

Appendix 4B (rule 4.13(b))

Half yearly

Introduced 1/7/2000.

Name of entity

Protel International Limited

ACN, ARBN or ARSN

009 568 772

Half yearly
(tick)



Preliminary
final (tick)



Half year ended ('current period')

31st December, 2000

For announcement to the market

Extracts from this report for announcement to the market (see note 1).

\$A'000

Revenues from ordinary activities (item 1.1)	Up	117%	To	23,670
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members (item 1.20)	Up	174%	to	5,024
Profit (loss) from ordinary activities after tax attributable to members (item 1.23)	Up	174%	to	5,024
Profit (loss) from extraordinary items after tax attributable to members (item 2.5(d))	gain (loss) of	N/A		
Net profit (loss) for the period attributable to members (item 1.11)	up	174%	to	5,024
Dividends (distributions)		Amount per security		Franked amount per security
Final dividend (<i>Preliminary final report only - item 15.4</i>)				
Interim dividend (<i>Half yearly report only - item 15.6</i>)		3.5 ¢		-¢
Previous corresponding period (<i>Preliminary final report - item 15.5; half yearly report - item 15.7</i>)		-¢		-¢
+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (see item 15.2)	2nd March 2001			

+ See chapter 19 for defined terms.

Consolidated profit and loss account

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Revenues from ordinary activities	23,670	10,884
1.2 Expenses from ordinary activities (<i>see items 1.24 + 12.5 + 12.6</i>)	(16,131)	(8,191)
1.3 Borrowing costs	(22)	(59)
1.4 Share of net profit (loss) of associates and joint venture entities (<i>see item 16.7</i>)	-	-
1.5 Profit (loss) from ordinary activities before tax	7,517	2,634
1.6 Income tax on ordinary activities (<i>see note 4</i>)	(2,493)	(800)
1.7 Profit (loss) from ordinary activities after tax	5,024	1,834
1.8 Profit (loss) from extraordinary items after tax (<i>see item 2.5</i>)	-	-
1.9 Net profit (loss)	5,024	1,834
1.10 Net profit (loss) attributable to outside *equity interests	-	-
1.11 Net profit (loss) for the period attributable to members	5,024	1,834

Consolidated retained profits

1.12 Retained profits (accumulated losses) at the beginning of the financial period	12,861	4,843
1.13 Net profit (loss) attributable to members (<i>item 1.11</i>)	5,024	1,834
1.14 Net transfers to and from reserves	-	-
1.15 Net effect of changes in accounting policies	-	-
1.16 Dividends and other equity distributions paid or payable	(4,446)	-
1.17 Retained profits (accumulated losses) at end of financial period	13,439	6,677

Profit restated to exclude amortisation of goodwill	Current period \$A'000	Previous corresponding period \$A'000
1.18 Profit (loss) from ordinary activities after tax before outside equity interests (<i>items 1.7</i>) and amortisation of goodwill	5,024	1,834
1.19 Less (plus) outside *equity interests	-	-
1.20 Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	5,024	1,834

Profit (loss) from ordinary activities attributable to members

+ See chapter 19 for defined terms.

		Current period \$A'000	Previous corresponding period \$A'000
1.21	Profit (loss) from ordinary activities after tax <i>(item 1.7)</i>	5,024	1,834
1.22	Less (plus) outside +equity interests	-	-
1.23	Profit (loss) from ordinary activities after tax, attributable to members	5,024	1,834

Revenue and expenses from ordinary activities

AASB 1004 requires disclosure of specific categories of revenue and AASB 1018 requires disclosure of expenses from ordinary activities according to either their nature or function. Entities must report details of revenue and expenses from ordinary activities using the layout employed in their accounts. See also items 12.1 to 12.6.

		Current period \$A'000	Previous corresponding period \$A'000
1.24	Revenue from operating activities	22,017	10,317
	Revenue from outside operating activities	1,653	567
	Revenue from ordinary activities	23,670	10,884
	Changes in inventories of finished goods	48	8
	Raw materials & consumables used	(979)	(686)
	Employee benefits expense	(7,597)	(3,715)
	Depreciation & amortisation	(1,765)	(596)
	Borrowing costs	(22)	(59)
	Other expenses from ordinary activities	(5,838)	(3,202)

+ See chapter 19 for defined terms.

