Appendix 4E

Preliminary Final Report to the Australian Stock Exchange

Name of Entity	POWERLAN LIMITED
ACN	057 345 785
Financial Year Ended	30 JUNE 2003
Previous Corresponding Reporting	30 JUNE 2002
Period	30 JUNE 2002

Results for Announcement to the Market

			\$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities			70,930	(66.4)%
Profit / (loss) from ordinary active attributable to members	ities after tax		2,530	N/A
Net profit / (loss) for the period a members	ttributable to		2,530	N/A
Dividends (distributions)	Amount per	security	Franked amount per security	
Final Dividend	Nil		Nil	
Previous corresponding period	Nil			Nil
Record date for determining entithe dividends (if any)	tlements to	N/A		
Brief explanation of any of the fig figures to be understood: Refer ASX announcement – Attach	•	above nec	essary to e	nable the

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	N/A
reinvestment plans	

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	(4.8)¢	(8.7)¢

Other Significant Information Needed by an Investor to Make an Informed Assessment of the Entity's Financial Performance and Financial Position

Refer ASX announcement (Attachment 1) and financial statements (Attachment 2).

Commentary on the Results for the Period The earnings per security and the nature of any dilution aspects: Refer Note 24 in Attachment 2. Returns to shareholders including distributions and buy backs: N/A **Significant features of operating performance:** Refer ASX announcement (Attachment 1). The results of segments that are significant to an understanding of the business as a whole: Refer Note 23 in Attachment 2. **Discussion of trends in performance:** Refer ASX announcement (Attachment 1). Any other factor which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified: None.

Audit/Review Status

This report is based on accounts to which one of the following applies:				
(Tick one)				_
The accounts have	e been audited	$\overline{\mathbf{V}}$	The accounts have been subject to review	
The accounts are i	n the process of		The accounts have not yet been	
being audited or st	ubject to review		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: $N/A \\$				
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: Whilst the accounts are not subject to dispute or qualification, the audit report will contain an emphasis of matter in relation to the company and consolidated entity's ability to continue as a going concern.				
	ming Part of App	endix 4	E	
Attachment #	Details			
1	ASX Announcen			
2	Financial Stateme	ents		
Signed By (Direct Secretary)	tor/Company			
Print Name			Theodore Baker	
Date			12 September 2003	

ATTACHMENT 1 ASX ANNOUNCEMENT



STOCK EXCHANGE ANNOUNCEMENT

12 September, 2003

POWERLAN LIMITED

(ACN: 057 345 785)

ASX CODE: PWR

PRELIMINARY FINAL RESULTS 30 JUNE 2003

SYDNEY, Australia –Powerlan Limited (ASX: PWR), a group of software developers and vendors has achieved a net profit of \$2.5 million for the financial year (FY) ended 30 June 2003, based on revenues of \$71 million. Earnings before interest and tax (EBIT) was \$4.7 million.

These figures compare with a loss of \$142.5 million in FY 2001/02 on revenues of \$211 million.

Results summary

	2003	2002
	\$'000	\$'000
Sales revenue	61,025	202,440
Other revenues from ordinary activities	9,905	8,637
Total revenue	70,930	211,077
EBITDA	9,726	(135,127)
EBIT	4,707	(142,312)
Net profit/(loss) attributable to members of the parent entity	2,530	(142,452)

"The drop in turnover and rise in profits is in line with the transformation of our organisation from a high-volume reseller of other vendors' products, to a group of companies that develop and implement a range of software and services that meet the needs of specific industries," said Theo Baker, Chairman of Powerlan Limited.

ATTACHMENT 1 ASX ANNOUNCEMENT

"We have now completed the group's transition, having consolidated the operations into self contained, separately branded, operating companies. Non core businesses have been divested and the focus now is on strategic software and services where we own the Intellectual Property. This model, we believe, enables us to improve the inherent value of our organisation and have better control of our destiny.

