentrations of credit risk on trade and other receivables are: Utilities 48% (2007: 51%), Finance Sector 10% (2007: 16%), Telecommunications 33% (2007: 21%) and Other 9% (2007: 12%).

(c) Liquidity and foreign exchange risk

The Hansen Group operates internationally and as such has exposure to foreign currency movements as part of its day to day operational realities. The Group has a substantial surplus of cash assets compared to its nominal third party or foreign currency designated payables.

The Group has no third party debt obligations, other than normal operational trade payables, which are designated in foreign currency. Accordingly the Group's liquidity and foreign currency exchange risks are assessed as nominal.

(d) Fair values

The fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in the Balance Sheet and Notes to the Financial Statements.

4. Revenue

		Consolidated Entity		Parent Entity	
	Note	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Revenues from ongoing operations					
Revenue from sale of goods and services		39,084	32,138	-	-
		39,084	**32,138**	**-**	**-**
Other income:					
From operating activities					
Management fees		-	-	1,072	967
Interest – other parties		1,467	371	4	-
Sale of intellectual property		-	1,333	-	-
Other income		64	37	524	19
Intercompany dividend		-	-	9,942	-
Total other Revenues		**1,531**	**1,741**	**11,542**	**986**
Total revenue from ongoing operations		**40,615**	**33,879**	**11,542**	**986**
Revenues from discontinued operations					
Revenue from sale of goods and services	7	2,809	19,011	-	-
Profit on sale of business	7	8,766	-	-	-
Total revenue from discontinued operations		**11,575**	**19,011**	**-**	**-**
Total revenue from operations		**52,190**	**52,890**	**11,542**	**986**

5. Profit from Ongoing Operations

	Note	Consolidated Entity 2008 $'000	Consolidated Entity 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Profit from ongoing operations before income tax has been determined after the following specific expenses:					
Employees benefits expense					
Wages and salaries		17,544	17,832	860	750
Superannuation costs		1,957	1,555	36	32
Share based payments		20	26	20	26
Total employee benefits expense		**19,521**	**19,413**	**916**	**808**
Depreciation of non-current assets					
Plant and equipment		926	873	-	-
Total depreciation of non-current assets		**926**	**873**	**-**	**-**
Amortisation of non-current assets					
Plant and equipment under finance lease	12	153	431	-	-
Research and development	13	2,618	2,692	-	-
Total amortisation of non-current assets		**2,771**	**3,123**	**-**	**-**
Finance costs expensed					
Interest charges (reversal)		3	(236)	-	-
Finance charges paid or payable under finance leases		3	2	-	-
Total finance costs expensed		**6**	**(234)**	**-**	**-**
Operating lease rental expenses					
Lease rental charges		1,723	1,463	-	-
Total operating lease rental expenses		**1,723**	**1,463**	**-**	**-**
Other expenses					
Movement in provision for doubtful debts		(35)	27	-	-
Net foreign exchange losses		462	302	-	-
Net (profit) loss on disposal of plant and equipment		22	(6)	-	-
Re-seller commissions		459	-	-	-
Other expenses		505	488	99	101
Total other expenses		**1,413**	**811**	**99**	**101**

6. Income Tax

	Consolidated Entity		Parent Entity	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
(a) The components of tax expense:				
Current tax	2,951	10	-	-
Deferred tax	(678)	962	23	1,645
Transfer of losses and other timing differences	-	-	-	(1,597)
Under provision in prior year	(26)	169	(19)	(46)
Total income tax expense (benefit)	**2,247**	**1,141**	**4**	**2**
(b) Income tax expense				
Prima facie income tax expense calculated at 30% (2007: 30%) on the profit from ordinary activities	5,308	1,334	14	11
Tax effect of amounts which are not deductible in calculating taxable income				
Non deductible write down of investment	(128)	-	-	-
Current year losses not brought to account	18	76	-	-
Capital losses absorbed not previously brought to account	(2,742)	(266)	-	-
Other non allowable items	1	24	9	37
Under / (over) provision in prior years	(26)	169	(19)	(46)
Research and development allowances	(184)	(196)	-	-
Total Income tax expense	**2,247**	**1,141**	**4**	**2**
Comprising:-				
Income tax expense for ongoing operations	2,176	696	4	2
Income tax expense for discontinuing operations	71	445	-	-
	2,247	**1,141**	**4**	**2**
(c) Deferred tax relates to the following:				
Deferred tax liabilities				
Research and development expenditure capitalised	1,954	2,231	-	-
Other	-	-	-	5
Total deferred tax liabilities	**1,954**	**2,231**	**-**	**5**
Deferred Tax Assets				
Employee benefits	970	1,185	48	890
Provisions	4	135	75	6
Other payables	673	572	-	271
Difference in depreciation and amortisation of plant and equipment for accounting and income tax purposes	4	1,193	-	-
Losses available for offset against future taxable income	-	733	-	731
Other	70	10	6	20
Total deferred tax assets	**1,721**	**3,828**	**129**	**1,918**
Net deferred tax	**(233)**	**1,597**	**129**	**1,913**
(d) Deferred tax assets not brought to account, the benefits of which will only be realised if the condition for deductibility set out in Note 1(i) occur				
Capital and income tax losses	2,824	4,476	2,824	2,082
	2,824	**4,476**	**2,824**	**2,082**

7. Discontinued Operations

On 30 August 2007 the Company announced the sale of its NSW outsourcing services subsidiary Hansen Professional Services Pty Ltd. The subsidiary was sold effective 31 August 2007 and is reported in this financial report as a discontinued operation. Accordingly the results to 30 June 2008 only include 2 months of trading for HPS. Also note the sale of HPS has utilised capital tax losses not previously taken to account. As such there is no tax effect on the sale.

Financial information relating to the discontinued operation for the period to the date of the disposal is set out below. Further information is set out in Note 25 - Segment Reporting.

	Period	
	2008 $'000	**2007 $'000**
(i) Financial performance information		
Revenue	2,657	17,620
Other Income	152	1,391
Expenses	(2,574)	(17,531)
Profit/loss before income tax	235	1,480
Income tax expense	(71)	(445)
Profit after income tax of discontinued operations	164	1,035
Gain on the sale of the entity before income tax	8,766	-
Income tax expense	-	-
Gain on the sale of the entity after income tax	8,766	-
Profit from discontinued operations	**8,930**	**1,035**
(ii) Carrying amount of assets and liabilities		
Assets		
Cash	-	1
Receivables	-	7,909
Plant and equipment	-	1,825
Other	-	1,804
Assets classified as held for sale	-	11,539
Liabilities		
Payables	-	5,628
Interest bearing liabilities	-	212
Other	-	2,410
Liabilities directly associated with non-current assets classified as held for sale	-	8,250
Net assets/liabilities attributable to discontinued operations	**-**	**3,289**
(iii) Cashflow information		
Net cash inflow from operating activities for the period 1 July 2007 to 30 August 2007 is included in the consolidated entity's net cash provided by operatiing activities.		

8. Dividends on Ordinary Shares

	Consolidated Entity		Parent Entity	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
(a) Dividend proposed and not recognised as a liability				
2008 – One cent per share fully franked final dividend was declared on 29 August 2008.				
2007 – One cent per share unfranked final dividend was declared on 31 August 2007.				
(b) Dividends provided for or paid during the year				
- 1 cent per share final dividend paid 8 October 2007	1,505	-	1,505	-
- 3 cents per share interim dividend paid 17 December 2007	4,524	-	4,524	-
- 1 cent per share interim dividend paid 19 March 2008	1,513	-	1,513	-
	7,542	-	7,542	-
A two cent per share capital return was paid to shareholders on 27 June 2008	3,051	-	3,051	-
(c) Dividend franking account				
30% franking credits, on a tax paid basis, are available to shareholders of Hansen Technologies Ltd for subsequent financial years	2,240	NIL	2,240	NIL

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

a) franking credits that will arise from the payment of any current tax liability;
b) franking debits that will arise from the payment of any dividends recognised as a liability at year-end;
c) franking credits that will arise from the receipt of any dividends recognised as receivables at year-end;
d) franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

9. Receivables

	Consolidated Entity		Parent Entity	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Current				
Trade debtors	5,187	7,773	-	-
Less: Provision for doubtful debts	(13)	(47)	-	-
	5,174	7,726	-	-
Sundry debtors	402	696	25	33
	5,576	**8,422**	**25**	**33**
Non-Current				
Term debtor	145	153	-	-
Loans to controlled entities	-	-	37,228	32,907
	145	**153**	**37,228**	**32,907**

The weighted average effective interest rate on the term debtor is 8.165% (2007: 6.33%) at 30 June 2008.

