



21 January 2004

The Manager
Company Announcement Office
ASX

By Electronic Lodgment

Dear Sir or Madam:

The company encloses its Appendix 4C Report for the three month period ended 31 December 2003.

The anticipated positive net operating cash flow for this quarter did not occur. This was largely attributable to a substantial increase in the amount of operating purchases required to generate customer receipts in the next period.

Receipts from customers in the subsequent quarter ending 31 March 2004 is already in excess of one million dollars.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Mike McPhillips', is written over a faint, illegible printed name.

Mike McPhillips
Financial Controller

Tele-IP Limited
ABN 39 010 568 804
MELBOURNE 8 Anzed Court, Mulgrave, Victoria

CORRESPONDENCE: PO Box 4112, Mulgrave, Victoria 3170, Australia.

TELEPHONE: +61 3 8561 4200 FACSIMILE: +61 3 9560 9055

WEB www.tele-ip.com

EMAIL: info@tele-ip.com HELPDESK: 1800 TELE IP (1800 835 347)

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000.

Name of entity

Tele-IP Limited

ABN

39 010 568 804

Quarter ended ("current quarter")

31 December 2003

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (...12... months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from customers	686	3,204
1.2 Payments for		
(a) staff costs	(524)	(1,671)
(b) advertising and marketing		(14)
(c) research and development		(50)
(d) leased assets		
(e) other working capital		
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	1	4
1.5 Interest and other costs of finance paid		(2)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
- Operating Purchases	(851)	(2,072)
- Rent	(28)	(139)
- GST (Net)	(13)	(65)
- Other	(82)	(446)
Net operating cash flows	(811)	(1,251)

† 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 (...12... months) \$A'000
1.8 Net operating cash flows (carried forward)	(811)	(1,251)
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	(6)	(20)
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	167	167
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
Net investing cash flows	161	147
1.14 Total operating and investing cash flows	(650)	(1,104)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.		500
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings	1,033	1,233
1.18 Repayment of borrowings	(266)	(266)
1.19 Dividends paid		
1.20 Other – Loan Facility Fees	(95)	(95)
Net financing cash flows	672	1,372
Net increase (decrease) in cash held	22	268
1.21 Cash at beginning of quarter/year to date	217	(29)
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	239	239

+ 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	66
1.25	Aggregate amount of loans to the parties included in item 1.11	NONE

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

NIL

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

NIL

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	NONE	NONE
3.2	Credit standby arrangements		

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Appendix 4C
Quarterly report for entities
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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	239	217
4.2 Deposits at call		
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	239	217

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
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 Law (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.
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 Ian May - Managing Director

21 January 2004.

+ 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.

† See chapter 19 for defined terms.