"The new Powerlan business model provides a foundation for the creation of a reliable recurring income stream that is based on annual software licenses, subscription and maintenance fees for the supply of our mission critical technology. Diversification of the Powerlan business is achieved through the participation of the group's companies in a variety of industries such as banking and finance, telecoms and utilities, and other enterprises.

"We are pleased with the result, particularly as the Australian and global IT markets continue to face a difficult business environment," Mr Baker said. "We will continue to maintain a tight rein on costs as we strive to increase revenues and profitability."

Powerlan has continued to address legacy issues relating to its revenue model and debt payments, extinguishing some of those debts and having strategies in place for those remaining. The company still expects to occasionally experience negative operating cash flows for short periods over the coming year while it continues to meet legacy debts.

Powerlan's operation includes:

- Clarity that offers carrier-grade Operational Support Systems and Network Management Systems;
- **ConverterTechnology** that enables large businesses to cost-effectively migrate from one software platform or version to another.
- Garradin that offers a suite of software products aimed at investment managers;
- **IMX Software** that offers international monetary systems focused on travel money and foreign exchange; and
- Zento, a provider of managed services in the IT security and communications areas.

About Powerlan

Sydney-based Powerlan Limited is the holding company of a number of Australian software vendors, developing and implementing vertical solutions for enterprises both locally and internationally. One of its companies, Zento, also provides managed network and security services.

ATTACHMENT 1 ASX ANNOUNCEMENT

Each of the Powerlan companies provides a range of complementary specialist implementation and maintenance services such as consulting, business analysis, project management and software engineering.

Powerlan's diverse customer base includes high-profile organisations from Australia and overseas such as Macquarie Bank, Reliance Infocom (India), Sri Lanka Telecom, Perpetual Trustees, American Express (globally), Commerze Bank (Germany), Philippines Long Distance Telephone company and MyTravel (a major UK-based travel services provider).

Further information on Powerlan Limited, its companies, products, and customers, can be found at www.powerlan.com.au.

For more information:

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POWERLAN LIMITED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2003

		Consolidated	
		2003	2002
	Note	\$'000	\$'000
Sales revenue	2	61,025	202,440
Other revenues from ordinary activities	2	9,905	8,637
Total revenue from ordinary activities	2	70,930	211,077
Costs of goods sold	3(a)	(19,271)	(146,715)
Expenses from ordinary activities, excluding borrowing cost expenses	<i>3(a)</i>	(46,868)	(200,548)
Borrowing costs	<i>3(b)</i>	(2,204)	(2,245)
Share of net losses of associates accounted for using the equity method	<i>3(c)</i>	-	(5,389)
(Loss)/Profit from ordinary activities before income tax expense Income tax benefit/(expense) relating to ordinary activities	4	2,587 (57)	(143,820) 1,368
(Loss)/Profit from ordinary activities after related income tax (expense)/benefit		2,530	(142,452)
Net (loss)/profit attributable to outside equity interests		-	_
Net (loss)/profit attributable to members of the parent entity		2,530	(142,452)
Increase/(Decrease) in foreign currency translation reserve	16(a)	59	3,753
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity		59	3,753
Total changes in equity other than those resulting from	19	2,589	(138,699)
transactions with owners as owners			
Basic earnings per share (cents per share)	24	0.5	(37.1)
Diluted earnings per share (cents per share)	24	0.5	(37.1)

The Statement of Financial Performance is to be read in conjunction with the notes to the preliminary final report.