10. Other Current Assets

	Consolidated Entity		Parent Entity	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Current				
Prepayments	804	1,191	6	5
Accrued revenue	163	250	-	-
	967	**1,441**	**6**	**5**

11. Other Financial Assets

	Consolidated Entity		Parent Entity	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Non-Current				
Investment in controlled entity	-	-	11,000	11,000
	-	**-**	**11,000**	**11,000**

12. Plant and Equipment

	Consolidated Entity		Parent Entity	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Plant and equipment, at cost	9,572	20,096	-	-
Accumulated depreciation	(6,273)	(16,120)	-	-
	3,299	3,976	-	-
Plant and equipment under finance lease, at cost	3,566	3,762	-	-
Accumulated amortisation	(3,540)	(3,556)	-	-
	26	206	-	-
Total plant and equipment	**3,325**	**4,182**	**-**	**-**
Reconciliations Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the current financial year.				
Plant and equipment				
Carrying amount at 1 July 2007	3,976	4,063	-	-
Additions	2,259	1,853	-	-
Disposals	(1,794)	(3)	-	-
Depreciation expense	(1,078)	(1,916)	-	-
Net foreign currency movements arising from foreign operation	(64)	(21)	-	-
Carrying amount at 30 June 2008	3,299	3,976	-	-
Plant and equipment under finance lease				
Carrying amount at 1 July 2007	206	637	-	-
Disposals	(27)	-	-	-
Amortisation expense	(153)	(431)	-	-
Carrying amount at 30 June 2008	26	206	-	-

13. Intangibles

	Consolidated Entity		Parent Entity	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Goodwill, at cost	17,935	18,479	-	-
Accumulated impairment	(4,625)	(4,693)	-	-
	13,310	13,786	-	-
Software research and development, at cost	22,618	20,924	-	-
Accumulated amortisation	(16,105)	(13,486)	-	-
	6,513	7,438	-	-
Total intangible assets	**19,823**	**21,224**	**-**	**-**
Reconciliation of goodwill at cost				
Opening amount	18,479	18,479	-	-
Increase / (decrease) due to sale/acquisition adjustments	(544)	-	-	-
Closing amount	**17,935**	**18,479**	**-**	**-**
Accumulated impairment at beginning of year	(4,693)	(4,693)	-	-
Impairment write back re sale of subsidiary	68	-	-	-
Accumulated impairment at end of year	(4,625)	(4,693)	-	-
Reconciliation of software research and development at cost				
Opening amount	20,924	18,961	-	-
Expenditure capitalised in current period	1,694	1,963	-	-
Closing amount	**22,618**	**20,924**	**-**	**-**
Accumulated amortisation at beginning of year	(13,487)	(10,795)	-	-
Current year charge	(2,618)	(2,692)	-	-
Accumulated amortisation at end of year	(16,105)	(13,487)	-	-

14. Payables

	Consolidated Entity		Parent Entity	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Current				
Trade payables	1,200	1,547	3	3
Other payables	2,203	3,319	249	203
	3,403	**4,866**	**252**	**206**
Non-Current				
Aggregate amounts payable to related parties	-	-	4,253	4,518
	-	**-**	**4,253**	**4,518**

15. Borrowings

	Note	Consolidated Entity		Parent Entity	
		2008 $'000	2007 $'000	2008 $'000	2007 $'000
Current					
Secured					
Hire purchase liability	20	-	97	-	-
Finance lease liability	20	-	223	-	-
		-	**320**	**-**	**-**
Non-Current					
Secured					
Hire purchase liability	20	-	-	-	-
Finance lease liability	20	-	61	-	-
		-	**61**	**-**	**-**

16. Provisions

	Consolidated Entity		Parent Entity	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Current				
Employee benefits	3,063	3,728	161	146
Onerous lease	-	147	-	-
Dividends and other	155	4	155	4
	3,218	**3,879**	**316**	**150**
Non-current				
Employee benefits	170	220	-	-
Onerous lease	-	284	-	-
	170	**504**	**-**	**-**
(a) Aggregate employee benefits liability	3,233	3,948	161	146
(b) Number of employees at year end	194	262	1	1
Reconciliations Reconciliations of the carrying amounts of each class of provision, except for the employee benefits provision, are set out below:				
Dividends and other - current				
Carrying amount at beginning of year	4	4	4	4
Provisions made during the year	151	-	151	-
Carrying amount at end of year	155	4	155	4
Provisions onerous lease - current				
Carrying amount at beginning of year	147	96	-	-
Provisions made during the year	-	51	-	-
Adjustments made due to sale of subsidiary	(147)	-	-	-
Carrying amount at end of year	-	147	-	-
Provisions onerous lease - non-current				
Carrying amount at beginning of year	284	242	-	-
Provisions made during the year	-	42	-	-
Adjustments made due to sale of subsidiary	(284)	-	-	-
Carrying amount at end of year	-	284	-	-

17. Contributed Equity

	Consolidated Entity		Parent Entity	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
a) Issued and paid up capital				
Ordinary shares, fully paid	**47,916**	**50,048**	**47,916**	**50,048**

	Parent Entity		Parent Entity	
	2008 Number of Shares	2008 Number of $'000	2007 Number of Shares	2007 Number of $'000
b) Movements in shares on issue				
Balance at beginning of the financial year	149,771,455	50,048	149,421,445	49,958
Shares issued under Dividend Reinvestment Plan	1,746,924	641	-	-
Shares issued under Employee Share Plan	361,010	130	350,010	90
Options exercised	775,000	148	-	-
Capital Reduction *	-	(3,051)	-	-
Balance at end of the financial year	**152,654,389**	**47,916**	**149,771,455**	**50,048**

* In accordance with a resolution of shareholders the Company's contributed equity (issued and paid up share capital) was reduced by a two cent per share capital return paid to shareholders on 27 June 2008.

c) Share options

Employee Share Option Plan

The company continued to offer employee participation in short-term and long-term incentive schemes as part of the remuneration packages for the employees of the Company.

The Employee Share Option Plan ("the Plan") was approved by shareholders at the Company's annual general meeting on 9 November 2001.

The maximum number of options on issue under the Plan must not at any time exceed 7.5% of the total number of ordinary shares on issue at that time.

The Board may issue options under the Plan to any employee of the Company and its subsidiaries, including executive Directors.

Options will be issued free of charge, unless the Board determines otherwise. Each option is to subscribe for one ordinary share and, when issued, the shares will rank equally with other shares.

The options are not transferable.

Quotation of the options on the ASX will not be sought but the Company will apply to the ASX for official quotation of shares issued on the exercise of options. Options may be granted subject to conditions specified by the Board which must be satisfied before the option can be exercised.

Unless the terms on which an option was offered specified otherwise, an option may be exercised at any time after the vesting date. An option may also be exercised in special circumstances, that is, at any time within six months after the employee's death, total and permanent disablement, retirement or retrenchment.

An option lapses 28 days after termination of the employee's employment with the Company and, unless the terms of the offer of the option specify otherwise, lapses five years after the date upon which it was granted. The Directors have the discretion to vary the terms of the Options as deemed appropriate.

The exercise price per share for an option will be the amount determined by the Board at the time of the grant of the option. There are no voting rights or dividend rights attached to the options prior to the options being exercised.

Option holders will not be entitled to participate in any new issue of securities in the Company unless they exercise their options prior to the record date for the determination of entitlements to the new issue.

If the Company makes a bonus issue of securities to ordinary shareholders, each unexercised option will, on exercise, entitle its holder to receive the bonus securities as if the option had been exercised before the record date for the bonus issue.

If the Company makes a pro-rata rights issue of ordinary shares for cash to its ordinary shareholders, the exercise price of unexercised options may be adjusted to reflect the diluting effect of the issue.

If there is any reorganisation of the capital of the Company, the exercise price of the options will be adjusted in accordance with the Listing Rules.

Since the end of the financial year 540,000 (2007: 500,000) options have been granted under this scheme.

