

Highlights

- Revenue to 31 December 2008 up 51% over the same period last year to \$ 4.2m.
- Earnings to 31 December 2008 increased by \$404k (116%) over the same period last year.
- Canon and Softlog team up to win deal with well known Tier 1 legal practice.
- Two innovative new products launched to the market.
- Continues to pay dividends.

Dear Shareholder

As Stratatel shareholders are aware businesses are operating in challenging economic conditions.

Stratatel is not immune from these conditions and whilst we remain cautiously optimistic of achieving our revenue and earnings targets for 2009, we are starting to see organisations purchasing decisions being deferred.

The extent to which these deferrals are short term (before June 30) or are put on hold indefinitely is too early to tell.

However, I can report that the Company has aggressive marketing activities underway around the theme of cost reduction.

Our products “defensive” themes position the Company well where Finance Departments are required to examine their operating costs more closely to achieve savings targets.

This focus has seen an uplift in our sales pipeline for FleetManager from existing Phoneware customers and new prospects.

Phoneware Integration

The integration of the Phoneware business into the Stratatel Group and with the FleetManager division is now complete.

The “new look” Phoneware support team

Profitability and Growth

Given the current economic conditions the Company has maintained its cautious but optimistic outlook and is satisfied with earnings performance for the six months to 31 December 2008.

Over this period the Company delivered increased revenue, up **\$1.4m** or 51% over

the previous corresponding period being the six months to 31 December 2007 (2008: \$4.2m, 2007: \$2.8m).

Earnings before interest, taxation, depreciation and amortisation (EBITDA) were significantly higher, with an EBITDA of \$851k, up 116% over the previous

Half Year to 31 December 2008	2008 \$'s	Change
Revenue	4,221,293	+51%
EBITDA	850,605	+116%
EBIT	720,377	+132%
Net Profit before Tax	751,243	+116%
Net Profit after Tax	820,518	+16%

is making an excellent contribution to customer satisfaction and retention which contributes to the overall value of the Company.

The original objectives of improving client retention and securing “quick wins” have been achieved notwithstanding client and revenue retention is an ongoing top priority throughout the Company.

In terms of the Softlog division the sales team continue to work hard to achieve new business.

Whilst sales have been slightly lower than expected the Softlog sales pipeline is growing and management’s expectation is that the second half of the fiscal year should be more lucrative, notwithstanding further deterioration in the world economy.

Importantly, sales have commenced through our association with Canon and we are hopeful of a fruitful next six months.

Product Development

The Company is committed to researching and developing new products to market to our client base of approximately 1500 corporate, government and professional services clients.

By maintaining our own R&D capability we maintain control over intellectual property (IP) and have the ability to fast track features and functionality to meet client and market demand, thus generating

future revenues.

With this in mind, the Company has embarked on building and embedding a culture of innovation and creativity that will ultimately lead to new products and services.

I am pleased to report to you that this initiative is already yielding promising ideas and concepts for further analysis and modelling.

Furthermore, Stratatel is set to release exciting new software solutions to clients in the first half of the 2009 calendar year.

Dividends

The Board’s current intention is to continue to pay regular dividends.

Acquisitions

The Company continues to examine acquisition opportunities ranging from expense and asset management to outsourcing and software services.

It is the Board’s view that acquisitions will compliment the existing organic growth profile of the Company.

Once again I thank you for your continued support of the Company and look forward to updating you again.

Mike Fairclough
CEO

corresponding period (2007: \$391k).

The FleetManager / Phoneware business unit (including the FleetManager® and CADS® solutions) has been performing in line with expectations. New opportunities continue to emerge in a market very focussed on cost control.

FleetManager / Phoneware revenue has been growing throughout the period, increasing to \$3m in the first half of 2008/2009 (\$1.7m in the same period the previous year).

Softlog sales have been slightly below expectations, delivering revenue of \$1.1m, around the same as the previous corresponding period.

Customer Retention

Substantial effort has occurred throughout Stratatel targeting the retention of customers as part of a refreshed client retention plan. Some of the elements and initiatives can be seen below.

A program aimed at standardising FleetManager® functionality has been rolled-out to customers resulting in customers gaining access to a number of reports and functions that were previously designated as client specific.