POWERLAN LIMITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2003

		Consolid	
		2003	2002
	Note	\$'000	\$'000
CURRENT ASSETS	20(a)	1.007	22 725
Cash	$\frac{20(a)}{5}$	1,007 10,444	23,725 30,719
Receivables	6	138	4,355
Inventories Other	7	808	2,584
TOTAL CURRENT ASSETS	•	12,397	61,383
NON-CURRENT ASSETS	_		
Receivables	5	-	1,439
Other financial assets	8	173	4,174
Property, plant and equipment	9	938	3,812
Intangible assets	10	44,490	58,953
Deferred tax assets	4	1,249	432
TOTAL NON-CURRENT ASSETS		46,850	68,810
TOTAL ASSETS		59,247	130,193
CURRENT LIABILITIES			
Payables	11	14,156	72,577
Provisions	12	1,053	5,081
Interest bearing liabilities	13	1,500	22,329
Current tax liabilities	4	-	757
Other	14	2,127	5,497
TOTAL CURRENT LIABILITIES		18,836	106,241
NON-CURRENT LIABILITIES			
Payables	11	14,961	4,496
Provisions	12	135	227
Interest bearing liabilities	13	3,239	190
Deferred tax liabilities	4	191	261
TOTAL NON-CURRENT LIABILITIES		18,526	5,174
TOTAL LIABILITIES		37,362	111,415
NET ASSETS		21,885	18,778
FOLLOW			
EQUITY Contributed equity	15	134,163	133,616
Reserves	16	2,264	2,205
Accumulated losses	17	(114,542)	(117,072)
Parent entity interest		21,885	18,749
Outside equity interest	18	-	29
TOTAL EQUITY	19	21,885	18,778

The Statement of Financial Position is to be read in conjunction with the notes to the preliminary final report

POWERLAN LIMITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2003

-		Consolio	dated
		2003	2002
	Note	\$'000	\$'000
Cash flows from operating activities			
Receipts from customers		60,185	270,986
Payments to suppliers and employees		(67,899)	(290,200)
Interest received		84	737
Borrowing costs paid		(788)	(1,182)
Dividends received		-	1
Income taxes refunded/(paid)		364	(1,346)
Net cash (used in) operating activities	<i>20(b)</i>	(8,054)	(21,004)
Cash flows from investing activities			
Payments for property, plant and equipment		(111)	(3,049)
Proceeds on disposal of non-current assets		10,708	7,915
Payments for controlled entities		(5,000)	(5,658)
Net cash (used in)/provided by investing activities		5,597	(792)
Cash flows from financing activities			
Proceeds from issue of shares		-	192
Loan proceeds from/(payment to) related parties		3,034	-
Loan payments to other entities		(11,238)	-
Proceeds from borrowings		-	10,229
Finance lease payments		-	(179)
Net cash provided by/(used in) financing activities		(8,204)	10,242
Net increase/ (decrease) in cash held		(10,661)	(11,554)
Cash at beginning of the financial year		11,668	23,222
Cash at end of the financial year	20(a)	1,007	11,668

The Statement of Cash Flows is to be read in conjunction with the notes to the preliminary final report.

NOTES TO AND FORMING PART OF THE PRELIMINARY FINAL REPORT

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

There have been no significant or material changes to the accounting policies adopted by Powerlan and its controlled entities from those used and described in Powerlan's 2002 Annual Report, except for the following:

Goodwill

The average goodwill amortisation rate has been accelerated from 20 years to 13 years. This has resulted in an additional \$1,248,232 of goodwill amortisation being charged to the Statement of Financial Performance in 2003.

	Consolie	dated
	2003 \$'000	2002 \$'000
NOTE 2: REVENUE		
Sales revenue		
Sale of goods	18,949	112,099
Services revenue	42,076	90,341
	61,025	202,440
Other revenue: Interest received	84	737
Dividend revenue	-	1
Sale of businesses - proceeds	9,821	7,899
-	9,905	8,637
Total revenue from ordinary activities	70,930	211,077

NOTE 3: PROFIT/(LOSS) FROM ORDINARY ACTIVITIES

Profit/(Loss) from ordinary activities before income tax has been determined after:

(a) Expenses		
Cost of sales	19,271	146,715
Expenses from ordinary activities, excluding borrowing costs:		
Write off of inventory and work in progress	-	5,936
Write off of non-current fixed assets to recoverable amounts	649	5,947
Leas e rental expenses	3,116	6,243
Depreciation of property, plant & equipment	1,237	3,231
Amortisation of intangibles/ goodwill	3,782	3,954
Write off of non-current investments to recoverable amount:		
- Other	-	6,155
Write off of loans	-	17,551
Employee expenses	27,542	57,143
Write off of intangible assets	3,227	71,533
Other expenses from ordinary activities	7,315	22,855
1	46,868	200,548

