Rules 4.1, 4.3

Appendix 4D

Half yearly report

Name of Entity	POWERLAN LIMITED
ACN	057 345 785
Financial Period Ended	31 December 2008
Previous Corresponding Reporting Period	31 December 2007

Results for Announcement to the Market

	$'000	**Percentage increase/ (decrease) over previous corresponding period**
Revenue	17,007	60.8%
Loss after tax attributable to members	(4,625)	(34.5)%
Net loss for the period attributable to members	(4,625)	(34.5)%

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Final Dividend	N/A	N/A
Interim Dividend	N/A	N/A
Previous corresponding period	N/A	N/A
Record date for determining entitlements to the dividends (if any)		N/A

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Revenue from continuing operations for the six months ended 31 December 2008 increased by 61% to $17.0M (2007: $10.6M). The loss from continuing operations after tax reduced for the same period to $4.1M (2007: loss $7.5M). The tax benefit of $0.05M (2007: charge of $1.3M) for the period relates to the write off of foreign tax credits which are no longer believed to be recoverable and the write back of deferred tax liabilities relating to Omnix Holdings Limited ("Omnix"). The loss from discontinued operations for the six months to 31 December 2008 was $0.5M (2007: profit $0.4M), resulting in a loss attributable to members of $4.7M (2007: loss $7.1M) after considering Omnix' minority share in profit of $0.04M

Expenses from continuing operations, excluding finance costs have increased to $22.1M (2007: $16.8M). The current year expenses from continuing operations, excluding finance costs includes a 28% growth in employee benefit expenses to $11.8M (2007: $9.2M), mainly as a result of the increase in the number of employees following the acquisition of a majority interest in Omnix and the acquisition of the Viper intellectual property and contracts from Dot Communications during the reporting period (refer Note 8).

The Group has continued to require additional funding during the period, in part to fund the investment into Omnix and the acquisition of intellectual property and business of Dot Communications, but also to fund the working capital requirements and ongoing losses of Clarity, ConverterTechnology and IMX.

The half-yearly report is to be read in conjunction with the most recent annual financial report.

Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

NTA Backing

	Current Period	**Previous corresponding period**
Net tangible asset backing per ordinary security	(11.6)¢	1.47¢

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	Omnix Holdings Limited
Date control gained	22 Aug 2008
Consolidated profit/(loss) since the date in the current period on which control was acquired	$0.3M
Profit/(loss) of the controlled entity (or group of entities) for the whole of the previous corresponding period	$(1.3M)

Loss of Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	Not Applicable
Date control lost	
Consolidated profit/(loss) for the current period to the date of loss of control	
Profit/(loss) of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period	

Details of Associates and Joint Venture Entities

Name of Entity	**Percentage Held**		**Share of Net Profit**	
	Current Period	**Previous Period**	**Current Period**	**Previous Period**
Not Applicable				
Aggregate Share of Net Profits				

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	√
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	

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

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:
Not Applicable

Attachments Forming Part of Appendix 4D

Attachment #	**Details**
1	Interim Financial Report

Signed By (Director/Company Secretary)	
Dr Ian Campbell **26 February 2009**	**Jon Newbery** **26 February 2009**

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2008.

Directors

The names of directors who held office during or since the end of the half-year are:

Dr Ian Campbell
Mr Geoff Harrington
Mr Ian Lancaster
Ms Fiona McLeod

Review of Operations

Financial Summary
Revenue from continuing operations for the six months ended 31 December 2008 was $17.0M (2007: $10.6M), an increase of 61% on the previous equivalent period. The net loss from continuing operations after tax for the same period was $4.1M (2007: loss $7.5M). During the period the Company had a net tax benefit $0.05M (2007: charge of $1.3M) on account of write off of foreign tax credits which are now considered unrecoverable and write back of deferred tax liabilities relating to Omnix. These foreign tax credits were previously recorded as deferred tax assets on the balance sheet.