Grant Date	Exercise Date	Expiry Date	Exercise Price $	Number of Options at Beginning of Year	Options Granted	Options Exercised or Lapsed	Number of Options at End of Year	
							Issued	Vested
Consolidated and Company 2008								
1 July 2003	1 Jul 2006	1 Jul 2008	$0.17	510,000	-	510,000	-	-
1 July 2004	1 Jul 2007	1 Jul 2009	$0.18	380,000	-	265,000	115,000	115,000
1 July 2005	1 Jul 2008	1 Jul 2010	$0.26	380,000	-	75,000	305,000	-
1 July 2006	1 Jul 2009	1 Jul 2011	$0.11	305,000	-	40,000	265,000	-
1 November 2006	1 Nov 2009	1 Nov 2011	$0.11	75,000	-	-	75,000	-
1 July 2007	1 Jul 2010	1 Jul 2012	$0.265	-	500,000	60,000	440,000	-
Total				**1,650,000**	**500,000**	**950,000**	**1,200,000**	**115,000**

Grant Date	Exercise Date	Expiry Date	Exercise Price $	Number of Options at Beginning of Year	Options Granted	Options Exercised or Lapsed	Number of Options at End of Year	
							Issued	Vested
Consolidated and Company 2007								
1 July 2001	1 Jul 2004	1 Jul 2006	$1.50	650,000	-	650,000	-	-
1 October 2001	1 Jul 2004	1 Jul 2006	$1.50	145,000	-	145,000	-	-
1 Jan 2002	1 Jan 2005	1 Jan 2007	$1.20	-	-	-	-	-
1 July 2003	1 Jul 2006	1 Jul 2008	$0.19	585,000	-	75,000	510,000	510,000
1 July 2004	1 Jul 2007	1 Jul 2009	$0.20	455,000	-	75,000	380,000	-
1 July 2005	1 Jul 2008	1 Jul 2010	$0.28	455,000	-	75,000	380,000	-
1 July 2006	1 Jul 2009	1 Jul 2011	$0.13	-	380,000	75,000	305,000	-
1 November 2006	1 Nov 2009	1 Nov 2011	$0.13	-	75,000	-	-	-
Total				**2,290,000**	**455,000**	**1,095,000**	**1,650,000**	**510,000**

Employee Share Plan

The Employee Share Plan ("ESP") was approved by shareholders at the Company's annual general meeting on 9 November 2001.

The ESP is available to all eligible employees to acquire ordinary shares in the Company.

Shares to be issued or transferred under the ESP will be valued at the volume weighted average share price of Shares traded on the ASX in the ordinary course of trading during the five business days immediately preceding the day the shares are issued or transferred to qualifying employees or participants.

The Board has discretion as to how the shares are to be issued or transferred to participants. Such shares may be acquired on or off market or the Company may allot shares, or they may be obtained by any combination of the foregoing.

On application, employees pay no application monies. The amount of the consideration to be provided by qualifying employees to acquire the shares can be foregone from future remuneration (before tax).

To qualify, employees must be full-time or permanent part-time employees of the Company or any subsidiary of the Company.

Shares issued under the ESP will rank equally in all respects with all existing shares from the date of allotment.

A participant must not sell, transfer or otherwise dispose of any shares issued or transferred to the participant under the ESP until the earlier of:

(a) the end of the period of three years (or, if a longer period is specified by the Board in the offer, the end of that period) commencing on the date of the issue or transfer of the shares to the participant; and

(b) the date on which the participant is no longer employed by the Company or a related body corporate of the Company.

Details of the movement in employee shares under the ESP are as follows:

	Consolidated Entity	
	2008 Number of Shares	2007 Number of Shares
Number of shares at beginning of year	1,355,715	1,865,846
Number of shares distributed to employees	361,010	350,010
Number of shares transferred to main share registry and/or disposed of	(504,676)	(860,141)
Number of shares at year-end	**1,212,049**	**1,355,715**

The consideration for the shares issued on 23 April 2008 was 36.01 cents (21 May 2007: 25.71).

The amounts recognised in the financial statements of the consolidated entity and the Company in relation to the ESP during the year were:

	Consolidated Entity		Parent Entity	
	2008 $'000	2008 $'000	2007 $'000	2007 $'000
Current receivables	33	33	33	33
Issued ordinary share capital	130	90	130	90

The market value of ordinary Hansen Technologies Ltd shares closed at $0.39 on 30 June 2008 (30 June 2007: $0.285).

18. Reserves and Retained Profits

	Note	Consolidated Entity		Parent Entity	
		2008 $'000	2008 $'000	2007 $'000	2007 $'000
Foreign currency translation reserve	**18(a)**	**(479)**	**(448)**	**-**	**-**
Options granted reserve	**18(b)**	**137**	**117**	**137**	**117**
Accumulated losses	**18(c)**	**(5,588)**	**(13,491)**	**(6,558)**	**(9,166)**
(a) Foreign currency translation reserve *Movements in reserve*					
Balance at beginning of year		(448)	(425)	-	-
Movement during the year		(31)	(23)	-	-
Balance at end of year		(479)	(448)	-	-
(b) Options granted reserve					
Movements in reserve					
Balance at beginning of year		117	91	117	-
Movement during the year		20	26	20	117
Balance at end of year		137	117	137	117
(c) Accumulated losses					
Balance at the beginning of year		(13,491)	(16,797)	(9,166)	(9,199)
Dividends paid		(7,542)	-	(7,542)	-
Net profit attributable to members of Hansen Technologies Ltd		15,445	3,306	10,150	33
Balance at end of year		(5,588)	(13,491)	(6,558)	(9,166)

19. Cash Flow Information

	Consolidated Entity		Parent Entity	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
(a) Reconciliation of the net profit after tax to net cash flows from operations				
Net profit from ordinary activities after income tax	15,445	3,307	10,150	33
Add / (less) items classified as investing / financing activities:				
(Profit) / loss on sale of non-current assets	22	(3)	-	-
Proceeds from sale of intellectual property	-	(1,333)	-	-
Proceeds from sale of business	(8,766)	-	-	-
Intercompany dividend	-	-	(9,942)	-
Add / (less) non cash items:				
Amortisation and depreciation	3,849	5,039	-	-
Transfer of tax losses within tax consolidation group	-	-	(4,021)	(1,642)
Net cash (used in) / provided by operating activities before change in assets and liabilities	**10,550**	**7,010**	**(3,813)**	**(1,609)**
Changes in assets and liabilities adjusted for effects of purchases and disposal of controlled entities during the year:				
(Increase) / decrease in trade debtors	96	(1,828)	-	-
(Increase) / decrease in sundry debtors and other assets	334	1,826	7	25
Increase / (decrease) in trade creditors	(476)	159	(7)	-
Increase / (decrease) in other creditors and accruals	524	480	51	81
Increase / (decrease) in deferred income	-	(284)	-	-
Increase/ (decrease) in provisions	416	(273)	166	38
(Increase) / decrease in deferred tax assets	-	1,640	1,802	1,934
Increase / (decrease) in deferred tax liabilities	2,247	(503)	2,222	(290)
Increase / (decrease) in reserves	(14)	4	20	117
Net cash (used in) / provided by operating activities	**13,677**	**8,231**	**448**	**296**
(b) Reconciliation of cash				
Cash assets	21,871	11,958	168	15

20. Commitments and Contingencies

Lease expenditure commitments	Consolidated Entity 2008 $'000	Consolidated Entity 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Operating leases (non-cancellable):				
Not later than one year	629	2,276	-	-
Later than one year and not later than five years	2,709	4,290	-	-
Later than five years	-	-	-	-
Aggregate lease expenditure contracted for at reporting date	**3,338**	**6,566**	**-**	**-**
Hire purchase commitments:				
Not later than one year	-	101	-	-
Later than one year and not later than five years	-	-	-	-
Total minimum hire purchase payments	-	101	-	-
Less: Future finance charges	-	(4)	-	-
Present value of minimum hire purchase payment	**-**	**97**	**-**	**-**
Hire purchase liabilities provided for in the financial statements:				
Current	-	97	-	-
Non-current	-	-	-	-
Total hire purchase liabilities	**-**	**97**	**-**	**-**
Finance lease commitments				
Not later than one year	-	238	-	-
Later than one year and not later than five years	-	67	-	-
Total minimum lease payments	-	305	-	-
Less: Future finance charges	-	(21)	-	-
Present value of minimum lease payment	**-**	**284**	**-**	**-**
Lease liabilities provided for in the financial statements:				
Current	-	223	-	-
Non-current	-	61	-	-
Total lease liabilities	**-**	**284**	**-**	**-**

Operating Leases (Non-Cancellable)
The consolidated entity leases property under non-cancellable operating leases expiring from one to seven years. Leases generally provide the consolidated entity with a right of renewal at which time all terms are renegotiated. Contingent rental provisions within the lease agreements require the minimum lease payments to be increased by CPI per annum.

Hire Purchase Commitments
The consolidated entity leases motor vehicles and plant and equipment under hire purchase leases expiring from one to three years. At the end of the lease term, the consolidated entity is deemed to have purchased the assets.

Finance Lease Commitments
The consolidated entity leases plant and equipment under finance leases expiring from one to three years. At the end of the lease term, the consolidated entity has the option to return the assets to the lessor or to renew the lease agreements.