	Consolid	lated
	2003	2002
	\$'000	\$'000
NOTE 3: PROFIT/(LOSS) FROM ORDINARY		
ACTIVITIES (continued)		
(b) Other Revenues & Expenses:		
Individual (revenues)/ expenses included in profit from ordinary		
activities before income tax expense		
Net loss on disposal of non-current assets:		
- property, plant & equipment	-	3
Charges to provision for:		
- doubtful debts	(4,134)	1,254
- employee entitlements	1,501	420
Borrowing costs		
- other persons	2,204	2,245
Capital profit realised on 100% acquisition of Clarity	-	(3,901)
International Limited		
(c) Share of net losses of associates and joint ventures:		
Powerlan equity accounted for 38.9% of Clarity		
International Limited's losses for the period from 1	-	5,389
July 2001 to 31May 2002.		
NOTE 4: TAXATION		
Prima facie tax (benefit)/expense calculated at 30% (2002:		
30%) on the (loss)/profit from ordinary activities	776	(43,146)
Add tax effect of permanent differences:		
Non allowable amortisation of intangible assets	1,135	1,186
Non allowable write-off of intangible assets	968	21,460
Other non allowable items	132	120
Non-deductible write-off of loans	-	5,265
Research and development allowances	(75)	-
Non-assessable items	(94)	(1,170)
Non allowable write off investments	(2.705)	1,847
Timing differences not tax-effected	(2,785)	13,070
Income tax (benefit)/expense attributable to (loss)/profit from ordinary activities	57	(1,368)
Current tax liabilities	-	757
Deferred tax liability	191	261
Deferred tax assets	1,249	432

NOTES TO AND FORMING PART OF THE PRELIMINARY FINAL REPORT

Market value of listed investments: \$ 14,842 (2002: \$16,201)

	Consoli	dated
	2003	2002
	\$ '000	\$'000
NOTE 5: RECEIVABLES		
Current		
Trade debtors	12,028	39,982
Provision for doubtful debts	(1,812)	(12,152)
Total trade debtors	10,216	27,830
Other debtors	228	2,889
Total current receivables	10,444	30,719
Non-Current Assets		
Loans, other entities	_	_
Other debtors	_	1,439
Total non-current receivables	-	1,439
NOTE 6: INVENTORIES		
Finished goods – at cost	-	3,905
Work in progress – at cost	138	450
Total inventories	138	4,355
NOTE 7: OTHER ASSETS		
Current		
Prepayments	190	422
Deposits	507	1,111
Other	111	1,051
Total current other assets	808	2,584
NOTE 8: OTHER FINANCIAL ASSETS Non-Current		
Shares in other listed corporations – at cost	11	11
Shares in other entities – at cost	162	4,163
Total Investments	173	4,174
Total Investments	173	1,17