Intangible and extraordinary items

		<i>Consolidated - current period</i>			
		Before tax \$A'000	Related tax \$A'000	Related outside +equity interests \$A'000	Amount (after tax) attributable to members \$A'000
		(a)	(b)	(c)	(d)
2.1	Amortisation of goodwill	-	-	-	-
2.2	Amortisation of other intangibles	1,387	(205)	-	1,182
2.3	Total amortisation of intangibles	1,387	(205)	-	1,182
2.4	Extraordinary items (details)	-	-	-	-
2.5	Total extraordinary items	-	-	-	-

Comparison of half year profits

(Preliminary final report only)

		Current year - \$A'000	Previous year - \$A'000
3.1	Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year (item 1.23 in the half yearly report)	N/A	N/A
3.2	Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	N/A	N/A

+ See chapter 19 for defined terms.

Consolidated balance sheet		At end of current period \$A'000	As shown in last annual report \$A'000
Current assets			
4.1	Cash	30,628	30,439
4.2	Receivables	7,165	8,203
4.3	Investments	-	-
4.4	Inventories	298	251
4.5	Income tax receivable	211	250
4.6	Other (provide details if material)	359	574
		38,661	39,717
4.7	Total current assets		
Non-current assets			
4.8	Receivables	-	-
4.9	Investments (equity accounted)	-	-
4.10	Other investments	-	-
4.11	Inventories	-	-
4.12	Exploration and evaluation expenditure capitalised (see para .71 of AASB 1022)	-	-
4.13	Development properties (+mining entities)	-	-
4.14	Other property, plant and equipment (net)	1,735	1,553
4.15	Intangibles (net)	46,680	43,688
4.16	Future income tax benefit	2,505	3,627
4.17	Other (provide details if material)	266	197
		51,186	49,065
4.18	Total non-current assets		
4.19	Total assets	89,847	88,782
Current liabilities			
4.19	Payables	3,247	3,853
4.20	Interest bearing liabilities	437	566
4.21	Provisions	500	540
4.22	Other (provide details if material)	3,227	4,241
		7,411	9,200
4.24	Total current liabilities		
Non-current liabilities			
4.25	Payables	-	-
4.26	Interest bearing liabilities	19	236
4.22	Deferred income tax liability	1,549	1,202
4.27	Provisions	144	125
4.28	Other (provide details if material)	-	-
		1,712	1,563
4.29	Total non-current liabilities		
4.30	Total liabilities	9,123	10,763
4.31	Net assets	80,724	78,019

+ See chapter 19 for defined terms.

Consolidated balance sheet continued

	Equity		
4.32	Capital/contributed equity	67,285	65,158
4.33	Reserves	-	-
4.34	Retained profits (accumulated losses)	13,439	12,861
4.35	Equity attributable to members of the parent entity	80,724	78,019
4.36	Outside +equity interests in controlled entities	-	-
4.37	Total equity	80,724	78,019
4.38	Preference capital included as part of 4.33	-	-

Exploration and evaluation expenditure capitalised

To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit.

	Current period \$A'000	Previous corresponding period - \$A'000
5.1	Opening balance	N/A
5.2	Expenditure incurred during current period	N/A
5.3	Expenditure written off during current period	N/A
5.4	Acquisitions, disposals, revaluation increments, etc.	N/A
5.5	Expenditure transferred to Development Properties	N/A
5.6	Closing balance as shown in the consolidated balance sheet (item 4.11)	N/A

Development properties

(To be completed only by entities with mining interests if amounts are material)

	Current period \$A'000	Previous corresponding period - \$A'000
6.1	Opening balance	N/A
6.2	Expenditure incurred during current period	N/A
6.3	Expenditure transferred from exploration and evaluation	N/A
6.4	Expenditure written off during current period	N/A
6.5	Acquisitions, disposals, revaluation increments, etc.	N/A
6.6	Expenditure transferred to mine properties	N/A
6.7	Closing balance as shown in the consolidated balance sheet (item 4.12)	N/A

Consolidated statement of cash flows

+ See chapter 19 for defined terms.