21. Earnings Per Share

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

	Consolidated Entity		Parent Entity	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Basic earnings - ordinary shares	**15,445**	**3,306**	**-**	**-**
Diluted earnings - ordinary shares	**15,445**	**3,306**	**-**	**-**
	2008 Number of Shares	2007 Number of Shares	2008 Number of Shares	2007 Number of Shares
Weighted average number of ordinary shares used in calculating basic earnings per share:				
Number for basic earnings per share - ordinary shares	151,121,576	149,459,802	-	-
Number for diluted earnings per share - ordinary shares	152,320,374	151,383,282	-	-
	Cents per Share	Cents per Share		
Basic earnings - cents per share	10.2	2.2		
Diluted earnings - cents per share	10.1	2.2		

Classification of securities as potential ordinary shares

The securities that have been classified as potential ordinary shares and included in diluted earnings per share only, are options outstanding under the Employee Share Option Plan.

22. Directors' and Executives' Equity Holdings

a) Compensation Options: Granted and vested during the year (consolidated):

During the financial year options vested and the Company granted options over unissued ordinary shares to the following key management personnel of the Company as part of their remuneration:

		Options Granted during the year					
	Options Vested during the year	Options Granted	Grant Date	Value per Option at Grant Date	Exercise Price $	Vesting Date	Last Exercise Date
Specified Executives							
C Hunter (Chief Operations Officer)	75,000	75,000	1-Jul-07	$0.285	$0.265	1-Jul-10	1-Jul-12
G Kentish (Director, Hansen Europe)	-	40,000	1-Jul-07	$0.285	$0.265	1-Jul-10	1-Jul-12
G Lister (CFO & Company Secretary)	75,000	75,000	1-Jul-07	$0.285	$0.265	1-Jul-10	1-Jul-12
D Meade (Client Services Manager)	75,000	75,000	1-Jul-07	$0.285	$0.265	1-Jul-10	1-Jul-12
S Weir (GM, Hansen Europe)	-	-					
Total	**225,000**	**265,000**					

b) Number of options held by Key Management Personnel (consolidated)

	Balance 30-Jun-07	Granted as Remuneration	Options Exercised	Options Forfeited	Balance 30-June-08	Vested at 30 June 2008	
						Total	Exercisable
Directors							
K Hansen (Chairman)	-	-	-	-	-	-	-
B Adams	-	-	-	-	-	-	-
D Osborne	-	-	-	-	-	-	-
A Hansen (MD & CEO)	-	-	-	-	-	-	-
Specified Executives							
C Hunter (Chief Operations Officer)	300,000	75,000	150,000	-	225,000	-	-
G Kentish (Director, Hansen Europe)	40,000	40,000	-	80,000	-	-	-
G Lister (CFO & Company Secretary)	300,000	75,000	150,000	-	225,000	-	-
D Meade (Client Services Manager)	300,000	75,000	75,000	-	300,000	75,000	75,000
S Weir (GM, Hansen Europe)	-	-	-	-	-	-	-
Total	**940,000**	**265,000**	**375,000**	**80,000**	**750,000**	**75,000**	**75,000**

Note:
Any options not exercised are forfeited if not exercised within 28 days of termination of employment.

Share based payments above represent a value attributed to options over Ordinary shares issued to executives. They expire during the period up to 1 July 2013. Each option entitles the holder to purchase one ordinary share in the Company. The share based payment value disclosed above is calculated at the date of grant using the Black-Scholes model.

For those options issued to key management personnel this year the Black Scholes model applied a:

– share price volatility factor in respect of the company's historical share price movement compared with the industry average, for a period equal to the 3 year option vesting period of 55%

– a continuously compounding risk free interest rate of 5.58%

– a probability factor for the likelihood of the Options being exercising based on historical trends of 64%, and

– compared the issue price ($0.285 cents per share) with the market price on day of issue ($0.285 cents per share), to

– determine a weighted average fair value for the options issued as at grant date of $0.118 cents per option.

c) Number of shares held by Key Management Personnel:

	Balance 30-Jun-07	Received as Remuneration	Options Exercised	Net Change Other	Balance 30-Jun-08
Directors					
K Hansen (Chairman)	93,721,279	-	-	213,401	93,934,680
B Adams	210,049	-	-	5,471	215,520
D Osborne	218,676	-	-	26,420	245,096
A Hansen (MD & CEO)	11,421,522	-	-	124,652	11,546,174
Specified Executives					
C Hunter (Chief Operations Officer)	91,110	-	150,000	9,415	250,525
G Kentish (Director, Hansen Europe)	-	-	-	-	-
G Lister (CFO & Company Secretary)	754,315	-	150,000	2,777	907,092
D Meade (Client Services Manager)	4,000	-	75,000	2,777	81,777
S Weir (GM, Hansen Europe)	-	-	-	-	-
Total	**106,420,951**	**-**	**375,000**	**384,913**	**107,180,864**

23. Auditor's Remuneration

	Consolidated Entity		Parent Entity	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Audit services: Amounts received or due and receivable by the auditors of the company for:				
Australia - an audit and review of the financial report of the entity and any other entity in the consolidated entity	169	144	-	-
Overseas firms - audit and review of financial reports	34	47	-	-
	203	**191**	**-**	**-**
Other financial services:				
Australia				
- tax related services	103	55	-	-
- advisory services	38	-	-	-
	141	55	-	-
Overseas firms				
- tax related services	21	27	-	-
- advisory services	7	-	-	-
	28	27	-	-
	169	**82**	**-**	**-**
	372	**273**	**-**	**-**

24. Related Party Disclosures

a) The consolidated financial statements include the financial statements of Hansen Technologies Ltd and its controlled entities listed below:

	Note	Country of Incorporation	Ordinary Share Consolidated Entity Interest 2008 %	2007 %
Parent Entity				
Hansen Technologies Ltd		Australia		
Subsidiaries of Hansen Technologies Ltd				
Hansen Corporation Pty Ltd		Australia	100	100
Hansen Research & Development Pty Ltd		Australia	100	100
Hansen Corporation Investments Pty Ltd		Australia	100	100
Radius Computing Pty Ltd	(i)	Australia	-	100
Hansen Professional Services Pty Ltd	(ii)	Australia	-	100
Hansen Holdings (Asia) Pty Ltd		Australia	100	100
Hansen Corporation Limited		New Zealand	100	100
Hansen Corporation Europe Limited		United Kingdom	100	100
Hansen Datatrue Ltd		United Kingdom	100	100
Hansen Corporation USA, Limited		United States of America	100	100
Hansen North America, Inc.		United States of America	100	100
Hansen Corporation Asia Limited		Hong Kong	100	100

Notes:

(i) This entity has been deregistered.

(ii) This entity was sold to Datacom Investments on 31 August 2007.

b) The following provides the total amount of transactions that were entered into with related parties for the relevant financial year:

Transactions with key management personnel of the entity or its parent and their personally related entities

The terms and conditions of the transactions with Directors and their Director-related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year:

	Consolidated Entity 2008 $	Consolidated Entity 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
K Hansen and A Hansen - Lease rental payments and outgoings	805,678	785,854	-	-

Lease Rental Payments

Mr K Hansen and Mr A Hansen have through entities with which they are related leased properties to the consolidated entity on an arm's length basis. Total lease rental payments made to these Director-related entities for the year ended 30 June 2008 were $134,898 and $670,780 respectively (2007: $130,619 and $655,235 respectively).

25. Segment Information

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business Segments
The consolidated entity comprises the following main business segments, based on the consolidated entity's management reporting system:

Billing:
Represents the sale of billing applications and the provision of consulting services in regard to billing systems.

IT Outsourcing:
Represents the provision of various IT outsourced services covering facilities management, systems and operations support, network services, call centre services, telehousing and business continuity support.

Other:
Represents software and service provision in the areas of call centre productivity, superannuation administration and asset management.

Discontinued Operations:
Represents the fact that effective 31 August 2007 the Company sold its NSW outsourcing services subsidiary Hansen Professional Services Pty Ltd.