PRELIMINARY FINAL REPO					Consolidat	ed	
				200 \$'00		2002 \$'000	
NOTE 9: PROPERTY, PLANT	& EQUIP	MENT					
(a) Freehold Land– at cost					144	171	
(.,					144	171	
(b) Plant and equipment – at cost					4,748	12,556	
Less: accumulated depreciation					(4,218)	(10,347)	
•					530	2,209	
(c) Leasehold improvements – at	cost				111	572	
Less: accumulated depreciation					(98)	(336)	
•					13	236	
(d) Motor vehicles, at cost					70	217	
Less: accumulated depreciation	1				(61)	(122)	
					9	95	
(e) Furniture and fittings, at cost					485	3,997	
Less: accumulated depreciation	n				(288)	(3,220)	
(O.T					197	777	
(f) Leased Assets Plant, motor vehicles and equi	nment unde	r leace			93	892	
Less: accumulated amortisation	-	i icasc			(48)	(568)	
	-				45	324	
Total property, plant and equipme	ent				938	3,812	
Consolidated	Land & Buildings \$'000	Plant & Equipment \$'000	Leasehold Improvements \$'000	Motor Vehicles \$'000	Furniture & Fittings \$'000	Leased Assets \$'000	Total \$'000
Balance at the beginning of year	171	2,209	236	95	777	324	3,812
Additions	-	110	-	_	1		111
Disposals	-	-	-	(81)	-	-	(81)
Disposal/Write off of assets due to closure/sales of subsidiaries	-	(365)	(154)	-	(461)	(5)	(985)
Depreciation expense	-	(1109)	(35)	(5)	(81)	(7)	(1,237)
Assets scrapped	-	(309)	(34)	-	(39)		(649)
Net foreign currency exchange differences arising on the translation of the financial statements of self-sustaining foreign operations	(27)	(6)	-	-	-	_	(33)
Carrying amount at the end of year	144	530	13	9	197	45	938

TRELIMINARI FINAL REFORT	Consol	idated
	2003 \$'000	2002 \$'000
NOTE 10: INTANGIBLE ASSETS		
Goodwill - at cost	50,044	61,775
Accumulated amortization	(5,554)	(2,822)
Total intangibles	44,490	58,953
NOTE 11: PAYABLES		
Current		
Trade creditors	1,009	48,047
Other creditors	10,827 2,320	24,530
Other creditors (secured)*	14,156	72,577
Total unsecured current payables	14,130	12,311
Non-Current		
Trade creditors	2,319	5
Other creditors	11,442	4,491
Other creditors(secured)*	1,200 14,961	4,496
Total unsecured non-current payables	14,901	4,490
*Powerlan has entered into a Deed of Company Arrangement with		
the Administrators of ACN 056 159 963 Pty Ltd. This		
arrangement is secured by a registered mortgage debenture over		
the assets of the Australian companies of the Consolidated entity.		
NOTE 12: PROVISIONS		
Current		
Employee entitlements	1,053	2,281
Other	1.052	2,800
Total current provisions	1,053	5,081
Non-Current		
Employee entitlements	135	227
Total non current provisions	135	227
(a) Aggregate employee entitlements	1,188	2,508
	No.	No.
(b) Number of employees at year end	158	444

	Consoli	idated
	2003 \$'000	2002 \$'000
NOTE 13: INTEREST BEARING LIABILITIES	,	
Current Bank overdraft	_	12,057
Bank loan	-	10,170
Lease liability	-	102
Directors' loan (secured)*	1,500	-
Total current interest bearing liabilities	1,500	22,329
Non-Current		
Bank loan (secured)	-	59
Lease liability	2 220	131
Directors' loan (secured)*	3,239	190
Total non-current interest bearing liabilities	3,239	190
*Directors' loan is secured by a second registered mortgage debenture over the assets of the Powerlan Limited.		
NOTE 14: OTHER CURRENT LIABILITIES		
Unearned and advance revenue	2,127	5,497
Oncomined and advance revenue	2,127	5,497
NOTE 15: CONTRIBUTED EQUITY		
Paid-up Capital 468 225 120 (2002, 464 215 680) fully paid ordinary charge	134,163	133,616
468,225,139 (2002: 464,315,689) fully paid ordinary shares	134,103	133,010
Movement in paid up capital during the year		
Balance at the beginning of the financial year: 464,315,689 (2002: 358,726,417) fully paid shares	133,616	107,767
Exercise of options during the year		
629,210 fully paid ordinary shares on 12 November, 2001 77,733 fully paid ordinary shares on 28 February, 2002		159 33
Issue of shares during the year (on acquisition of businesses)		
Issue of shares during the year (on acquisition of businesses) 39.627.002 fully paid ordinary shares on 12 November, 2001	-	15,789
Issue of shares during the year (on acquisition of businesses) 39,627,002 fully paid ordinary shares on 12 November, 2001 469,403 fully paid ordinary shares on 02 January, 2002	-	
39,627,002 fully paid ordinary shares on 12 November, 2001	- - -	200
39,627,002 fully paid ordinary shares on 12 November, 2001 469,403 fully paid ordinary shares on 02 January, 2002 1,046,511 fully paid ordinary shares on 28 February, 2002 1,500,000 fully paid ordinary shares on 28 February, 2002	- - -	200 398 570
39,627,002 fully paid ordinary shares on 12 November, 2001 469,403 fully paid ordinary shares on 02 January, 2002 1,046,511 fully paid ordinary shares on 28 February, 2002 1,500,000 fully paid ordinary shares on 28 February, 2002 62,140,928 fully paid ordinary shares on 12 June, 2002	- - - -	200 398 570
39,627,002 fully paid ordinary shares on 12 November, 2001 469,403 fully paid ordinary shares on 02 January, 2002 1,046,511 fully paid ordinary shares on 28 February, 2002 1,500,000 fully paid ordinary shares on 28 February, 2002	- - - - - 547	15,789 200 398 570 8,700

