



TechnologyOne's second R&D Centre, Fortitude Valley, Brisbane

Continuing Strong Growth

TechnologyOne Investor Update:
2008 Half Year Results

1 October 2007 to
31 March 2008

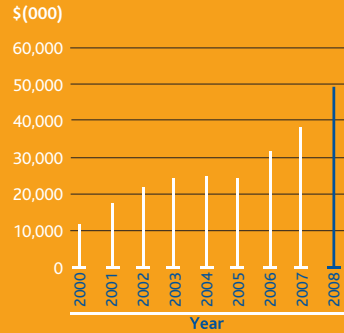


“TechnologyOne’s vision is to deliver comprehensive and deeply integrated enterprise software solutions that have a profound and positive affect on our customers’ business.”

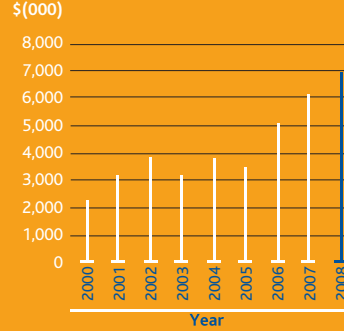
Adrian Di Marco
Executive Chairman

Our 2008 Half Year Highlights

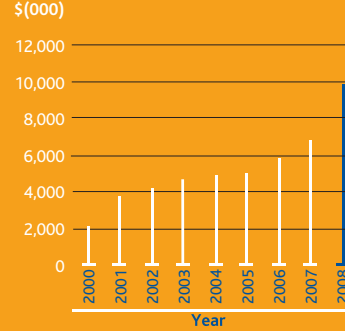
Revenue



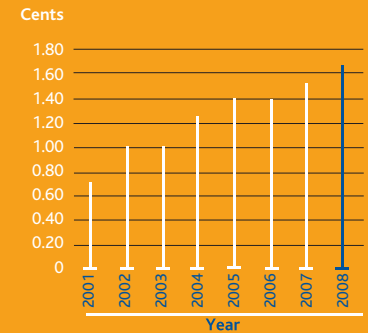
Net Profit After Tax



Research and Development



Dividend Per Share



2007 – 2008 Half Year end 31 March
2000 – 2006 Half Year end 31 December

Note1

TechnologyOne
has offices
throughout
Australia, New
Zealand, Asia,
and the UK.

TechnologyOne at a Glance

Our Finances

TechnologyOne has been continuously profitable since 1992, returning compound annual growth of 30% Net Profit After Tax and a return on Equity of 30% per annum.

Our Reach

TechnologyOne has 15 offices located in each State and Territory of Australia, New Zealand, Asia, and the UK.

Our Staff

We employ more than 600 people throughout our offices.

Did You Know...?

- TechnologyOne is one of the major providers of enterprise applications in the Australian and New Zealand markets
- Our customers include large corporations, government departments, universities and statutory authorities
- More than 15,000 people use TechnologyOne Financials every day
- 50% of universities in Australia are TechnologyOne customers
- We are one of the largest providers of enterprise software to Local Government, with more than 30% of Australasian rates notices produced using TechnologyOne software
- We have one of the largest installed software bases into Australia's Federal Government
- We are fast emerging as a major provider to the community services, asset intensive industries and the health care sectors
- Our new generation Business Intelligence, Human Resource & Payroll and Performance Planning solutions are gaining significant market penetration
- TechnologyOne's Connected Intelligence (Ci) enterprise suite sets a new standard in the way enterprise applications operate and is one of the largest Microsoft .NET projects undertaken in the world

Continuing Strong Growth

On behalf of Technology One Limited (TechnologyOne) I am pleased to announce our results for the half year ending 31 March 2008 showing continuing strong growth, with Revenue up 30% to \$49.5m, and Profit After Tax (PAT) up 15% to \$6.97m.

This result exceeds previous market commentary provided, that TechnologyOne first half results would be lower than the corresponding period last year, because "a number of large contracts are expected to be secured in the second half, and as such we expect the first half results for the new financial year to be quieter than normal."

Results from Existing Operations Up 22%

What is particularly pleasing is that the Results from Existing Operations (prior to Avand acquisition) was much stronger than originally expected, with Profit Before Tax (PBT) at \$9.7m which is 22% above the same period last year.

The unplanned acquisition of the Avand business that occurred in the first half, has contributed a loss of approximately \$700k to our results. As announced to the market at the time of the acquisition, our plan is that this business will be earnings neutral for the consolidated group by year end, as we integrate and re-align the business to our highly successful House of Products business model. Long term we are very excited about the opportunities and growth this business will provide us.

Letter to Shareholders

Profit After Tax
increased by
15% to \$6.97m.

Performance Highlights

Our continuing strong performance over many years is a direct result of our various strategic initiatives which have included our new generation Connected Intelligence (Ci) series of products, our new House of Products business model, as well as the substantial broadening of our enterprise suite of products.