Geographical Segments
In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

The consolidated entity's business segments operate geographically as follows:

Australia:
Sales and services in all Australian States and Territories

USA:
Sales and services throughout the USA

Europe:
Sales and services throughout Europe

Other:
Sales and services throughout Asia and New Zealand

Business Segments	Billing		IT Outsourcing		Other		Total Ongoing Operations		Discontinued Operations		Consolidated	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Revenue												
External segment revenue	28,130	23,274	6,393	5,295	4,561	3,569	39,084	32,138	2,809	19,011	41,893	51,149
Other unallocated revenue							1,531	1,741	8,766	-	10,297	1,741
Total revenue							**40,615**	**33,879**	**11,575**	**19,011**	**52,190**	**52,890**
Result												
Segment result	9,687	4,933	2,555	1,260	1,791	1,805	14,033	7,998	9,001	1,480	23,034	9,478
Unallocated corporate expenses							(5,342)	(5,031)			(5,342)	(5,031)
Profit from ordinary activities before income tax							8,691	2,967	9,001	1,480	17,692	4,447
Income tax expense							(2,176)	(696)	(71)	(445)	(2,247)	(1,141)
Net profit							**6,515**	**2,271**	**8,930**	**1,035**	**15,445**	**3,306**
Depreciation and amortisation	3,202	3,347	51	213	172	269	3,425	3,829	152	1,043	3,577	4,872
Depreciation and amortisation - unallocated							272	167			272	167
							3,697	**3,996**	**152**	**1,043**	**3,849**	**5,039**
Segment result is inclusive of some individually significant items.												
Individually significant segment items												
Profit on sale of intellectual property	-	-	-	-	-	1,333	-	1,333	-	-	-	1,333
Profit on sale of business	-	-	-	-	-	-	-	-	8,766	-	8,766	-
Assets												
Segment assets	16,801	14,381	1,325	1,042	1,090	1,090	19,216	16,513	-	6,002	19,216	22,515
Unallocated corporate assets							32,491	26,462			32,491	26,462
Consolidated total assets							**51,707**	**42,975**	**-**	**6,002**	**51,707**	**48,977**
Liabilities												
Segment liabilities	6,945	5,024	976	862	721	838	8,642	6,724	-	5,223	8,642	11,947
Unallocated corporate liabilities							1,079	804			1,079	804
Consolidated total liabilities							**9,721**	**7,528**	**-**	**5,223**	**9,721**	**12,751**
Acquisition of Non-Current Assets	357	1,122	44	5	1,851	398	2,252	1,525	7	328	2,259	1,853

Geographical Segments	Australia		USA		Europe		Other		Consolidated	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000
External segment revenue by location of customers	27,761	40,342	1,211	416	11,149	9,797	1,772	594	41,893	51,149
Segment assets by location of assets	47,472	44,213	56	20	4,034	4,623	145	121	51,707	48,977
Acquisition of non-current assets	2,053	1,245	-	-	206	608	-	-	2,259	1,853

26. Subsequent Events

No matters or circumstances have arisen since the end of the financial year up to the date of this report that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Directors' Declaration

The Directors declare that the financial statements and notes set out on pages 16 to 46 in accordance with the Corporations Act 2001:

(a) Comply with Accounting Standards and the Corporations Regulations 2001, and other mandatory professional reporting requirements; and

(b) Give a true and fair view of the financial position of the company and the consolidated entity as at 30 June 2008 and of their performance as represented by the results of their operations, changes in equity and their cash flows, for the year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that Hansen Technologies Ltd will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made by the chief executive officer and chief financial officer to the Directors in accordance with sections 295A of the Corporations Act 2001 for the financial year ending 30 June 2008.

This declaration is made in accordance with a resolution of the Directors.

Dated at Melbourne this 30th day of September 2008.

Signed in accordance with a resolution of the Directors:

Kenneth Hansen
Director

Andrew Hansen
Managing Director & CEO

Independent Auditor's Report To the Members of Hansen Technologies Ltd

We have audited the accompanying financial report of Hansen Technologies Ltd and controlled entities. The financial report comprises the Balance Sheet as at 30 June 2008, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

In our opinion,

(a) the financial report of Hansen Technologies Ltd is in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the company's and Consolidated Entity's financial position as at 30 June 2008 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 14 of the Directors' report for the year ended 30 June 2008. The Directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Hansen Technologies Ltd and controlled entities for the year ended 30 June 2008, complies with section 300A of the Corporations Act 2001.

DB Rankin
Partner

30 September 2008

Pitcher Partners
Melbourne

The Corporate Governance principles for the management and operation of the Hansen group of companies are available for review on the corporate web site, www.hsntech.com.

The Hansen principles of Corporate Governance are represented by:

1. Board Charter
2. Audit Charter
3. Code of Conduct
4. Risk Management Policy
5. Shareholder Communications
6. Share Trading Policy
7. Remuneration Policy
8. Continuous Disclosure

Introduction

Hansen aims to govern our business to meet our responsibilities to our shareholders, customers, employees and community. The Hansen Corporate Governance principles are designed to provide guidance to achieve this in practice. The Board is committed to achieving best practice in Corporate Governance and the principles of the ASX Corporate Governance Council are recognised and supported. The Hansen Board, management and staff are cognisant of the Hansen governance principles and the Board aims to revise the governance practices to ensure we improve and keep in step with current standards.

1. Board of Directors Charter

Introduction

The primary role of the Board of Directors is to provide effective governance over the Hansen Technologies Group's performance and affairs. In carrying out its responsibilities, the Board undertakes to serve the interest of shareholders, employees, customers and the broader community honestly, fairly, diligently and in accordance with applicable laws.

Composition

The Board determines the Board's size and composition, subject to limits imposed by the Company's Constitution. The Constitution determines the basis for the election/appointment of Directors and provides for a minimum of three Directors and a maximum of ten. There are currently 3 non-executive Directors and one executive director on the Board, the CEO Andrew Hansen.

The Chairman of the Board, Kenneth Hansen, is the original founder of the Company and currently its majority shareholder. His background in computer services, outsourcing and software development and his specific experience in utility billing applications offer a depth of experience and skills that are important for the position of Chairman. Given the specialist nature and industry specific focus of Hansen's business an independent chairman is not regarded as necessary at this time.

Meetings

The Board will meet as often as deemed necessary by the Directors in order to fulfil their duties and responsibilities as Directors and as dictated by the needs of the business. It is expected that under normal circumstances the Board will meet at least once each month.

Independence

The Board's definition of an independent director is one who is independent of management and free from any business or other relationship that could materially interfere with the exercise of independent judgment.

The Board assesses each Director against a range of criteria to decide whether they are in a position to exercise independent judgement.

It is the objective of the Board to strive for a majority of independent directors.

However, the Board currently has just one independent Director. The Board is seeking to increase the number of independent directors by the recruitment of new Directors with appropriate industry relevant skills and experience.

Where potential for conflict is identified the Board appoints a sub committee specifically structured, authorised and tasked to determine the appropriate actions or responses so as to eliminate any potential for conflicts.

Board's Duties and Responsibilities

The Board's specific responsibilities include:

- providing strategic direction and approving corporate strategies;
- selecting and appointing (and, if appropriate, removing from office) the Chief Executive, determining his or her conditions of service and monitoring his or her performance against established objectives;
- monitoring management and financial performance;
- ensuring that adequate risk management controls and reporting mechanisms are maintained;
- approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestments;
- ensuring that continuous disclosure requirements are met; and
- ensuring responsible corporate governance is understood and observed at management and Board level.

The Board delegates to the Chief Executive responsibility for implementing the strategic direction, and for managing the day-to-day operations, of the Hansen Group. The Chief Executive consults with the Chairman, in the first instance, on matters that are sensitive, extraordinary or of a strategic nature.

Board's Rights

The Board shall have full and free access to executives and other employees of the Group.

The Board collectively and each Director individually may take, at the Company's expense, such independent advice as is considered necessary to fulfil their relevant duties and responsibilities. Individual Board members seeking such advice must obtain the approval of the Chairman, which will not be unreasonably withheld, and the advice will be made available to all Board members as appropriate.

Board Committees

To assist it in carrying out its responsibilities, the Board has established several standing committees comprising some or all of its members. They are:

- Audit and Risk Management Committee
- Remuneration Committee
- Nominations Committee

The first two committees are composed of non-executive Directors only. The Nominations Committee is a committee of the full Board.

The Audit and Risk Management Committee meets at least twice a year and the other committees meet as required.

Other committees of the Board are established from time to time to undertake specific tasks for and on behalf of the Board as and when deemed appropriate.

Performance Evaluation

The Board reviews and evaluates the performance of the Board and the Board committees. The process is to involve the assessment of all of the Board's key areas of responsibility. The Board's contribution as a whole should be reviewed and areas where improvement can be made should be noted.

The performance evaluation process is as follows:

- each Director will periodically evaluate the effectiveness of the Board and its committees and submit observations to the Chairman;
- the Chairman of the Board will present a report incorporating his assessment of such observations to enable the Board to assess, and if necessary, take action;
- the Board will agree on development and actions required to improve performance;
- outcomes and actions will be minuted; and
- the Chairman will assess during the year the progress of the actions to be achieved.

This process aims to ensure that individual Directors and the Board as a whole contribute effectively in achieving the duties and responsibilities of the Board.

2. Audit Committee Charter

Introduction and Organisation

This charter governs the operations of the Audit Committee. The Committee shall review and reassess the charter at least annually and obtain the approval of the Board of Directors for any changes.