TREEMINING THAT REPORT	Consol	idated
	2003 \$'000	2002 \$'000
NOTE 16: RESERVES		
Foreign Currency Translation Reserve (Note 16(a))	2,264	2,205
(a) Foreign Currency Translation Reserve	2,264	2,205
(a) Foreign Currency Translation Reserve		
Movement during the year:		
Balance at the beginning of the year	2,205	(1,548)
Add/(Less): Amount recognised upon conversion of foreign exchange balances of overseas controlled entities	59	3,753
Balance at the end of the year	2,264	2,205
The foreign currency translation reserve recognises exchange differences arising from the translation of the net assets of self sustaining foreign operations.		
NOTE 17: ACCUMULATED LOSSES		
Accumulated losses at the beginning of the year	(117,072)	25,380
Net profit/(loss) attributable to the members of the parent entity	2,530	(142,452)
Accumulated losses at the end of the year	(114,542)	(117,072)
NOTE 18: OUTSIDE EQUITY INTERESTS		
Outside equity interest comprises:		20
Share capital	-	29 29
		29

PRELIMINARY FINAL REPORT	Consol	idated
	2003	2002
NOTE 19: TOTAL EQUITY	\$'000	\$'000
Total equity at beginning of year	18,778	145,066
Total changes in equity recognised	2,589	(138,699)
In the statement of financial performance	2,369	(3,901)
Change in capital reserve on consolidation	(29)	(9,537)
Total change in outside equity interest Transactions with owners as owners:	(29)	(9,557)
	547	25,849
Contribution of equity Total equity at end of year	21,885	18,778
Total equity at end of year	21,003	10,770
NOTE 20: CASH FLOW INFORMATION		
(a) Reconciliation Of Cash		
Cash at bank	1,007	23,725
		23,725
Bank overdraft – secured	-	(12,057)
Total cash at end of period	1,007	11,668
b) Reconciliation of cash flow from operations with profit from		
ordinary activities after income tax		
PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME	2,530	(142,452)
TAX		
Non cash flows in profit from ordinary activities	(1.10.1)	
Provision for doubtful debts	(4,134)	1,254
Write-off of inventory and work in progress	-	5,936
Depreciation and amortisation	1,237	3,231
Write off of property, plant & equipment	649	5,947
Write off of investments	-	6,155
Realisation of capital reserve	-	(3,901)
Write off of other loans	3,782	17,551
Amortisation of intangibles	3,782	3,954
Write off of intangibles	3,227	71,533 5,389
Share of losses in Clarity International Limited	-	3,369
Net loss on disposal of property, plant and equipment	_	_
Change in assets and liabilities: (Increase)/decrease in trade debtors	19,781	25,710
(Increase)/decrease in inventories	3,845	6,760
Decrease/(increase) in other debtors and prepayments	3,263	(1,407)
(Increase)/decrease in other assets	6,584	(7,918)
(Increase)/decrease in future income tax benefit	(1,181)	789
Increase/(decrease) in provision for income tax liabilities	(295)	(6,101)
Increase/(decrease) in deferred tax liability	(70)	(1,968)
Increase/(decrease) in trade creditors and accruals	(41,224)	(10,815)
Increase/(decrease) in advanced billings/unearned income	(3,370)	(1,581)
Increase/(decrease) in other provisions	(2,678)	930
NET CASH FLOWS FROM OPERATING ACTIVITIES	(8,054)	(21,004)