At first sight expenses from continuing operations, excluding finance costs, have increased by 31%, however, the growth in expenses is considered reasonable in the context of the 61% growth in revenue and the acquisition of Omnix and the intellectual property and business of Dot Communications.

The Group has continued to require additional funding during the period, in part to fund the investment into Omnix and the acquisition of intellectual property and business of Dot Communications, but also to fund the working capital requirements and ongoing losses of Clarity, ConverterTechnology and IMX. Significant ongoing investment is not expected to be required by Clarity and ConverterTechnology but IMX will require further funding as it seeks to refresh its product portfolio. Dr Ian Campbell, the chairman of Powerlan, has confirmed that he will continue to provide the Group with the financial support required to continue the turnaround of the Group's operations.

To date the Board has not seen much impact on the prospects of the individual divisions as a result of the Global Financial Crisis, however, the situation is being reviewed on a proactive basis and action has already been taken to manage costs in anticipation of the challenges that may lie ahead. Given the nature of the business of each of the divisions, the impact, if any, is not likely to be seen until later in 2009 when the current contracts are coming to an end and new contracts will need to be in place to maintain the growth in each of the businesses.

Powerlan Overview
Powerlan is a group of companies that focuses on creating and delivering software products and related services exclusively in areas where the Company owns intellectual property. These products and services are delivered through four operating divisions, each of which is separately incorporated and operates semi-autonomously from Powerlan.

Powerlan itself provides Head Office services which include shared accommodation and shared services including human resources, financial and treasury management, payroll and IT infrastructure to the operating divisions. Head Office also develops and oversees the implementation of common policies, processes, and procedures and ensures compliance in areas such as finance and administration, human resources, software development and project delivery.

Clarity
Clarity offers next generation Operational Support Systems ("OSS") software and solutions for telecommunication service providers worldwide. Clarity has become a market leader in providing a unified OSS solution that employs a single, pre-integrated database and also caters for an operator's growth in subscriber volumes through the systems inherent scalability, spanning both legacy and next generation networks.

Clarity is uniquely differentiated as a highly flexible solution that can be deployed as a pre-integrated end-to-end solution, in a modular fashion, or integrated with third-party solutions. Through its product differentiation and the ability to deliver flexible solutions, Clarity has built up a dominant market position in Asia, with a number of major Tier 1 operators around the region now using Clarity's products. Clarity's management is now leveraging these strengths to expand the business into new territories, including the Middle East and Europe.

Clarity's solutions are designed for telecommunications and utility service providers worldwide, particularly Tier 1 telcos which require short time-to-market solutions for emerging new technologies, or seek to rationalise their complex and hard to manage existing OSS software platforms. Major customers include Philippines Long Distance Telecom (Philippines), Bharat Sanchar Nigam Limited (India) Reliance Infocom (India), Sri Lanka Telecom (Sri Lanka), Telekom Malaysia (Malaysia), PT Telkom (Indonesia), Globe Telecom (Philippines) and Hutchinson Communications (Indonesia).

Clarity contributed approximately 70% of the consolidated revenue in the six months to 31 December 2008. The previous and ongoing investment in market development is continuing to benefit the organisation, with Clarity showing 40% revenue growth compared with the same period of the previous financial year.

During the period Clarity concluded $12 million of new contracts with existing customers, further strengthening its position as the dominant provider of OSS solutions in South East and South Asia.

However, continuing delays in securing contracts that were expected to be finalised in the first half of the year, has resulted in Clarity reporting a loss for the period. New contracts are expected to be secured with both existing and new customers in a number of territories before the end of the financial year, underpinning the revenue growth of the last two years and returning the division to profitability.

The Powerlan Board continues to believe that adequate capital is available to the Group to fund Clarity's future growth, particularly in view of the continued support from Dr Ian Campbell, Powerlan's Chairman. However, this matter continues to be reviewed and opportunities to expand the business and optimise shareholder returns are being assessed on an ongoing basis.