		Current period \$A'000	Previous corresponding period - \$A'000
Cash flows related to operating activities			
7.1	Receipts from customers	21,692	9,706
7.2	Payments to suppliers and employees	(13,597)	(8,224)
7.3	Dividends received from associates	-	-
7.4	Other dividends received	-	-
7.5	Interest and other items of similar nature received	750	537
7.6	Interest and other costs of finance paid-borrowing cost	(22)	(60)
7.7	Income taxes paid	(985)	(625)
7.8	Other (provide details if material)	-	-
		7,838	1,334
7.9	Net operating cash flows		
Cash flows related to investing activities			
7.10	Payment for purchases of property, plant and equipment	(666)	(284)
7.11	Proceeds from sale of property, plant and equipment	125	23
7.12	Payment for purchases of equity investments	(2,954)	(221)
7.13	Proceeds from sale of equity investments	-	-
7.14	Loans to other entities	-	-
7.15	Loans repaid by other entities	-	-
7.16	Payment for technology acquisitions and licenses	(1,489)	(64)
		(4,984)	(546)
7.17	Net investing cash flows		
Cash flows related to financing activities			
7.18	Proceeds from issues of +securities (shares, options, etc.)	2,127	30,000
7.19	Proceeds from borrowings	-	-
7.20	Repayment of borrowings	(346)	(1,483)
7.21	Dividends paid	(4,446)	-
7.22	Repayment of lease liability	-	(151)
7.23	Share issue transaction costs	-	(1,774)
		(2,665)	26,592
7.24	Net financing cash flows		
7.25	Net increase (decrease) in cash held	189	27,380
7.26	Cash at beginning of period (see Reconciliation of cash)	30,439	2,140
7.27	Exchange rate adjustments to item 7.25.	-	-
7.28	Cash at end of period (see Reconciliation of cash)	30,628	29,520

+ See chapter 19 for defined terms.

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

N/A

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A'000	Previous corresponding period - \$A'000
8.1 Cash on hand and at bank	13,225	29,515
8.2 Deposits at call	17,403	5
8.3 Bank overdraft	-	-
8.4 Other (provide details)	-	-
8.5 Total cash at end of period (item 7.27)	30,628	29,520

Ratios	Current period	Previous corresponding Period
9.1 Profit before tax / revenue Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	31.8%	25.5%
9.2 Profit after tax / +equity interests Consolidated net profit (loss) from ordinary activities after tax attributable to members (item 1.9) as a percentage of equity (similarly attributable) at the end of the period (item 4.33)	6.2%	4.6%

Earnings per security (EPS)	Current period	Previous corresponding period
10.1 Calculation of the following in accordance with AASB 1027: <i>Earnings per Share</i>		
(a) Basic EPS	6.9 cents	3.1 cents
(b) Diluted EPS (if materially different from (a))	6.8 cents	2.8 cents
(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	72,675,540	59,805,362

+ See chapter 19 for defined terms.

NTA backing <i>(see note 7)</i>	Current period	Previous corresponding period
11.1 Net tangible asset backing per +ordinary security	45.9 cents	49.4 cents

Details of specific receipts/outlays, revenues/ expenses

	Current period \$A'000	Previous corresponding period - \$A'000
12.1 Interest revenue included in determining item 1.5	750	537
12.2 Interest revenue included in item 12.1 but not yet received (if material)	-	-
12.3 Interest costs excluded from borrowing costs, capitalised in asset values	-	-
12.4 Outlays (except those arising from the +acquisition of an existing business) capitalised in intangibles (if material)	229	539
12.5 Depreciation and amortisation (excluding amortisation of intangibles)	378	220
12.6 Other specific relevant items not shown in item 1.24 <i>(see note 15)</i>	-	-

Control gained over entities having material effect

13.1 Name of entity (or group of entities)	N/A
13.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) since the date in the current period on which control was +acquired	N/A
13.3 Date from which such profit has been calculated	N/A
13.4 Profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) for the whole of the previous corresponding period	N/A

+ See chapter 19 for defined terms.