NOTES TO AND FORMING PART OF THE PRELIMINARY FINAL REPORT

NOTE 20: CASH FLOW INFORMATION (continued)

- (c) Non Cash Financing And Investing Activities
 - 1) Plant and equipment

During the financial year, the consolidated entity acquired plant and equipment with an aggregate fair value of \$nil (2002: \$nil) by means of finance lease. These acquisitions are not reflected in the statement of cash flows.

2) Acquisition consideration
During the year fully paid ordinary shares amounting to \$547,323 (2002: \$23,099,730) were issued as part consideration for the acquisition of businesses.

	Conso	lidated
	2003 \$'000	2002 \$'000
NOTE 21: DIVIDENDS PAID OR PROPOSED		
Proposed ordinary dividend. Total dividends paid or provided		
Amount of retained profits and reserves as at 30 June 2003 that could be distributed out of existing credits or out of estimated credits arising from the payment of income tax in the following period		
NOTE 22: ASSOCIATED COMPANIES		
From 1 July 2001 to 31 May 2002 Powerlan had a 38.93% interest in Clarity International Limited, an associated company. From 1 June 2002 Clarity became a wholly owned subsidiary of Powerlan and the results for the month of June were fully consolidated in the financial statements of the group.		
a) Movements during the year in Equity accounted investments in Associated companies		
Balance at the beginning of the financial year	-	
Add: New investments during the year	-	6,00
Share of associated company (loss)/profit from	-	(E 200
ordinary activities after income tax	-	(5,389
Less: Dividend revenue from associated company Balance at end of the financial year		(612

NOTES TO AND FORMING PART OF THE PRELIMINARY FINAL REPORT

NOTE 23: SEGMENT REPORTING

Primary Segment

2003	Australia \$'000	South East Asia \$'000	Other \$'000	Intersegment Eliminations \$'000	Consolidated \$'000
Sales to customers outside the	Ψοσο	φοσο	φοσο	φυσυ	Ψ 000
economic entity	49,098	9,107	2,820	-	61,025
Other revenue	9,382	517	6	-	9,905
Total revenue	58,480	9,624	2,826	-	70,930
Share of net (losses)/profits of associates and joint ventures	-	-	-	-	-
(Loss)/profit from ordinary activities before income tax	3,568	(1,019)	38	-	2,587
Income tax revenue/(expense)	40	(1)	18	-	57
(Loss)/profit from ordinary activities after income tax	2,433	(486)	583	-	2,530
Total assets	58,001	700	546	-	59,247
Total liabilities	(26,509)	(7,655)	(3,198)	-	(37,362)
Net assets/(liabilities)	31,492	(6,955)	(2,652)	-	21,885
Other: Acquisition of non-current					
assets	104	-	7	-	111
Depreciation & amortisation	4,997	-	22	-	5,019
Non-cash expenses other than depreciation and amortisation	3,876	-	-	-	3,876

Secondary Segment

The economic entity operates in the information technology and telecommunications industry.