ConverterTechnology
ConverterTechnology delivers software and services that simplify file migrations and reduce the risks associated with large-scale IT deployment projects, particularly in the Microsoft environment. The volume of files created by desktop application users continues to grow. Understanding which business-critical files are affected by IT projects such as Office 2007 and Vista roll-outs, and the risk those projects pose for the availability and functionality of the files, is a critical step for the success of almost all technology-refresh projects. ConverterTechnology's market opportunity is driven by the need to get these millions of files properly inventoried, managed, under control and fully compatible with their new platforms. ConverterTechnology's proprietary suite of software products help discover, examine, analyse and adapt files so they are useable in upgraded environments. The tools add value in terms of understanding an enterprise's file landscape and the issues they are likely to face as they roll out Microsoft's Office 2007 product across their organisation.

The transformation of ConverterTechnology that has been ongoing for more than 12 months to ensure the organisation is ready to meet both the opportunities and challenges that large enterprises will present as they seek to roll out Microsoft's Office 2007 product are now delivering success both in terms of new customer acquisition and revenue growth. ConverterTechnology has partner relationships, not only with Microsoft, but with other significant integration partners such as Accenture, Avanade, Dell and DimensionData providing access to a much larger potential market.

During the period ConverterTechnology licensed Legal & General, Deutsche Bank and Watson Wyatt among others to use the tools to assist with their upgrade projects.

Although ConverterTechnology reported a loss for the first 6 months of the year, revenues grew by 140% during the period compared with a year earlier and if this rate of growth continues in the second half of the year then the business is expected to return to profitability in the second half of the year.

IMX
IMX Software offers software solutions for the travel money, foreign exchange and the international banking industries.

Established in 1991 with operations in the UK and Australia, IMX has established itself as a global leader in foreign exchange solutions. More than 100 organisations use IMX's applications globally. Major customers include American Express, HSBC, Credit Suisse, Commerzbank, Travelex, First Rate Exchange Services and Royal Bank of Scotland.

IMX's software products provide wholesale bank note trading platforms for trading foreign currency bank notes, distribution and fulfilment solutions for vault management as well as foreign exchange point-of-sale solutions for travel funds, including foreign currencies, serialised and non-serialised financial and stored value instruments such as travellers cheques, pre-paid cards, international cheques (drafts) and international money transfers.

These solutions can be provided as an integrated solution including back office, front office (point-of-sale and trading room), internet-enabled e-commerce (B2B and B2C) and settlement applications for financial institutions.

The restructuring of IMX's operations is progressing well, with a significant shift in the operational focus to be more European centric; the commercial, delivery and support teams are now based in the UK. This change in focus has resulted in significant contracts being secured with Royal Bank of Scotland and American Express during the period. The redevelopment of the product in a .Net environment has commenced and when completed at the end of 2009 will reconfirm IMX's position as the market leader in the provision of wholesale bank note trading, distribution and fulfilment and foreign currency point-of-sale solutions to the travel money, foreign exchange and international banking industries. These solutions will be available individually or as a fully integrated product suite.

Although IMX's revenues grew by 30% compared with the same period of the previous year, the business is not expected to be profitable until after the product redevelopment has concluded at the end of 2009. To that end the Board has acknowledged that further funding will be required to support the redevelopment of IMX's market leading wholesale bank note trading, distribution and fulfilment and foreign currency point-of-sale solutions.

Omnix Software
Omnix Software Ltd (Omnix) is a UK-based provider of project automation software solutions for telecom infrastructure management. It is focused on active project and program management, site and estates management, resource planning and allocation, delivery and operation solutions, for the mobile and fixed line telecommunications industry, and has developed a global customer base in over 30 countries. The platform from Omnix is an expert system delivering a more efficient telecoms network via four core solution packs: Network Programme Logistics (NPL), Network Asset Tracking (NAT), Network Estates Management (NEM) and Network Asset Maintenance (NAM).