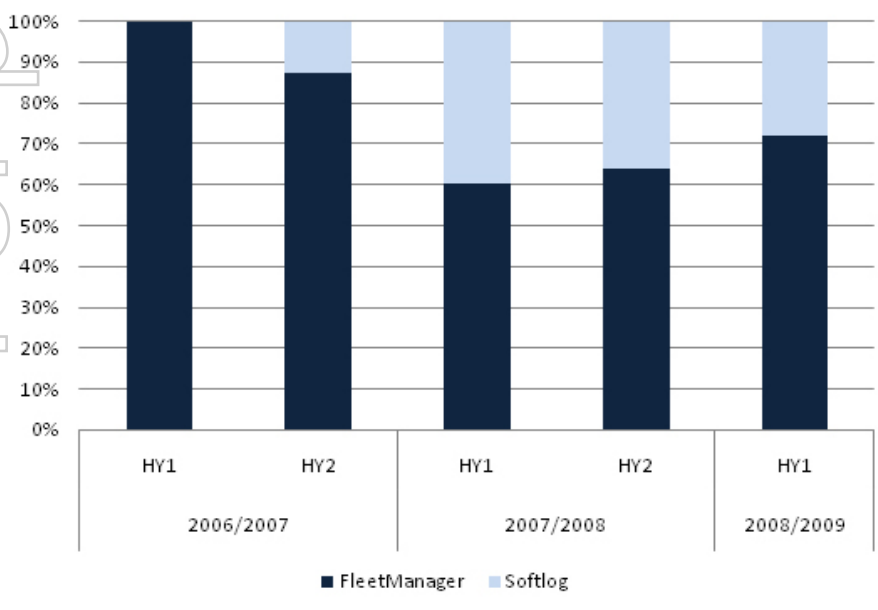
Integrated with a series of FleetManager® training sessions for Finance Managers and Administrators, the FleetManager® Breakfast Sessions were designed to ensure customers maximize the benefit of their FleetManager® system. In excess of 18% of FleetManager® customers attended these sessions, with good feedback received.

Following the acquisition of Phoneware last May, a key focus has remained on the integration of the FleetManager and Phoneware businesses. This has resulted

in Stratatel customers now having access to a broader range of solutions enabling improved product fit and outcomes for customers. This also provided the opportunity to restructure the client services teams and review the client management tools in order to maximize retention.

Upgrade programs across Softlog® and FleetManager® have been performed with 20% of the FleetManager® client base migrating to a more sophisticated product over the past six months, and 75% of the targeted Softlog customers migrating.

Consolidated Revenue Contribution by Business Unit



Sales and Marketing

Stratatel's marketing capability continues to develop in line with the growth of Stratatel. The marketing team in Stratatel is strongly aligned with the sales team and a primary focus of developing campaigns aimed at maximising sales activities.

The relationship with Canon specifically, and other dealers in general, continues to grow with Stratatel presenting at various times over the past six months to both Canon's and other dealers' teams and Canon's customers and prospects.

This directly led to Canon and Softlog working together to secure a contract with a major legal practice in Melbourne. This will be a staged roll-out of the Softlog Enterprise suite, including the Canon OnBoard integrated solution for Canon Multi-Function Devices (MFDs).

Additionally, activity through NSW ALPMA (Australian Legal Practice Management Association) has continued, with various marketing activities throughout the period including participation in the 3rd Annual Lawtech Summit and Awards in September 2008.

Innovation

Substantial research and development has been undertaken on a number of key FleetManager®, CADS® and Softlog® products and modules over the past months.

Recognising that innovation is of paramount importance, and building on the Company's capability as a provider of technology based solutions, Stratatel has recently completed a series of Innovation Workshops in our Sydney, Brisbane and Perth offices.

These workshops identified a number of opportunities that could have strategic significance to the Company. They are being researched and assessed and the Company is confident that a number of these will pass from concept to product in the coming years.

CADS® PhoneBook™ is notable in that it provides capability that interfaces with both the FleetManager® and CADS® products for the first time.

The Data Collections Suite (DCS™) replaces the older Universal Collection Interface (UCI™) which provided the ability to more seamlessly collect call data from various sources, such as PABX's. The DCS™ has been a collaborative work between the FleetManager® and Softlog® development team to create a scalable, reliable and robust solution to the data collection requirements for our clients.

From the Softlog business comes Softlog. CostManager™, an enhanced and updated version of the already well recognised and respected Softlog.Enterprise™.

Softlog.CostManager™ extends the target market of legal and professional firms to the broader corporate market; providing organisations with the ability to monitor, track and allocate costs associated with printing, scanning, faxing etc. Softlog.

CostManager™ has the real benefit for companies of reducing overall costs while benefiting the environment through substantially reduced paper and printing. In addition to cost benefits, Softlog. CostManager™ is expected to assist organisations in being "green friendly."