Membership

The Audit Committee was formed in May 2000. Generally the approach to the Committee is that the members will be of, and appointed by, the Board of Directors and shall preferably comprise three Directors that have diverse and complementary backgrounds. In addition, the Committee chair shall be independent, possess leadership experience and a sound finance or business background. All Committee members must be appropriately financially literate, such qualification is interpreted by the Board in its business judgment. Furthermore, at least one member shall have accounting and / or related financial management expertise.

The members of the Committee as at 30 June 2008 are two non-executive Directors, David Osborne and Bruce Adams, both of whom have accounting experience. The Chairman of the Audit Committee and it's independent member is currently Bruce Adams.

The Board is seeking to appoint new independent Directors with the intention that they will also become independent members of the Audit Committee.

A member of the Committee shall be considered independent so long as they do not have any relationship with the Hansen Group that may interfere with the exercise of independent judgment. This means they shall not accept any consulting, advisory, or other compensatory fee from the Company and are not an affiliated person of the Hansen Group or its related entities. The only compensation shall be Directors' fees for services provided to the Audit Committee.

Meetings

The Committee shall meet at least twice each year. The purpose of these meetings shall be to:

1. review and approve the half-year financial report;
2. review and approve the annual financial report;
3. review the external audit reports; and
4. perform the general responsibilities of the Committee.

Purpose

The Audit Committee shall provide assistance to the Board of Directors in fulfilling its corporate governance and oversight responsibilities in relation to the Company's financial reporting, internal control structure, risk management systems, and external audit functions. In doing so, it is the responsibility of the Committee to maintain free and open communication between the Committee, external auditors and management of the Hansen Group.
In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Hansen Group and the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties.

Duties and Responsibilities

The following shall be the principal duties and responsibilities of the Audit Committee. These are set forth as a guide with the understanding that the Committee may supplement them as appropriate.

Understanding the Business

The Committee shall ensure it understands the Group's structure, controls, and types of transactions in order to adequately assess the significant risks faced by the Group in the current environment.

Financial Reporting

The primary responsibility of the Audit Committee is to oversee the Group's financial reporting process on behalf of the Board and report the results of its activities to the Board. Whilst the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits. The Board of Directors is responsible for the Group's financial reports including the appropriateness of the accounting policies and principles that are used by the Group. The external auditors are responsible for auditing the Group's financial reports and for reviewing the Group's interim financial reports. The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The Committee will take appropriate actions to set the overall corporate 'tone' for quality financial reporting, sound business risk practices, and ethical behaviour.

Assessment of Accounting, Financial and Internal Controls

The Committee shall discuss with management and the external auditors, the adequacy and effectiveness of the accounting and financial controls, including the Group's policies and procedures to assess, monitor, and manage business risk, and legal and ethical compliance programs (including the Group's Code of Conduct). Any opinion obtained from the external auditors on the Group's choice of accounting policies or methods should include an opinion on the appropriateness and not just the acceptability of that choice or method. The Committee shall meet separately periodically with management and the external auditors to discuss issues and concerns warranting Committee attention, including but not limited to their assessments of the effectiveness of internal controls and the process for improvement. The Committee shall provide sufficient opportunity for the external auditors to meet privately with the members of the Committee. The Committee shall review with the external auditor any audit problems or difficulties and management's response. The Committee shall receive regular reports from the external auditor on the critical policies and practices of the Group, and all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management.

Appointment of External Auditors

The Committee shall be directly responsible for making recommendations to the Board of Directors on the appointment, reappointment or replacement (subject, if applicable, to shareholder ratification), remuneration, monitoring of the effectiveness, and independence of the external auditors, including resolution of disagreements between management and the auditor regarding financial reporting. The Committee shall pre-approve all audit and non-audit services provided by the external auditors and shall not engage the external auditors to perform any non-audit / assurance services that may impair or appear to impair the external auditor's judgment or independence in respect of the Hansen Group.

Assessment of External Audit

The Committee, at least on an annual basis, shall obtain and review a report by the external auditors describing (or meet, discuss and document the following with them):

- the audit firm's internal quality control procedures;
- any material issues raised by the most recent internal quality control review, or peer review, of the audit firm, or by any inquiry

or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and

- all relationships between the external auditor and the Group (to assess the auditor's independence).

In addition, the Committee shall give clear direction in hiring policies for employees or former employees of the external auditor in order to prevent the impairment or perceived impairment of the external auditor's judgment or independence in respect of the Hansen Group.

Independence of External Auditors

The Committee shall review and assess the independence of the external auditor, including but not limited to any relationships with the Group or any other entity that may impair or appear to impair the external auditor's judgment or independence in respect of the Group. Furthermore, the Committee shall draft an annual statement for inclusion in the Group's annual report of whether the Committee is satisfied the provision of non-audit services is compatible with external auditor independence.

Scope of External Audit

The Committee shall discuss with the external auditors the overall scope of the external audit, including identified risk areas and any additional agreed-upon procedures. In addition, the Committee shall also review the external auditor's compensation to ensure that an effective, comprehensive and complete audit can be conducted for the agreed compensation level.

Committee Performance

The Committee shall perform an evaluation of its performance at least annually to determine whether it is functioning effectively by reference to current best practice.

3. Code of Conduct

Introduction

At Hansen Technologies we recognise that our Group is made up by the individual employees representing our operation globally. Each person as an individual is responsible for their own behaviours and should take accountability for their actions and choices. The Hansen Technologies Code of Conduct has been established to assist all Hansen representatives to make considered choices in regard to their behaviour. The Code of Conduct reflects the Hansen's Group primary values of integrity, respect, teamwork and performance.

Our Code

To respect the law and act accordingly, including the following:

- Hansen employees operate in numerous countries and it is essential that the laws of each jurisdiction are observed and followed. It is important to note that the observance of the laws is not simply because they exist, it is because it is right to do so. Breaching laws and regulations can result in serious consequences for the Hansen Group and the individual involved;
- we should respect customs and business practices of countries in which we operate, whilst always observing the primary principles of this code;
- where we believe our product or service provision would be used in relation to illegal activities, we would withdraw from involvement;
- discharging of authority to sign documents on behalf of the Hansen Group should be performed responsibly and indicates we have received and understood the document being signed. We are not to act outside our authority; and
- breaches of any law should be notified to management.

Behave as a good corporate citizen and build community respect

Whilst pursuing our business objectives we should aim to contribute to the communities we operate within and should consider the impact of decisions on our colleagues, customers and community.

Respect confidentiality and use information in an appropriate manner

We respect the confidential nature of the Hansen Group's business affairs and those of our customers and colleagues. As a part of our employment contract with the Hansen Group we commit to keeping confidential information we obtain in the course of our employment. Confidential information is to be used only for authorised work-related tasks, and never for personal gain or for the gain of others.

Value and build on our professionalism

A corner stone of the Hansen business is the professionalism and conduct as individuals and of the Hansen Group. In addition to conducting ourselves ethically, we should continually aim for excellence in all elements of our business activity.

Recognise potential conflicts of interest and act to avoid them

A conflict of interest occurs where an employee has a personal or professional interest sufficient to influence, or appear to influence, the objective performance of their duties and responsibilities to the Hansen Group. No employee of the Group should allow themselves to be placed in a position where they have a conflict with their duties and responsibilities to the Hansen Group, or which are prejudicial to the Group. Employees should speak to their manager where they have concerns regarding a potential conflict of interest.

Breaches of the Code of Conduct

Employees who breach this Code may face disciplinary action, which could result in changes to their employment.

4. Risk Management Policy

Introduction

Hansen recognises that the daily activities and existence of its business is subject to various elements that can create uncertainty and the challenge is to balance and manage this process while striving to grow our stakeholder value. Hansen recognises that such uncertainty brings with it potential risk and opportunity. At Hansen all members of the Group aim to promote culture, internal controls and reporting which will empower all employees to manage risk as and when it occurs, with the aim of achieving the stated goals and strategic objectives.

Roles and Responsibilities

Board of Directors is responsible for approving and reviewing Hansen's risk management and policy and overseeing all aspects of internal control including compliance activities, the appropriateness of accounting policies and the adequacy of financial reporting. It delegates daily management responsibility to the Chief Executive Officer.

Executive Management is responsible for implementing Board approved Risk Management Policy and developing operational policies, controls, processes and procedures for identifying and managing risks in all of Hansen's activities.

Independent Review will be conducted including:

- external audit being an overall independent evaluation of the adequacy and effectiveness of management's control of operational risk;
- quality Assurance audits verifying that systems are operating as planned; and
- independent reviews that may be conducted for special assessment as required

Key Risk Categories

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes or systems, decisions of employees or from external events.

Hansen operates under a corporate governance framework that is approved by the Board. Implementation and accountability is the responsibility of management with effectiveness being subject to external audit review.