Founded in 1998, customers include major mobile network providers Vodafone, Orange, O2/Telefonica, Millicom, Zain (Celtel) and Mobilkom.

In August 2008, Powerlan acquired a 51% interest in the Omnix business and at the same time made a loan facility of £1.0 million available to the business, £250 thousand of which was drawn down at the time of investment. Since acquisition the Group has recognised revenues of $1.8 million and a profit of $100 thousand before minority interest from Omnix, which is in line with the business plan established prior to acquisition.

Although the business requires investment in its sales and marketing, the Board sees significant further opportunity for product integration with Clarity to develop new opportunities and also the opportunity for both Clarity and Omnix to further leverage each other's respective customer bases to secure future expansion.

Auditor's Independence Declaration
The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 8 for the half year ended 31 December 2008.

Rounding off of Amounts

The consolidated entity has applied the relief available to it in ASIC Class Order 98/0100 and accordingly certain amounts in the financial report and the directors' report have been rounded to the nearest thousand dollars.

The report is signed in accordance with a resolution of the Board of Directors.

Dr Ian Campbell
Director
Sydney, 26 February 2009

PKF

Chartered Accountants
& Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION

To: The Directors of Powerlan Limited

As lead engagement partner for the review of Powerlan Limited for the half year to 31 December 2008, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Powerlan Limited and the entities it controlled during the half year.

PKF

PKF

P E Bull

Paul Bull
Partner

Sydney
26 February 2009

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POWERLAN LIMITED AND CONTROLLED ENTITIES

Condensed Income Statement

For the half year ended 31 December	*Note*	**Consolidated 2008 $'000**	**2007 $'000**
Revenue		17,007	10,574
Other income	*2*	1,130	563
Expenses, excluding finance costs	*3*	(22,050)	(16,837)
Finance costs		(245)	(458)
Loss from continuing operations before income tax		**(4,158)**	**(6,158)**
Income tax benefit/(expense)		47	(1,325)
Loss from continuing operations after income tax expense		**(4,111)**	**(7,483)**
Profit/(loss) from discontinued operations	*7*	(470)	420
Profit attributable to minority interest		(44)	-
Loss for the period attributed to members of the parent entity		**(4,625)**	**(7,063)**
Total operations			
Basic/diluted earnings per share (cents per share)		(5.60)	(9.82)
Continuing Operations			
Basic/diluted earnings per share (cents per share)		(5.04)	(10.40)
Discontinued Operations			
Basic/diluted earnings per share (cents per share)		(0.57)	0.58
Dividends per ordinary share			
Total operations		-	-

The Condensed Income Statement should be read in conjunction with the attached notes.

POWERLAN LIMITED AND CONTROLLED ENTITIES

Condensed Balance Sheet

As at	**Note**	**Consolidated 31 December 2008 $'000**	**Consolidated 30 June 2008 $'000**
Current Assets			
Cash and cash equivalents		3,401	1,688
Trade and other receivables		11,474	8,217
Inventories		5,257	1,972
Total Current Assets		**20,132**	**11,877**
Non-Current Assets			
Trade and other receivables		273	273
Property, plant and equipment		835	458
Intangible assets		20,321	18,939
Deferred tax assets		855	814
Total Non-Current Assets		**22,284**	**20,484**
Total Assets		**42,416**	**32,361**
Current Liabilities			
Trade and other payables		12,832	8,797
Provisions		1,356	1,231
Deferred tax liability		107	-
Other financial liabilities		12,077	2,770
Total Current Liabilities		**26,372**	**12,798**
Non-Current Liabilities			
Trade and other payables		5,018	5,087
Provisions		277	281
Total Non-Current Liabilities		**5,295**	**5,368**
Total Liabilities		**31,667**	**18,166**
Net Assets		**10,749**	**14,195**
Equity			
Issued capital		148,935	148,935
Reserves		1,099	926
Minority Interest		1,006	-
Accumulated losses		(140,291)	(135,666)
Total Equity		**10,749**	**14,195**

The Condensed Balance Sheet should be read in conjunction with the attached notes.