Loss of control of entities having material effect

14.1	Name of entity (or group of entities)	N/A
14.2	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) for the current period to the date of loss of control	N/A
14.3	Date to which the profit (loss) in item 14.2 has been calculated	N/A
14.4	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) while controlled during the whole of the previous corresponding period	N/A
14.5	Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	N/A

Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: Financial Reporting by Segments. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this report. However, the following is the presentation adopted in the Appendices to AASB 1005 and indicates which amounts should agree with items included elsewhere in this report.

Segments

See attachment
1

Operating Revenue

Sales to customers outside the economic entity

Inter-segment sales

Unallocated revenue

Total revenue

Segment result

Unallocated expenses

Consolidated profit (loss) from ordinary activities before tax (equal to item 1.5)

Segment assets)	<i>Comparative data for segment assets should be as at the end of the previous corresponding period.</i>
Unallocated assets)	
Total assets (equal to item 4.17))	

Dividends (in the case of a trust, distributions)

15.1	Date the dividend (distribution) is payable	16th March 2001
15.2	+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of registrable transfers received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved)	2nd March 2001
15.3	If it is a final dividend, has it been declared? (Preliminary final report only)	N/A

+ See chapter 19 for defined terms.

Amount per security

		Amount per security	Franked amount per security at 34% tax	Amount per security of foreign source dividend
15.4	<i>(Preliminary final report only)</i> Final dividend: Current year	- ¢	- ¢	- ¢
15.5	Previous year	6.0¢	6.0¢	- ¢
15.6	<i>(Half yearly and preliminary final reports)</i> Interim dividend: Current year	3.5 ¢	- ¢	- ¢
15.7	Previous year	- ¢	- ¢	- ¢

Total dividend (distribution) per security (interim plus final)

(Preliminary final report only)

	Current year	Previous year
15.8 +Ordinary securities	- ¢	- ¢
15.9 Preference +securities	- ¢	- ¢

Half yearly report - interim dividend (distribution) on all securities or Preliminary final report - final dividend (distribution) on all securities

	Current period \$A'000	Previous corresponding period - \$A'000
15.10 +Ordinary securities	2,668	0
15.11 Preference +securities	0	0
15.12 Other equity instruments	0	0
15.13 Total	2,668	0

The +dividend or distribution plans shown below are in operation.

NIL

The last date(s) for receipt of election notices for the +dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions)

None

+ See chapter 19 for defined terms.

Details of aggregate share of profits (losses) of associates and joint venture entities

		Current period \$A'000	Previous corresponding period - \$A'000
16.1	Profit (loss) from ordinary activities before income tax	N/A	N/A
16.2	Income tax on ordinary activities	N/A	N/A
16.3	Profit (loss) from ordinary activities after income tax	N/A	N/A
16.4	Extraordinary items net of tax	N/A	N/A
16.5	Net profit (loss)	N/A	N/A
16.6	Outside +equity interests	N/A	N/A
16.7	Net profit (loss) attributable to members	N/A	N/A

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from xx/xx/xx") or disposal ("to xx/xx/xx").