Each individual business unit is responsible for the identification, measurement, monitoring and mitigation of operational risk. This is supported by input from corporate level functions such as the office of Chief Operating Officer, Risk Management Group, Legal and Finance Departments.

The internal control system is an integral part of Hansen's operations and involves all levels of personnel. The controls are preventative and detective in nature and are reviewed regularly for relevance and effectiveness. Key elements to the internal control system are Change Management, Finance Procedures, Delegation of Authority, Segregation of Duties, Access Security, Reconciliation, Documentation and Reporting. This is further supported by Contingency Planning and Continual Improvement activities.

Credit Risk

Credit risk is the potential for financial loss where customers or business associates fail to meet their financial obligations to Hansen.

The foundation control is that individuals throughout the Hansen Group are aware of credit risk and act to identify, report and manage situations that arise. Specific policies and procedures are in place to deal with credit risk, the critical element of these policies being segregation of duties and delegation of authority. Throughout the course of the credit cycle each phase is assessed by the relevant specialist group. Each group is trained and independent in the cycle.

ORIGINATION
- Target markets
- Within Group strategy

Sales / Vendor Dept. responsible

EVALUATION
- Credit assessment
- Currency assessment

Finance Dept. responsible

APPROVAL
- Delegation of authority
- Relevant areas to approve
- Centralised

Finance, Legal and Commercial Delivery responsible

DOCUMENTATION AND EXECUTION
- Standardised
- Centralise

CEO / Co Sec & Legal responsible

ONGOING MANAGEMENT AND ADMINISTRATION
- Customer management
- Vendor management
- Ongoing finance review

Account Mgrs & Finance responsible

PROBLEM MANAGEMENT
- Senior management involved
- Loss recognition where necessary

Risk Group & Finance responsible

Market Risk

Market risk is the potential for financial loss arising from Hansen's activities in the information technology market across all regions. The components of the market risk framework Hansen operates in are:

ORIGINATION
- Target markets
- Know your customers
- Know your vendors
- Product planning & management
- Pricing models
- Resource planning

ENVIRONMENT
- Assess the market & region
- Assess the product for the region
- Global Hansen policies to be observed
- Manage segregation of duties

MONITORING & REPORT
- Transparency and communication
- Change management
- Central reporting on product, financials, operations, legal and risk management

AUTHORITIES
- Delegation of authority
- Central authorities
- Supports segregation of duties

Financial Reporting Risks CEO and CFO assurance

The integrity of the company's financial reporting depends upon the existence of a sound system of risk oversight and management and internal control.

The Board receives regular reports about the financial condition and operational results. The CEO and the CFO annually provide a formal statement to the Board that in all material respects:

- the financial records of the company for the financial year have been properly maintained in that they:
  - accurately record and explain its financial position and performance;

- enable true and fair financial statements to be prepared and audited;

- the financial statements and notes required by the accounting standards for the financial year comply with the accounting standards; and
- the risk management and internal compliance and control systems are sound, appropriate and operating efficiently and effectively.

Overall Risk Treatment

Hansen relies on the internal control systems and the ability and culture of staff and management to identify, report and manage risk. All risks are to be reported to the appropriate line manager and risk manager. The line manager and risk manager will then decide any further steps which are required to manage the risk. The risk can be escalated to the executive management group or the Board where necessary.

Where Hansen identifies risk, the risk will be managed with the aim of minimising the likelihood of an adverse event occurring, maximising the likelihood of a positive outcome and reducing the impact of the risk.

5. Shareholder Communications

Introduction

Hansen has established communication mechanisms to provide shareholders with information about their Company and to enable them to exercise their rights as shareholders in an informed manner.

Communication Methods

Information is communicated to shareholders through:

- the Hansen web site, www.hsntech.com, providing up to date information on the Hansen Group, but particularly, the "Investor Relations" section contains a range of information relevant to shareholders. The Investor Relations section currently contains:
  - ASX announcements
  - Annual Reports
  - Corporate Governance
  - Financial Results
  - Presentations
  - Share registry contact details and links
  - Key dates
  - Share price link to ASX
  - Contact link for more information;
- the distribution of the Annual Report either over the web or by post and Notice of Annual General Meeting by post; and
- post or on the web site whenever there are other significant developments to report.

Annual General Meetings are seen as an important communication forum. In preparing notices of meeting and related explanatory information, Hansen aims to provide all information that is relevant to shareholders in making a decision on the matter to be voted on by shareholders in a clear and concise format. During the meeting, time is dedicated to accommodating shareholders questions and the external auditors are in attendance to respond to any relevant question. Following the meeting Directors and shareholders are able to further communicate informally.

Hansen is committed to continuing to improve communication with shareholders. Communication mechanisms will be reviewed regularly to ensure they provide the optimum information flow to shareholders and potential investors, enabling them to make decisions in an informed manner.

6. Share Trading Policy

Introduction

Directors, officers, employees and their associates must not engage in insider trading, or the disclosure of inside information to third parties.

Insider trading means the buying and selling of shares on the basis of price-sensitive information that is not generally available to others. This includes procuring another person to purchase or sell shares on the basis of insider information.

Rules for Employees, Directors and Officers

Employees, Directors, officers and their associates who have price-sensitive information about Hansen shares, or other securities, which is not generally available to others:

- must not subscribe for, buy or sell shares, other securities of the Company, or other price sensitive products to which the inside information relates, either for themselves, or for others;
- must not get another person (whether a family member, friend, associate, colleague, or your broker, investment adviser, private company or trust) to subscribe for, buy or sell the affected shares or other securities or other price sensitive products for the employee, for another person or for themselves;
- must not, either directly or indirectly, give the inside information, or allow it to be given to another person who they know, or should know, would be likely to do any of the prohibited things described above; and
- must not communicate inside information to anybody who works for the Hansen Group except on a "need to know" basis and in accordance with the rules and policies of the relevant business division.

As a general rule, Directors and senior executives are only permitted to trade Hansen shares in the 30-day period commencing two days after:

- the release of Hansen's half yearly results;
- the release of Hansen's yearly results;
- the Hansen's Annual General Meeting; and
- a "special circumstance", that will be notified on a case-by-case basis by the Chairman or Chief Executive Officer (example being the release of a trading update to the ASX or the issue of a prospectus).

Where Directors or Executives of the Company want to trade outside of this general rule, they are required to discuss the matter with the Chairman and Chief Executive Officer who will only give approval if determined that there is no price sensitive information held that is not available to the market.

The Corporations Act

The Corporations Act 2001 section 1002G deals with insider trading. Contravention of the insider trading provisions of the Corporations Act constitutes an offence that is punishable by a maximum penalty of $200,000 or imprisonment for 5 years, or both. Where individuals are concerned about breaching the insider trading provisions of the Corporations Act they should immediately obtain independent legal advice.

7. Remuneration Policy

Introduction

The Company aim in rewarding the CEO and other executives is to provide base pay plus rewards and other benefits that will attract and retain key executives and align their financial interests with those of our shareholders.

Our policy is to provide individual executives with a level of income that:

- recognises the market value of each position in a competitive market;
- rewards the individual's capabilities and experience;
- recognises the performance of individuals; and
- assists in executive retention.

The structure provides a mix of fixed and variable pay, and a blend of short and long-term incentives.

The Remuneration Committee

The Remuneration Committee currently consists of two Directors, David Osborne and Bruce Adams. Bruce Adams is the Chairman of the Committee.

The responsibilities of the Committee are to:

- advise on remuneration policies and practices generally;
- provide specific recommendations on remuneration packages and other terms of employment for executive Directors and non-executive Directors; and
- assess the reasonableness of the remuneration proposals put forward by the CEO for the executive managers, including the definition of performance objectives.

The Committee will meet at least annually to assess annual remuneration changes, and will hold additional meetings where required to.

How remuneration is managed and structured

Non-Executive Directors

The Remuneration Committee recommends the remuneration of non-executive Directors to the Board for final approval. Remuneration for non-executive Directors consists of a base pay and related superannuation to meet the requirements of the Superannuation Guarantee Scheme. An increase in the maximum amount paid to non-executive Directors is to be submitted to shareholders for approval where significant change occurs. No retirement benefits are provided for non-executive Directors.

CEO and Executives

The Remuneration Committee sets the remuneration package for the CEO. The CEO establishes employment arrangements and remuneration packages for each executive.

Each year performance based incentives, at the discretion of the Directors, are set for the CEO and the executives, incorporating objectives designed around Group, business unit and individual goals, with agreed short and long-term performance incentives. The CEO submits the proposed annual executive package to the Remuneration Committee where it is assessed for reasonableness.

Details of the pay and rewards for Hansen's top five key management personnel and their total remuneration is set out in the Annual Report each year.