POWERLAN LIMITED AND CONTROLLED ENTITIES

Condensed Consolidated Statement of Changes in Equity

For the half year ended 31 December	Issued Capital $'000	Foreign Currency Reserve $'000	Accumulated Losses $'000	Minority Interest $'000	Total $'000
Balance at 1 July 2008	**148,935**	**926**	**(135,666)**	**-**	**14,195**
				-	
Loss attributable to members of the Group	-		(4,625)		(4,625)
Total recognised income and expense for the year	-	-	(4,625)	-	(4,625)
Adjustments from translation of foreign controlled entities	-	173	-	-	173
Profit attributable to minority interest	-	-	-	44	44
Minority Interest on acquisition	-	-	-	962	962
Balance at 31 December 2008	**148,935**	**1,099**	**(140,291)**	**1,006**	**10,749**
Balance at 1 July 2007	**138,713**	**222**	**(121,848)**	**-**	**17,087**
Loss attributable to members of the Group	-	-	(7,063)	-	(7,063)
Total recognised income and expense for the year	-	-	(7,063)	-	(7,063)
Shares issued during the period	10,316	-	-	-	10,316
Transaction costs	(94)			-	(94)
Adjustments from translation of foreign controlled entities	-	(97)	-	-	(97)
Balance at 31 December 2007	**148,935**	**125**	**(128,911)**	**-**	**20,149**

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the attached notes.

POWERLAN LIMITED AND CONTROLLED ENTITIES

Condensed Statement of Cash Flows

		Consolidated	
For the half year ended 31 December	**Note**	**2008 $'000**	**2007 $'000**
Cash flows from operating activities			
Receipts from customers		14,474	7,205
Payments to suppliers and employees		(19,281)	(15,557)
Interest received	*2*	51	280
Finance costs		(9)	(397)
Dividends received		-	90
Net cash used in operating activities		**(4,765)**	**(8,379)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(186)	(123)
Proceeds from sale of subsidiaries, net	*7*	1,120	-
Payments for subsidiary and business, net of cash acquired	*8(c)*	(1,006)	-
Proceeds from disposal of non-current assets		-	61
Net used in investing activities		**(72)**	**(62)**
Cash flows from financing activities			
Proceeds from issue of shares, net		-	10,222
Proceeds from borrowings		8,300	-
Loan proceeds repaid to related parties		(1,750)	(4,862)
Net cash provided by financing activities		**6,550**	**5,360**
Net increase/(decrease) in cash and cash equivalents		1,713	(3,081)
Cash at the beginning of the financial year		1,688	9,506
Cash at the end of the period		**3,401**	**6,425**

The Condensed Statement of Cash Flows should be read in conjunction with the attached notes.

POWERLAN LIMITED AND CONTROLLED ENTITIES

Notes to and forming part of the Condensed Consolidated Financial Report for the half year ended 31 December 2008

NOTE 1. BASIS OF PREPARATION

This interim financial report for the half-year ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Act 2001. It is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and the Corporations Act.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Powerlan Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Going Concern

The general purpose interim financial report is prepared on a going concern basis despite the Group recorded a loss for the half year period of $4.63 million (2007: $7.06 million) and having current liabilities which are $6.1 million (30 June 2008: $921 thousand) in excess of current assets. Further, the terms of the major credit facility utilised by the Group supplied by CPS Group Investments Pty Ltd (“CPS”) as trustees for Powerlan Investment Trust, which owns 40.25% of the share capital in Powerlan, requires repayment within 48 hours of demand in writing. Details of the funding facility can be found in note 10. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern. Notwithstanding the current and prior period losses and negative operating cash flows, the directors are confident that the Group will achieve profitability. This reflects the securing of significant new contracts in the last 12 months and the growing and healthy sales pipeline in each of the Group’s operating divisions, which the directors believe will return the Group to profitability in the near future. Furthermore, Dr Ian Campbell, the Chairman of the Group has agreed to continue to provide financial support, including the line of credit provided by his company CPS. The Group continues to investigate other capital management initiatives.