<i>Name of entity</i>	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (item 1.9)	
	Current period	Previous corresponding period	Current period - \$A'000	Previous corresponding period- \$A'000
17.1 Equity accounted associates and joint venture entities	N/A	N/A	N/A	N/A
17.2 Total	N/A	N/A	N/A	N/A
17.3 Other material interests	N/A	N/A	N/A	N/A
17.4 Total	N/A	N/A	N/A	N/A

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current period

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

Category of +securities	Total number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
18.1 Preference +securities <i>(description)</i>	None			
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions	None			
18.3 +Ordinary securities	74,238,020	74,238,020		
18.4 Changes during current period Increase through issues: Exercise of Options - Protel International Employee Share Option Scheme	5,343,540	5,343,540	34	34
Exercise of Options - Macquarie ECM Options	140,892	140,892	220	220
18.5 +Convertible debt securities <i>(description and conversion factor)</i>	None			
18.6 Changes during current period (c) Increases through issues (d) Decreases through securities matured, converted	None			
18.7 Options <i>(description and conversion factor)</i>			<i>Exercise Price</i>	<i>Expiry date (if any)</i>
Protel International Employee Share Option Scheme	841,600	-	34	18/06/04
Macquarie ECM Options	1,324,108	-	220	18/06/04
Protel Option Plan	3,465,500	-	342	09/06/05
Protel Option Plan	1,747,550	-	550	29/09/05
Protel Directors' Option Plan	1,440,000	-	550	20/11/05

+ See chapter 19 for defined terms.

18.8	Issued during current period				
	Protel Option Plan	1,747,550	-	550	29/09/05
	Protel Directors' Option Plan	1,440,000	-	550	20/11/05
18.9	Exercised during current period				
	Protel International Employee Share Option Scheme	5,343,540	5,343,540	34	34
	Macquarie ECM Options	140,892	140,892	220	220
18.10	Expired during current period	-	-	-	-
18.11	Debentures (totals only)	-	-		
18.12	Unsecured notes (totals only)	-	-		

+ See chapter 19 for defined terms.

Comments by directors

Comments on the following matters are required by ASX or, in relation to the half yearly report, by AASB 1029: Half-Year Accounts and Consolidated Accounts. The comments do not take the place of the directors' report and statement (as required by the Corporations Law) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.

Basis of accounts preparation

If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Half-Year Accounts and Consolidated Accounts. It should be read in conjunction with the last +annual report and any announcements to the market made by the entity during the period. [Delete if preliminary final statement.]

Material factors affecting the revenues and expenses of the economic entity for the current period

The fully integrated Accel operation contributed in both increased revenue and expenses associated with the new San Diego based Sales and Support Centre. In addition, the company has incurred marketing, R&D and management expense in operating the additional business.

During the period, the company restructured its US based R&D activities and centralised product development in Sydney. At the same time, the Utah Sales office was closed and responsibility for servicing all North American customers was transferred to San Diego. The closure of our Utah operations resulted in one-off retrenchment and relocation costs. During the period, our Utah operation absorbed approx \$760,000 of cost, of which we estimate a minimum of \$500,000 to be permanent savings.

For the six months to December 2000 the company incurred depreciation and amortisation expense of approximately \$1,765,000. This was a significant increase over the previous corresponding period's expense which was approximately \$596,000.

The company has experienced significant internal growth throughout the half year with 27 new employees. All functional disciplines within the company have been expanded to cope with both organic and acquisition based growth.

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

NIL

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

529,508 Franking Debit

Changes in accounting policies since the last annual report are disclosed as follows.

(Disclose changes in the half yearly report in accordance with AASB 1029: Half-Year Accounts and Consolidated Accounts. Disclose changes in the preliminary final report in accordance with AASB 1001: Accounting Policies-Disclosure.)

N/A

+ See chapter 19 for defined terms.

Additional disclosure for trusts

19.1	Number of units held by the management company or responsible entity or their related parties.	N/A
19.2	<p>A statement of the fees and commissions payable to the management company or responsible entity.</p> <p>Identify:</p> <p>? initial service charges</p> <p>? management fees</p> <p>? other fees</p>	N/A

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place	N/A
Date	N/A
Time	N/A
Approximate date the +annual report will be available	N/A

Compliance statement

- 1 This report has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 12).

Identify other standards used

N/A

- 2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed (see note 2).

+ See chapter 19 for defined terms.

4 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.

5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available* (*delete one*). (*Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Law.*)

6 The entity has a formally constituted audit committee.

Sign here: Date:
(Director/Company Secretary)

Print name:

+ See chapter 19 for defined terms.