The CEO and the executive team approve the pay and reward packages for key senior managers.

The structure of *Hansen* executive pay and reward is made up of four parts:

- base pay;
- short-term performance incentives;
- long-term equity-linked performance incentives; and
- other compensation, being superannuation.

The combination of these comprises the executive's total compensation.

Base Pay

Executives are offered a competitive base pay that reflects the fixed component of pay and rewards. Base pay is set to reflect the marketplace for each position. It is generally not revised annually unless an executive has been promoted or there has been a marked structural shift in marketplace rates.

Short-term performance incentives

Each year the performance of the executives is reviewed by the CEO and future performance objectives are set and relative potential bonuses linked to the achievement of the objective. If individual performance objectives are met, a short-term incentive in the form of a bonus may be paid.

Long-term performance incentives

Our long-term incentives for the CEO and senior executives are designed to align their financial interests with those of our shareholders, including by making use of carefully designed share-based incentives.

Long-term performance incentives can be represented by the issue of share options to the CEO and senior executives. The issue of options would be based at the absolute discretion of the Directors and in accordance with the Employee Share Option Plan.

Other benefits - Superannuation

All executives and staff are required to be members of one of the superannuation funds that are made available to all Hansen staff. Hansen contributes superannuation for executives and staff from their remuneration package to a level that complies with the Superannuation Guarantee Scheme. In addition to this, executives and staff can contribute additional superannuation from their remuneration package.

8. Continuous Disclosure Policy

Introduction

The Hansen Continuous Disclosure Policy has been developed to provide clear guidelines for the operations of the Hansen business to establish appropriate processes and criteria for disclosure and to ensure compliance with the requirements of the ASX and other securities and corporations legislation. The best practice communication guidelines, as published by the Australasian Investor Relations Association, have been observed in drafting this policy.

Principles of the Policy

The key principles of the market disclosure policy are that:

- material company information is issued to shareholders and the market in accordance with our obligations to the market;

- such information is communicated in a way that allows for all interested parties to have equal and timely access;
- communication is presented in a clear, factual and balanced manner; and
- ASX reporting obligations are met.

Communications Representative

Hansen has appointed the Company Secretary as the Communications Representative. The Communications Representative has responsibility for:

- coordinating and controlling disclosure of information to ASX, shareholders, analysts, brokers, the media and the public;
- ensuring complete records are maintained of all disclosures of information by Hansen and the related authorisations;
- reporting and making recommendations to the Board on information potentially warranting disclosure;
- developing and maintaining relevant guidelines to help employees understand what information is price sensitive;
- educating Hansen staff, executives and Directors on disclosure guidelines and raising awareness of the principles underlying continuous disclosure; and
- supporting the Directors and executives in ensuring that Hansen complies with continuous disclosure requirements.

Directors and Executives responsibilities

Directors and executive officers are primarily responsible for the compliance with continuous disclosure guidelines. The appointment of the Communications Representative is to facilitate overall awareness and the ability of Hansen to comply with disclosure guidelines.

Directors and executives are responsible for communicating to the Communications Representative:

- any price sensitive information of which they become aware of which they believe the Communications Representative will not be aware. If individuals are uncertain as to whether an issue could be sensitive, they should report the matter for the Board to consider;
- disclosures of any information from Hansen that they may believe the Communications Representative may not be aware;
- if they undertake any dealings in securities of Hansen;
- their comments and ultimate approval of draft announcements, presentations and general communications to shareholders, ASX and the market; and
- all information, as specified by ASX and ASIC, that requires market announcements.

Communications for disclosure

Hansen will make market disclosures on any event that is deemed to have possible material effect on the price of Hansen securities. Events warranting disclosure include:

- financial performance and significant changes in financial performance;
- changes in Board Directors and senior executives;
- mergers, acquisitions / divestments, joint ventures or changes in assets;
- significant developments in regard to new projects or ventures;
- events regarding an entity's shares or securities;
- major new contracts, orders, or changes in suppliers or customers;
- significant changes in products, product lines, supplies or inventory;
- industry issues that may have a material impact on the company;
- major litigation; and
- decisions on significant issues affecting the entity by regulatory bodies in Australia such as the Australian Foreign Investment Review Board, Australian Takeovers Panel, Australian Competition and Consumer Commission.

If there is any uncertainty, Hansen Directors and executives will discuss the matter, seek legal advice if necessary, and if considered appropriate, approach the ASX to seek its position on whether the information should be disclosed to the market.

Hansen is aware that outside of statutory and listing rule requirements, communication with the market will occur in other forms. Communication in the form of:

- investor briefings and roadshows;
- one-on-one meetings with stockbroking analysts or institution fund managers;
- industry forums;
- company literature, and
- media interviews.

In participating in such communications Hansen will act to avoid against unintended disclosure of material information to selected market participants.

Communications procedures

A representative of Hansen, the Directors or the executives, may not release any information that is required to be disclosed to ASX under the continuous disclosure rules to any person before:

- the information has been given to the Communications Representative and the approval and sign-off process for disclosure has been effected;
- the information has been given to ASX; and
- an acknowledgement of the receipt of that information has been received from ASX.

The Board has nominated a limited number of individuals that are authorised as spokespersons for Hansen. The authorised spokespersons are:

- the Chairman;
- the Chief Executive Officer;
- Company Secretary; and
- the Chief Financial Officer.

Other executives may become spokespersons for specific areas under their control, however any comments are to be limited to their area of expertise and is to meet the disclosure principles.

ASX Additional Information

As at 29 September 2008

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Substantial shareholders

The number of shares held by substantial shareholders are set out below:

Shareholders	Number of Ordinary Shares	Percentage Held
Othonna Pty Ltd — including associates	93,934,680	61.53%
Cogent Nominees Pty Limited	23,550,000	15.43%
Andrew Alexander Hansen — including associates	11,546,174	7.56%

Voting Rights

Ordinary shares and Options - refer Note 17

Distribution of equity security holders

	Number of Equity Security Holders	
Categogy	Ordinary Shares	Options
1-1,000	97	-
1,001-5,000	390	-
5,001-10,000	186	-
10,001-100,000	350	7
100,001 and over	44	5

The number of shareholders holding less than a marketable parcel of ordinary shares is 117.

On-market buy-back

There is no current on-market buy-back.

Twenty largest shareholders

Name	Number of Ordinary Shares Held	Percentage of Issued Capital
Othonna Pty Ltd	91,160,249	59.72%
Cogent Nominees Pty Limited	23,500,000	15.43%
Andrew Alexander Hansen	8,866,897	5.81%
National Nominees Limited	3,147,980	2.06%
Antan Pty Ltd	2,302,400	1.51%
Mr Bruce Rodney Pettit	1,728,227	1.13%
Mr Anthony David Hansen	1,395,271	0.91%
Ozcun Pty Ltd	739,154	0.48%
Mr James Lucas & Ms Lesley Dormer	600,000	0.39%
Mrs Yvonne Irene Hansen	555,607	0.36%
Mr Kenneth Hansen	532,107	0.35%
Ms Tanya Jacinta Hansen	374,100	0.25%
Mr Denis Maxwell Fraser & Mrs Wendy Elena Fraser	333,873	0.22%
Mr Stephen Cocker & Mrs Denise Cocker	307,308	0.20%
Louras Nominees Pty Ltd	295,028	0.19%
Mr John Eldred Williams & Mrs June Mabel Williams	277,200	0.18%
Mr Christopher James Piggott & Mrs Shirley Janice Piggott	237,220	0.16%
Layuti Pty Ltd	226,944	0.15%
Mr Ronald Slamowicz	200,000	0.13%
Mr Cameron Hunter	185,520	0.12%
	137,015,085	89.76%

HANSEN TECHNOLOGIES

Directors

Kenneth Hansen, Chairman
Andrew Hansen, Managing Director & Chief Executive Officer
Bruce Adams, Non-Executive Officer
David Osborne, Non-Executive Officer

Company secretary

Grant Lister

Principal registered office

2 Frederick Street, Doncaster VIC 3108
Telephone: (03) 9840 3000
Facsimile: (03) 9840 3099

Share registry

Link Market Services
Level 1, 333 Collins Street
Melbourne VIC 3000
Telephone: (02) 8280 7761 or 1300 554 474
Facsimile: (02) 9287 0309 - Proxy forms
(02) 9287 0303 - General

Stock exchange

The Company is listed on the Australian Stock Exchange.
ASX Code: HSN

Auditors

Pitcher Partners
Level 19, 15 William Street
Melbourne VIC 3000

Solicitors

TressCox
Level 9, 469 La Trobe Street
Melbourne VIC 3000

Other information

Hansen Technologies Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

Design and production - CAN Design 03 9682 6277

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