The Group’s ability to continue as a going concern is therefore dependent upon the support of Dr Ian Campbell, the Chairman of the Group and of its major shareholder, CPS.

After taking into account all of the available information, including the following factors:

- continued financial support from the Chairman of the Group and from CPS, including a recent restructuring of the terms of the agreement with CPS;
- the growing and healthy sales pipelines in each of the divisions;
- ongoing cost reductions being undertaken across the Group; and
- the Group’s ongoing investigation of other capital management initiatives

the directors have concluded that there are reasonable grounds to believe that the going concern basis for the preparation of this financial report is appropriate.

No adjustments were made to the financial report in relation to this uncertainty.

POWERLAN LIMITED AND CONTROLLED ENTITIES

Notes to and forming part of the Condensed Consolidated Financial Report for the half year ended 31 December 2008 (cont'd)

	Consolidated	
	31 December 2008 $'000	**31 December 2007 $'000**
NOTE 2. OTHER INCOME		
Other income includes the following:		
Realised foreign exchange gains	964	-
Interest received	51	280
Sundry income	115	283
Total other income	**1,130**	**563**
NOTE 3. EXPENSES FROM CONTINUING OPERATIONS, EXCLUDING FINANCE COSTS		
Expenses from continuing operations, excluding finance costs is comprised of the following:		
Employee benefit expenses	11,760	9,196
Cost of sales	5,857	2,983
Travel & accommodation	1,298	1,161
Administrative expenses	811	776
Lease rental expenses	857	615
Depreciation of property, plant and equipment	208	129
Amortisation of intangibles	272	-
Professional fees	336	-
Loss/(profit) on change in fair value of other financial assets through profit or loss	-	1,401
Other expenses	651	576
Total expenses from continuing operations, excluding finance costs	**22,050**	**16,837**
NOTE 4. DIVIDENDS PAID		
Dividends per share paid during the period	**-**	**-**
Total dividends paid	**-**	**-**
NOTE 5: OTHER FINANCIAL ASSETS		
Current		
Shares in listed corporations - at marked to market value	-	7,227
Total current other financial assets	**-**	**7,227**
Non-Current		
Shares in listed corporations - at cost[a]	-	11
Total non-current other financial assets	**-**	**11**
[a] Market value of shares in listed corporations	-	15

In December 2006, the Company exercised its options held in Computershare and bought 990,000 shares at $6.15 per share. In December 2007 the Company sold 258,565 shares in Computershare at a price of $9.90 per share. The remaining shares held at 31 December 2007 were marked to market giving rise to an unrealised loss of $1.41 million during the period.

POWERLAN LIMITED AND CONTROLLED ENTITIES

Notes to and forming part of the Condensed Consolidated Financial Report for the half year ended 31 December 2008 (cont'd)

NOTE 6. SEGMENT INFORMATION

Primary Segment – Geographical

2008	**Australia $'000**	**Asia $'000**	**USA $'000**	**Europe $'000**	**Total $'000**
Revenue	1,027	11,037	1,611	3,332	17,007
Other income	411	337	2	380	1,130
Expenses, excluding finance costs	(4,828)	(12,008)	(2,316)	(2,898)	(22,050)
Finance costs	(245)	-	-	-	(245)
Profit/(loss) from continuing operations before income tax	**(3,635)**	**(634)**	**(703)**	**814**	**(4,158)**
Income tax	47	-	-	-	47
Profit/(loss) from continuing operations after income tax	**(3,588)**	**(634)**	**(703)**	**814**	**(4,111)**
Loss from discontinued operations	(456)	(14)	-	-	(470)
Profit attributable to minority interest	-	-	-	(44)	(44)
Profit/(loss) attributable to members of the parent entity	**(4,044)**	**(648)**	**(703)**	**770**	**(4,625)**

