Rule 4.7B

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

TechStar Limited

ABN	Quarter ended ("current quarter")
49 089 206 986	31st December 2003

Consolidated statement of cash flows

Cash flows related to operating activities			Current quarter $A'000	Year to date (six months) $A'000
1.1	Receipts from customers		114.0	165.9
1.2	Payments for	(a) staff costs	(109.1)	(208.8)
		(b) advertising and marketing	(5.7)	(12.2)
		(c) research and development	(1.1)	(3.0)
		(d) leased assets	(20.9)	(37.5)
		(e) other working capital	(285.7)	(499.5)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		.1	.2
1.5	Interest and other costs of finance paid		(2.9)	(4.6)
1.6	Income taxes paid		-	-
1.7	Other (Export Market Development Grant)		25.5	160.4
	Net operating cash flows		(285.8)	(439.1)

		Current quarter $A'000	Year to date (six months) $A'000
1.8	Net operating cash flows (carried forward)	(285.8)	(439.1)
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)		
	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets		
	(e) other non-current assets		
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)		
	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets		
	(e) other non-current assets		
1.11	Loans to other entities		
1.12	Loans repaid by other entities		
1.13	Other (provide details if material)		
	Net investing cash flows	-	-
1.14	**Total operating and investing cash flows**	(285.8)	(439.1)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.		
1.16	Proceeds from sale of forfeited shares		
1.17	Proceeds from borrowings	170.0	350.0
1.18	Repayment of borrowings	-	-
1.19	Dividends paid		
1.20	Other (capital raising costs)		
	Net financing cash flows	170.0	350.0
	Net increase (decrease) in cash held	(115.8)	(89.1)
1.21	Cash at beginning of quarter/year to date	21.5	(5.2)
1.22	Exchange rate adjustments to item 1.20		
1.23	**Cash at end of quarter**	(94.3)	(94.3)

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	-
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	2,106.4	2,100.7
3.2	Credit standby arrangements		

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
4.1	Cash on hand and at bank	2.9	3.4
4.2	Deposits at call	-	-
4.3	Bank overdraft	(97.2)	(.4)
4.4	Term Deposit	-	18.5
	Total: cash at end of quarter (item 1.22)	(94.3)	21.5

Acquisitions and disposals of business entities

		Acquisitions *(Item 1.9(a))*	Disposals *(Item 1.10(a))*
5.1	Name of entity	-	-
5.2	Place of incorporation or registration	-	-
5.3	Consideration for acquisition or disposal	-	-
5.4	Total net assets	-	-
5.5	Nature of business	-	-

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

Barry Moffatt

Sign here: (Company secretary) Date: 30th January 2004

Print name: Barry Moffatt

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.

   - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
   - 9.2 - itemised disclosure relating to acquisitions
   - 9.4 - itemised disclosure relating to disposals
   - 12.1(a) - policy for classification of cash items
   - 12.3 - disclosure of restrictions on use of cash
   - 13.1 - comparative information

3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

ENTITY: TECHSTAR LIMITED

ABN: 49 089 206 986

ADDITIONAL INFORMATION

27 January 2004

In keeping with the TechStar strategy of bringing projects to fruition and then exiting, Information Memorandums (IM's) for the 3 mature projects have been circulated to potential purchasers with the following results to date:

Medteq
With regard to the sale of the CPREzy product, there appears to be four genuine parties interested in purchasing the business. Offers are expected to be forthcoming in the middle to late February 2004.

IronBar
There are several genuinely interested parties in the Ironbar business, including global industrial tool companies. Negotiations are under way for the sale of the business with a deposit expected late February early March 2004.

SportzWhistle
Information Memorandums have been sent to various parties in the United Kingdom and Australia who are interested in contributing equity to finalise the prototypes. To finalise the prototypes for the SportzWhistle and the Guardian alarm prior to selling the products will greatly increase the sale price to be received for the sale of the SportzWhistle business. We would expect to sell the business by the end of the current financial year, in June 2004.

Financial Support
Support continues to be provided to TechStar Limited by directors and associated investors when required.

+ See chapter 19 for defined terms.