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ASX RELEASE

27 January 2005

## **Creatable Media Quarterly Cash Flow, December 2004 - Commentary**

- **Cash balance - \$4.251 million**
- **Sales increase by 56 per cent to \$1.23 million for half year**
- **Company is debt free**

*Thursday January 27, 2005* - Creatable Media Limited (ASX:CLB) today released its quarterly cash flow statement (Appendix 4C).

The company's cash balance at the end of the December '04 quarter was \$4.251m. During the six months ended 31 December 2004, the company recorded sales of \$1.23m which represents growth of 56 per cent over the corresponding period for the previous year. This sales figure also represents growth of 62 per cent over the six months to 30 June 2004.

More than half the net decrease in cash in the quarter related to two items which are important in the development of the company, namely:

- Repayment of Convertible Notes including interest amounting to \$1.66m - the company is now debt free;
- Payment of an access fee of \$0.69m to implement the contract with Westfield Corporation Inc. in the USA.

One of the company's largest expenses is the capital cost of table deployment. The board and management continue to diligently monitor the company's cash position and ensure that tables are deployed at a rate commensurate with increases in sales of advertising.

On 4<sup>th</sup> January 2005 Creatable Media appointed Mr Ben Zelinger as chief financial officer, replacing Mr Howard Woolcott. Mr. Zelinger has extensive experience in the advertising industry, having been finance director at Fame Advertising, part of the STW Group. Mr. Zelinger said "Creatable Media's sales growth has been very encouraging, with December revenue being a record for the company."

The Directors have expressed their appreciation for the significant contribution made to the company over the past year by Mr. Woolcott who is leaving the business on 31<sup>st</sup> January 2005.

Creatable Media will provide further earnings guidance upon release of its December half-year results.

**ends/...**

**Enquiries**

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# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

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

Name of entity

CREATABLE MEDIA LIMITED

ABN

71 099 247 408

Quarter ended ("current quarter")

31 December 2004

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (...6... months) \$A'000
1.1 Receipts from customers	559	833
1.2 Payments for		
(a) staff costs	(470)	(919)
(b) advertising and marketing	(12)	(55)
(c) research and development		
(d) leased assets	(3)	(6)
(e) other working capital	(1,075)	(1,816)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	87	133
1.5 Interest and other costs of finance paid	(217)	(217)
1.6 Income taxes paid		
1.7 Other (provide details if material)		12
<b>Net operating cash flows</b>	<b>(1,131)</b>	<b>(2,035)</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (...6... months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,131)	(2,035)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property	(52)	(94)
(d) physical non-current assets	(169)	(279)
(e) other non-current assets	(685)	(768)
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)	(50)	(50)
<b>Net investing cash flows</b>	<b>(956)</b>	<b>(1,191)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(2,087)</b>	<b>(3,226)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.		9,000
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings	(1,450)	(1,450)
1.19 Dividends paid		
1.20 Other (costs associated with the initial public offer)	(783)	(1,134)
<b>Net financing cash flows</b>	<b>(2,233)</b>	<b>6,416</b>
<b>Net increase (decrease) in cash held</b>	<b>(4,320)</b>	<b>3,190</b>
1.21 Cash at beginning of quarter/year to date	8,574	1,064
1.22 Exchange rate adjustments	(3)	(3)
<b>1.23 Cash at end of quarter</b>	<b>4,251</b>	<b>4,251</b>

+ 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	191
1.25	Aggregate amount of loans to the parties included in item 1.11	Nil

1.26 Explanation necessary for an understanding of the transactions

Payments included in item 1.24 include:  
salaries paid to Executive and Non-Executive Directors;  
costs paid to a related party in relation to the initial public offer

**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

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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

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**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	N/A	N/A
3.2	Credit standby arrangements	Nil	Nil

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**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	140	8
4.2 Deposits at call	4,111	8,565
4.3 Bank overdraft	Nil	Nil
4.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>4,251</b>	<b>8,574</b>

**Acquisitions and disposals of business entities**

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

**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.

Sign here: .....ORIGINAL SIGNED..... Date: 27 JANUARY 2005  
 (Company secretary)

Print name: NICHOLAS GEDDES

**Notes**

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+ See chapter 19 for defined terms.

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.