2007	**Australia $'000**	**Asia $'000**	**USA $'000**	**Europe $'000**	**Total $'000**
Revenue	375	8,456	761	982	10,574
Other income	533	29	-	1	563
Expenses, excluding finance costs	(10,804)	(3,942)	(1,620)	(471)	(16,837)
Finance costs	(458)	-	-	-	(458)
Profit/(loss) from continuing operations before income tax	**(10,354)**	**4,543**	**(859)**	**512**	**(6,158)**
Income tax	(1,325)	-	-	-	(1,325)
Profit/(loss) from continuing operations after income tax	**(11,679)**	**4,543**	**(859)**	**512**	**(7,483)**
Profit/(loss) from discontinued operations	432	(12)	-	-	420
Profit/(loss) attributable to members of the parent entity	**(11,247)**	**4,531**	**(859)**	**512**	**(7,063)**

Primary Segment – the geographical segments are based on the location of the Group's production and service facilities.

Secondary Segment – the group operates in the information technology and telecommunications industry.

POWERLAN LIMITED AND CONTROLLED ENTITIES

Notes to and forming part of the Condensed Consolidated Financial Report for the half year ended 31 December 2008 (cont'd)

	Consolidated	
	31 December 2008 $'000	**31 December 2007 $'000**

NOTE 7. LOSS FROM DISCONTINUED OPERATIONS

a) ***Discontinued operations***
Discontinued operations include expenses incurred by various non-operating companies within the group in Australia and Hong Kong

b) ***Financial Performance***

	2008	2007
Revenue	-	1,004
Finance costs on liabilities of discontinued operations	(456)	(572)
Other expenses	(14)	(12)
Total profit/(loss) from discontinued operations	**(470)**	**420**

c) ***Cash flow information***
The net cash flows of the discontinued operations which have been incorporated into the cash flow statement are as follows:

	2008	2007
Net cash outflow from operating activities	(14)	(12)
Net cash inflow/(outflow) generated by discontinued operations	**(14)**	**(12)**

d) ***Carrying amounts of assets and liabilities***
Fair value of assets and liabilities of discontinued operations

	2008	2007
Cash and cash equivalents	23	13
Other financial assets	1	1
Total assets	**24**	**14**
Trade and other payables	6,306	8,159
Total liabilities	**6,306**	**8,159**
Net liabilities	**(6,282)**	**(8,145)**

e) ***Details of sale***
On 29 June 2007, the Company sold its wholly owned subsidiary Garradin to Bravura and received $9.4 million as a conditional completion payment pending finalisation of the Garradin's finance statements for the financial year 30 June 2008.

The Company received an additional payment from Bravura of $1.2 million during the reporting period to bring the total proceeds from the sale to $10 million, net of cash transferred.

POWERLAN LIMITED AND CONTROLLED ENTITIES

Notes to and forming part of the Condensed Consolidated Financial Report for the half year ended 31 December 2008 (cont'd)

NOTE 8. BUSINESS COMBINATIONS

a) Acquisition of Omnix

On 22 August 2008, Powerlan acquired 51% of the issued share capital of Omnix Holdings Limited ("Omnix"), incorporated in UK. The acquired business contributed total revenue of $1.8M and net profit of $0.1M before minority interest to the consolidated entity for the four month period ended 31 December 2008. At the date of acquisition, the acquired entity was involved in development of a suite of products designed to help mobile network operators realise operational efficiency across the network lifecycle. Omnix is helping operators worldwide to deliver complex projects by offering specialist solutions that are complementary to, but not evident in, generic ERP and PPM systems.

