



The Swish Group Limited
ABN 93 085 545 973

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31 July 2006

Australian Stock Exchange Limited
Companies Announcements Office
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

THE SWISH GROUP LIMITED
QUARTERLY CASH FLOW STATEMENT TO 30 JUNE 2006

The Swish Group Limited ("**Swish Group**" or "**Company**") presents its Appendix 4C Cash Flow Statement for the quarter ended 30 June 2006.

Net operating cash outflow for the quarter was \$379,000. Total cash balances were \$126,000 as at 30 June 2006.

During the period the Company continued to develop its digital media businesses, both through organic growth and by acquisition. The Directors believe that digital signage and Internet Protocol Television (**IPTV**) (television over the Internet) will be two of the fastest growing industry sectors in the next few years and that Swish Group is ideally positioned to benefit from the developments in these areas given its expertise, infrastructure and existing foothold in its chosen markets.

The Company intends to conduct a capital raising to provide the Company with additional working capital to fund the ongoing commercialisation of its existing and recently acquired businesses.

The Company expects to announce its results for the financial year ended 30 June 2006 shortly. Subject to completion of the audit, revenue for the year ended 30 June 2006 is expected to be approximately \$5.1m and an EBITDA loss of approximately \$1.8m.

Yours faithfully

Cary Stynes
Managing Director

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

The Swish Group Limited

ABN

93 085 545 973

Quarter ended ("current quarter")

30 June 2006

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|----------------------------|--|
| 1.1 Receipts from customers | 1,709 | 4,537 |
| 1.2 Payments for | | |
| (a) staff costs | (270) | (1,369) |
| (b) advertising and marketing | (1) | (4) |
| (c) research and development | (73) | (278) |
| (d) leased assets | (60) | (211) |
| (e) other working capital | (1,707) | (4,385) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 1 | 10 |
| 1.5 Interest and other costs of finance paid | (11) | (51) |
| 1.6 Income taxes paid | - | 238 |
| 1.7 Other (provide details if material) - Grants | 33 | 33 |
| Net operating cash flows | (379) | (1,480) |

+ 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) | (379) | (1,480) |
| Cash flows related to investing activities | | |
| 1.9 Payment for acquisition of: | | |
| (a) businesses (item 5) | - | (10) |
| (b) equity investments | - | - |
| (c) intellectual property | - | - |
| (d) physical non-current assets | (1) | (31) |
| (e) other non-current assets | - | - |
| 1.10 Proceeds from disposal of: | | |
| (a) businesses (item 5) | - | 50 |
| (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) | 9 |
| 1.14 Total operating and investing cash flows | (380) | (1,471) |
| Cash flows related to financing activities | | |
| 1.15 Proceeds from issues of shares, options, etc. | - | 960 |
| 1.16 Proceeds from sale of forfeited shares | - | - |
| 1.17 Proceeds from borrowings | 210 | 210 |
| 1.18 Repayment of borrowings | (142) | (292) |
| 1.19 Dividends paid | - | - |
| 1.20 Other (provide details if material) | - | - |
| Capital raising costs | - | (37) |
| Net financing cash flows | 68 | 841 |
| Net increase (decrease) in cash held | (312) | (630) |
| 1.21 Cash at beginning of quarter/year to date | 438 | 756 |
| 1.22 Exchange rate adjustments to item 1.20 | - | - |
| 1.23 Cash at end of quarter | 126 | 126 |

+ 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 | 42 |
| 1.25 | Aggregate amount of loans to the parties included in item 1.11 | - |
| 1.26 | Explanation necessary for an understanding of the transactions | |
| | Item 1.24 comprises aggregate Directors' remuneration paid in the quarter. | |

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

| |
|-----|
| N/A |
|-----|

- 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

| |
|-----|
| N/A |
|-----|

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 - National Australia Bank Hire Purchase facility (secured) | 600 | 600 |
| | - Capital Finance Australia Limited – loan facility (secured) | 160 | 160 |
| | - Alco Pty Ltd – loan facility (secured) | 100 | 100 |
| | - Bank of New Zealand | <u>20</u> | <u>6</u> |
| | - Total | <u>880</u> | <u>866</u> |
| 3.2 | Credit standby arrangements | - | - |

+ See chapter 19 for defined terms.

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

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 | 104 | 258 |
| 4.2 Deposits at call | - | 108 |
| 4.3 Bank overdraft | (3) | (3) |
| 4.4 Other (provide details) (cash held in a separate bank account to secure a bank guarantee in respect of leased office accommodation) | 25 | 75 |
| Total: cash at end of quarter (item 1.23) | 126 | 438 |

Acquisitions and disposals of business entities

| | Acquisitions (Item 1.9(a)) | Disposals (Item 1.10(a)) |
|---|---|-----------------------------|
| 5.1 Name of entity | Swish Amphead Pty Ltd | - |
| 5.2 Place of incorporation or registration | Victoria | - |
| 5.3 Consideration for acquisition or disposal | Deferred consideration (\$54,000 shares plus \$70,000 cash) | - |
| 5.4 Total net assets | \$Nil | - |
| 5.5 Nature of business | Wholesaler of online digital music | - |

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 /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: Date:31 July 2006.....
 (Director)

Print name: Cary P. Stynes.....

+ 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.