Since the internal launch of Softlog. CostManager™ in November 2008 a number of prospects have indicated a significant level of interest, with sales already secured and emerging opportunities.

Softlog's latest innovation is softlog. mobile™. This new module ensures organisations capture the cost of mobile phone calls. softlog.mobile™ is due to be launched in April 2009.

Global Industry Classification Standard (GICS)

As part of our ongoing review of our business it was decided that Stratatel Limited should not be categorised as a Telecommunications Services company under the Global Industry Classification Standard (GICS) and have required that the Company be reclassified as an Information Technology company, which is more in line with our business and operations.

The change of the GICS classification, which took effect on 17 February 2009, means that Stratatel share details will now be found in the Information Technology section of the stock exchange pages of the financial newspapers.

Correction

It has recently come to the attention of the Company that an error was presented in the Company's Appendix 4D and Half Year results announcement lodged on 27 February 2009 .

While the total figure for Net Profit After Tax was correct, the Earnings Per Share calculation incorrect. This was incorrectly stated as 0.9 cents per share for the period to 31 December 2008 when it should have been stated as 0.72 cents per share.

The Company apologises for this error.

Stratatel in the media

"Softlog.Enterprise delivers a completely integrated solution capable of managing all Canon imageRUNNER output using individual client billing codes"

Kevin Ferrari, Enterprise Solutions Marketing Manager, June 2008, Canon website.

"Canon, in conjunction with Stratatel Group, has also developed software called Softlog.Enterprise that allows a business to track, analyse and allocate the cost of every document that has been scanned, copied, faxed, printed or emailed from its devices. It's particularly useful for those who bill in incremental time units."

Chris Sheedy, Management Today, October 2008 Issue

It has also been noted that the effect of tax benefit on the EPS calculation can be confusing. The Company will be reporting Earnings Per Share before taxation until the Company's prior year tax losses are fully utilised.

Company update

STRATATEL

Summary

The Company remains cautiously optimistic with regard to revenue and earnings outlook, notwithstanding further deterioration in the world economy. This is due to:

- blue chip corporate government and professional service client base of approx. 1500 customers
- improvement in service delivery
- defensive nature of product offerings; leads to a growing pipeline of sales opportunities in this economic environment
- key sales partners presenting sales opportunities
- multiple sales and marketing programmes in progress to yield sales opportunities
- development and release of new products to market to customers in mid 2009
- a clutch of large "deals" in the pipeline

Security Details

Symbol: STE Issuer name: Stratatel Ltd
Last price (as at 09/03/09): \$0.055 FPO Shares on issue: 113,671,216

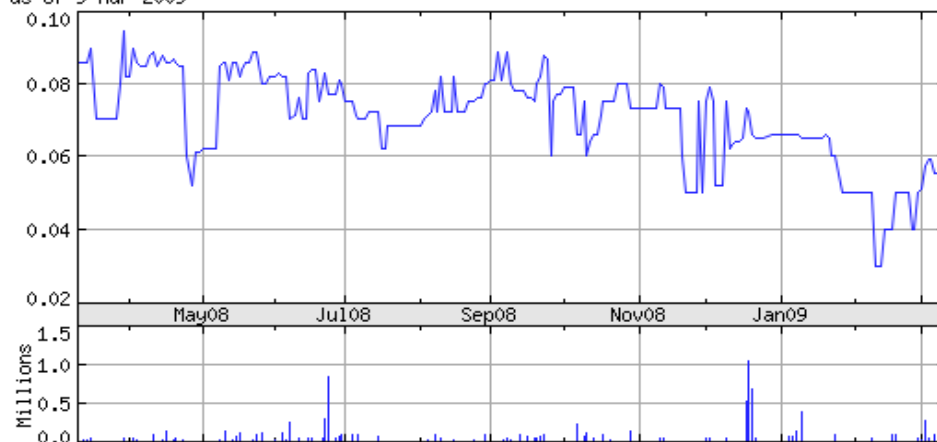
Dividend History

Dividend Amount	Ex Div. Date	Record Date	Date Payable	% Franked	Type
0.25c	18/03/2009	24/03/2009	14/04/2009	0%	Interim
0.25c	25/09/2008	01/10/2008	17/10/2008	0%	Full
0.25c	17/03/2008	25/03/2008	08/04/2008	0%	Interim
0.25c	25/09/2007	02/10/2007	15/10/2007	0%	Full

Note: Only the last four dividend distributions are shown

Trading History

STRATATEL
as of 9-Mar-2009



Shareholder Information

Please contact Computershare Investor Services Pty Ltd to change your address, email or to sign up for electronic shareholder communication.

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