Highlights of our results are as follows: ^{Note2}

- Total Revenue increased by 30% to \$49.5m
- Profit Before Tax (PBT) increased by 12.3% to \$8.95m
- Profit After Tax (PAT) increased by 15% to \$6.97m
- Total licence fees increased by 21% to \$12.1m
- Consulting revenue increased by 37% to \$15.1m
- Annual Licence & Support fees increased by 23% to \$14.3m
- Project Services revenue increased by 28% to \$5m
- Research & Development (R&D) increased 45% to \$9.8m, representing 20% of revenue
- Expenses excluding R&D increased 31% to \$30.7m

Expenses excluding R&D increased by 31%, as the company accelerated its efforts in the first half and put in place the infrastructure to meet the challenges of 15% to 20% growth for the full year, as well as continuing growth in the medium term.

Though R&D increased by 45% in the half year, R&D as a percentage of revenue was 20%, which is still within the company's guidelines for R&D expenditure, though slightly higher than the 18% achieved in previous periods.

Analysis by Region

All regions with the exception of the Asia Pacific region performed strongly.

Both Central region (New South Wales, Victoria and the Australian Capital Territory) and North West region (Queensland, South Australia, Western Australia and Tasmania) performed exceptionally strong.

Asia Pacific region (which includes New Zealand, Malaysia and Papua New Guinea) did not perform well, with profit contribution down significantly. The following actions have been taken:

- In Papua New Guinea, we are working to finalise the re-negotiations for a large contract there, which will return this area to profitability in the new financial year
- In New Zealand, we have commenced a restructure which we believe will make the operation a more manageable business and should allow us to substantially improve profitability over the next two years. We have created two separate operating units, one focused on the Wellington market and another focused on the Auckland (and rest of New Zealand) market
- In Malaysia, the loss improved marginally. We are considering a number of options for the Malaysian operation, which we plan to finalise in the next six months

The United Kingdom (UK) has continued to perform to expectations, with the signing of two new and strategically important contracts, Royal Liverpool Children's Hospital and the Institute of Education, a college of the federal University of London. We are targeting to achieve close to break even this year, which will be sooner than originally expected.

The United Kingdom has continued to perform to expectations.

TechnologyOne Financials, Supply Chain, Business Intelligence, Property & Rating and Works & Assets products were strong contributors in the first half.

Analysis by Product

TechnologyOne Financials, Supply Chain, Business Intelligence, Property & Rating and Works & Assets products were strong contributors in the first half, and we see continuing strong performance for the second half.

TechnologyOne Human Resource & Payroll continued to improve with licence fees increasing, and we are confident this product will in future years generate significant profits for the company.

TechnologyOne Student Management licence fees were down significantly, as expected in the first half, with no new licences. TechnologyOne Student Management is expected to be a strong contributor in the second half of the year.

TechnologyOne continued to invest heavily in our Enterprise Content Management (ECM) and Customer Relationship (CRM) products.

TechnologyOne Plus (Project Services) also performed well in the first half with revenue up significantly.

Guidance for the Full Year

TechnologyOne remains confident that it will deliver growth of between 15% and 20% above the 2006/2007 financial year. This is due to a number of factors as follows:

- Strong sales pipeline for the second half
- Avand business to break even by year end
- Strong committed annual licence and support revenue

Strong Sales Pipeline for the Second Half

The pipeline of opportunities for the second half is strong and well advanced. The implementation of a new Profit Forecasting and Pipeline Management solution, based on TechnologyOne's own enterprise suite, has provided greater visibility of our sales pipeline and provides us greater control over these opportunities. This system is critical to the management of the continuing strong growth we expect over the next few years.

Avand Business to Break Even By Year End

Secondly the substantial losses incurred as a result of the unexpected acquisition of the Avand business in the first half is expected to be stopped in the second half of this year. Our plan is that this business will be earnings neutral by year end. This will be achieved through a number of initiatives as follows:

- Alignment of the Avand business to the very successful TechnologyOne business model
- Appointment of a new General Manager to drive this business
- Leveraging the TechnologyOne brand
- Leveraging the TechnologyOne Shared Services Model for back-office functions which will lead to substantial cost savings

Strong Committed Annual Licence & Support Revenue

Another factor is our strong committed annual licence and support revenue in the second half. In the first half approximately \$14.3m of annual licence and support revenue was accounted for; while in the second half we have locked in commitments for \$21m of annual licence and support revenue which will be accounted for. The cost of providing these services will remain consistent between the halves, and as such this is expected to provide an additional \$6.7m contribution to the second half profit.

Given all these factors we remain confident of a strong second half year results and meeting our guidance.

In the second half
we have locked
in commitments
for \$21m of
annual licence and
support revenue.