Details of the acquisition of Omnix are as follows:

	Acquiree's carrying amount $ 000's	Fair value $ 000's
Cash equivalents	1,772	1,772
Trade and other current receivables	744	744
Other current assets	497	497
Property, plant and equipment	286	286
Customer contracts	-	613
Intellectual property	-	247
Trade payables	(760)	(760)
Deferred revenue	(720)	(720)
Loans	(531)	(531)
Deferred tax liability	-	(184)
Net assets of the acquired business	**1,288**	**1,964**
Less: minority interest		(962)
Net assets acquired		**1,002**
Goodwill		533
Total purchase consideration		**1,535**

	$ 000's
Total purchase consideration	1,535
Less: cash equivalent, net of minority interest in cash	904
Purchase consideration, net of cash acquired	**631**

POWERLAN LIMITED AND CONTROLLED ENTITIES

Notes to and forming part of the Condensed Consolidated Financial Report for the half year ended 31 December 2008 (cont'd)

NOTE 8. BUSINESS COMBINATIONS (cont'd)

b) Acquisition of intellectual property and business of Dot Communications

On 16 September 2008, the Company acquired certain customer contracts and assets of Dot Communications Pty Ltd for $375K relating to their Viper business, including, a source code license to use Dot's Viper Wholesale Service Delivery Platform. The deal includes a combination of an upfront cash payment and success based royalty payments over a period of three years.

Details of acquisition of intellectual property and business of Dot Communications are as follows:

	Acquiree's carrying amount $ 000's	Fair value $ 000's
Property, plant and equipment	115	115
Customer contracts	-	110
Intellectual property	-	150
Net assets of the acquired business	**115**	**375**
Goodwill		-
Total purchase consideration		**375**

	$ 000's
c) Total purchase consideration for the two acquisitions	**1,006**

NOTE 9. CONTINGENT LIABILITIES

There are no material changes to the contingent liabilities as set out in the Company's 2008 financial report.

NOTE 10: FUNDING FACILITIES

The Group has no credit standby arrangements or used and unused loan facilities with any financial institution. However, under the terms of a Loan Note Subscription Agreement dated 10 May 2005 ("Loan Agreement") as amended, including fourth amending deed dated 23 December 2008, CPS agreed to subscribe for and pay the Issue Price (as defined in the Loan Agreement) to the Company for a Note (as defined in the Loan Agreement) that the Company agreed to allot and issue to CPS on the terms set out in the Loan Agreement. The loan is secured by a Deed of Charge over the assets of Powerlan. Pursuant to that Agreement, Company has drawn down $6.55 million of the $9.75 million of funds available. These amounts are repayable within 48 hours on demand.

NOTE 11. EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the group or the Company, the results of those operations or the state of affairs of the Group or the Company in future financial years.

DIRECTORS' DECLARATION

In the opinion of the directors of Powerlan Limited ("The Company"):

(a) the financial statements and notes set out on pages 9 to 18 are in accordance with the *Corporations Act 2001*, and

(i) comply with Accounting Standards, and the Corporations Regulations 2001; and

(ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half year ended on that date.

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Dr I Campbell
Director
Dated this 26th day of February 2009

PKF

Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Powerlan Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Powerlan Limited ("Powerlan"), which comprises the condensed balance sheet as at 31 December 2008, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a description of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising Powerlan and the entities it controlled at 31 December 2008 or from time to time during the half year ended on that date.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Powerlan are responsible for the preparation and fair presentation of the half-year 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 controls relevant to the preparation and fair presentation of the half-year 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.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Powerlan, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Powerlan is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuance as a Going Concern

Without qualification to the conclusion above, attention is drawn to the following. As a result of the matters described in Note 1 Going Concern, there is material uncertainty that may cast significant doubt whether the consolidated entity will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report.

The financial report of the consolidated entity does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

PKF

Paul Bull
Partner

Sydney
26 February 2009