NOTES TO AND FORMING PART OF THE PRELIMINARY FINAL REPORT

NOTE 23: SEGMENT REPORTING (continued)

PRIMARY SEGMENT

2002	Australia \$'000	South East Asia \$'000	Other \$'000	Intersegment Eliminations C \$'000	Consolidated \$'000
Sales to customers outside the	Ψ 000	φοσο	φ σσσ	φοσο	φ 000
economic entity	162,654	38,071	1,715	-	202,440
Inter segment sales	8,648	-	12	(8,660)	-
Other revenue	7,272	1,340	25	-	8,637
Total revenue	178,574	39,411	1,752	(8,660)	211,077
Share of net (losses)/profits of					
associates and joint ventures	(5,389)	-	-	-	(5,389)
(Loss)/profit from ordinary activities before income tax	(126,023)	(15,028)	(2,769)	-	(143,820)
Income tax revenue/(expense)					1,368
(Loss)/profit from ordinary					(142,452)
activities after income tax					
Total assets	115,246	14,687	260	-	130,193
Total liabilities	(93,126)	(15,798)	(2,491)	-	(111,415)
Net assets/(liabilities)	22,120	(1,111)	(2,231)	-	18,778
Other:					
Acquisition of non-current					
assets	2,806	229	14	-	3,049
Depreciation & amortisation Non-cash expenses other than	6,042	980	163	-	7,185
depreciation and amortisation	93,378	12,548	2,450		108,376
depreciation and amortisation	93,376	12,346	2,430	-	100,570
					olidated
				2003 \$'000	2002 \$'000
NOTE 24: EARNINGS PER S	HARE				
Net profit/(loss) used in calculati	ng basic and c	liluted earning	gs per	2,530	(142,452)
Similar				No.	No.
Weighted average number of ord year used in the calculation of ba				467,882,39	3 384,155,656
Basic earnings per share (cents)				0	5 (37.1)
Diluted earnings per share (cents))			0	()

NOTES TO AND FORMING PART OF THE PRELIMINARY FINAL REPORT

NOTE 25: CONTROLLED ENTITIES ACQUIRED/DISPOSED

a) During the financial year Powerlan sold its shares in the following companies:
 APA Management Pty Ltd – sold 1 November 2002
 PT Powerlan Indonesia Limited – sold 6 November 2002
 Prophet Wealth Corporation Pty Ltd – sold 19 December 2002
 Entercorp Solutions Pty Ltd – sold 7 February 2003

(b) During the financial year Powerlan lost control of the following companies: ACN 056 159 963 Pty Ltd – control lost 15 August 2002 Netra Services Pty Ltd – control lost 12 December 2002

NOTES TO AND FORMING PART OF THE PRELIMINARY FINAL REPORT

NOTE 26: DISCONTINUING OPERATIONS

CONSOLIDATED \$000's

	\$000's					
		South East			South East	
SEGMENT	Australia 2003	Asia 2003	Total 2003	Australia 2002	Asia 2002	Total 2002
Financial performance						
Revenue from Ordinary Activities	18,614	9,530	28,144	133,281	29,924	163,205
Expenses from Ordinary Activities	(26,209)	(11,180)	(37,390)	(143,500)	(31,901)	(175,401)
Profit/(loss) on disposal of discontinuing assets	11,812	226	12,038	(614)	-	(614)
Intangibles written off	(2,386)	-	(2,386)	(89,656)	(12,548)	(102,204)
Segment result - profit/(loss)	1,831	(1,424)	407	(100,489)	(14,525)	(115,013)
Income tax (expense)/benefit	(17)	1	(16)	57	-	57
Net Profit/(Loss)	1,814	(1,423)	391	(100,432)	(14,525)	(114,957)
Financial position						
Segment Assets	1,230	548	1,778	29,162	10,547	39,709
Segment Liabilities	(2,803)	(1,084)	(3,887)	(21,840)	(9,622)	(31,463)
Net Assets	(1,573)	(536)	(2,109)	7,322	924	8,246
Cash flow						
Net cash (used in) operating activities	(2,178)	(1,702)	(3,880)	1,248	(9,648)	(8,400)
Net cash (used in) investing activities	7,993	108	8,101	130	- · · · · · · · · -	130
Net cash provided by financing activities	(1,271)	-	(1,271)	-	-	-
Net increase in cash held	4,544	(1,594)	2,950	1,378	(9,648)	(8,270)