Our Strategy

We continue to execute well against our strategy of diversifying our revenue base through the expansion of our enterprise product suite. Today we have a very broad range of enterprise products: Financials, Human Resource & Payroll, Supply Chain, Business Intelligence, Budgeting, Property & Rating, Performance Planning, Student Management, Works & Assets, and more recently Enterprise Content Management (ECM). Under development is a new Customer Relationship Management (CRM) product.

Our new House of Products business model is allowing us to bring a focus on each of these products to maximise their potential to the company. Over the next 12 months our focus will be to now maximise the sales potential of these products, by substantially expanding our Sales and Marketing team. We have developed a Strategic Plan for each product to achieve significant revenue growth over the next five years.

The recent acquisition of Avand, now TechnologyOne ECM, offers significant challenges to us in the next 12 months; but under our new House of Products business model we are confident it will also provide significant opportunities for strong growth in the coming years. We are currently finalising the appointment of a new General Manager to drive this business forward.

Our geographical expansion into the UK continues to gain momentum, with a strong pipeline of opportunities going forward. Our first product into this market, TechnologyOne Financials continues to be well received because of its leading edge functionality and our new Connected Intelligence platform. We remain excited about the significant opportunities for growth in this new market.

TechnologyOne will continue to look for further acquisitions that extend our enterprise product suite, that have potential value to our existing customers and that also extend the size of our customer base.

As previously foreshadowed we have now appointed a new Operating Officer (OO) Corporate Services, to bring together our corporate services functions that will underpin our House of Products business model: Accounts, Internal Systems Support, Applications, HR & Payroll, Administration, etc. A significant focus will be on providing a 'shared service' to each of our business units, to gain synergies as well as to provide new and sophisticated management systems to support our growth over the next five years.

One of the significant challenges we continue to face in the coming years, is that of finding staff to meet our continuing strong growth. In the last six months our staff numbers have increased by 133 staff (27%). To assist in the area of resourcing we have entered into an off shore arrangement with an Indonesian based software company to provide software development services, as an extension to our R&D centre. To date the results have been very good.



Melissa Harding, Solutions Manager, Local Government and Kelly Whittle, Product Functional Architect

Note 1: The company has paid a dividend continuously since listing in 1999. There was no dividend declared for the comparative period of 31 March 2007, as at that time, 31 March did not signify a half year end. For the last half year, which was six months ended 31 December 2006, the Directors declared a dividend of 1.52 cents per share.

Note 2: The results are compared to the previous corresponding period, which was the period ending 31 March 2007, and are un-audited and un-reviewed.

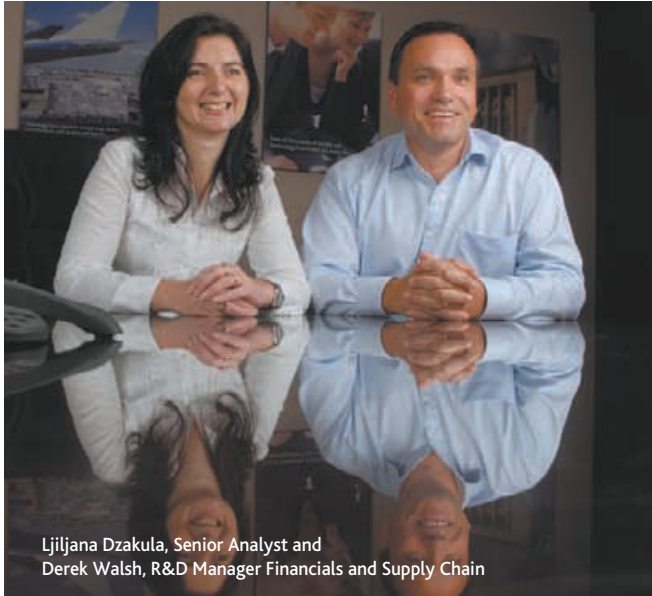
Dividend

TechnologyOne remains confident about meeting our expected growth for the financial year; and as such has increased the interim dividend by 10% to 1.67 cents per share. ^{Note2}

Afterword

I would like to once again acknowledge the creative work and dedication to excellence of the TechnologyOne team. It is an honour to lead such a talented team of people who are committed to our goal of becoming one of the world's great business software companies.

Adrian Di Marco
Executive Chairman



Ljiljana Dzakula, Senior Analyst and
Derek Walsh, R&D Manager Financials and Supply Chain

TechnologyOne delivers deeply integrated software solutions for business, government, financial services, health and community services, education and the utilities sectors:

- TechnologyOne Financials
- TechnologyOne Human Resource & Payroll
- TechnologyOne Supply Chain
- TechnologyOne Budgeting
- TechnologyOne Business Intelligence
- TechnologyOne Performance Planning
- TechnologyOne Property & Rating
- TechnologyOne Student Management
- TechnologyOne Works & Assets
- TechnologyOne Enterprise Content Management (ECM)

We employ more than 600 people and have offices in each State and Territory of Australia, New Zealand, Asia and the United Kingdom.



For more information, visit our website www.TechnologyOneCorp.com