Swish|Group
DIGITAL MEDIA

The Swish Group Limited
ABN 93 085 545 973

Level 1
102 Toorak Road
South Yarra Vic 3141

(T) 03 9820 1966
(F) 03 9820 3966

www.swishgroup.com.au

27 July 2007

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 2007

The Swish Group Limited (**"Swish Group" or** "**Company**") presents its Appendix 4C Cash Flow Statement for the quarter ended 30 June 2007. In addition set out below is an update on various developments that have taken place in the Company during the quarter

In April 2007 the Company completed the placement of 85,658,350 options not previously taken up under its recent non-renounceable rights issue. In addition In May 2007, the Company completed a placement of shares and options to sophisticated investors raising a total of $450,000.

In April 2007 the Company entered into an agreement with leading telecommunications network and service provider, Ericsson for the supply, marketing and delivery of a wide range of music content to mobiles using Ericsson's hosted music delivery solutions. This will enable Ericsson subscribers to access a wide range of the Company's music content on their mobile phones

In April 2007 the Company acquired 51% of the business and assets of MG Distribution Management Pty Ltd, Australia and New Zealand's largest distributor of Indian feature films for theatrical, DVD, CD and broadcast distribution. The first feature film produced by the Company since completing the acquisition of its film production business will be distributed by Swish MG Distribution in Australia and New Zealand and have its worldwide premier on 10 August 2007

In May 2007 the Company acquired a 51% interest in Resonate Pty Ltd an integrated brand management company that will be incorporated within the Company's production division. The acquisition of Resonate will enable the Swish Group businesses and its clients to access sophisticated brand management services and will compliment the Company's existing digital media businesses.

In May 2007 the Company announced that it had entered into a music distribution agreement with online based CD fulfilment company Securestore to launch a CD on-demand music service in Australia. The agreement enables the Company to provide a "CD on demand" internet based music service that allows consumers to order and pay for music at retail music stores via the

The Swish Group Limited
ABN 93 085 545 973
Level 1
102 Toorak Road
South Yarra Vic 3141
(T) 03 9820 1966
(F) 03 9820 3966
www.swishgroup.com.au

internet, have their selected albums and tracks burnt on to a CD and despatched to the store (with its original cover art) overnight.

In June 2007 the Company launched its physical music distribution business and now distributes CD's to many of Australia's leading music retailers. This represents a significant expansion of the Company's music distribution business and should increase the Company's profile and revenues.

In June 2007 the Company also entered into a joint venture agreement to establish a film production Company in the USA. The new Company will be principally focussed on the production of Indian "Bollywood" films in the USA market. Swish Group will have a 51% interest in the Company and believes that it has good prospects of securing a number of Indian production projects proposed to be filmed in the USA in the next 12 months.

Since 30 June 2007 the Company has completed a capital raising to sophisticated investors, raising $200,000 to provide further working capital in particular for the Company's film distribution business. The Directors also intend to convene a General Meeting of shareholders to be held in August 2007 to seek shareholder approval for a further capital raising to fund acquisitions and for working capital

Accordingly, the Directors believe that the Company has sufficient funds available for the ongoing operation and future development of the Company's business.

Yours faithfully

Cary Stynes
Managing Director

Rule 4.7B

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	Quarter ended ("current quarter")
93 085 545 973	30 June 2007

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		687	5,011
1.2	Payments for	(a) staff costs	(441)	(1,522)
		(b) advertising and marketing	(11)	(19)
		(c) research and development	-	-
		(d) leased assets	(2)	(20)
		(e) other working capital	(758)	(4,868)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		-	1
1.5	Interest and other costs of finance paid		(4)	(27)
1.6	Income taxes paid		-	-
1.7	Other (provide details if material)		-	-
	Net operating cash flows		(529)	(1,444)

+ See chapter 19 for defined terms.

		Current quarter $A'000	Year to date (12 months) $A'000
1.8	Net operating cash flows (carried forward)	(529)	(1,444)
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	(139)	(139)
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	(7)	(18)
	(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	-	220
	(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	(146)	63
1.14	**Total operating and investing cash flows**	(675)	(1,381)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	574	1,780
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	228	228
1.18	Repayment of borrowings	(157)	(470)
1.19	Dividends paid	-	-
1.20	Other (provide details if material)	-	-
	Capital raising costs	(48)	(72)
	Net financing cash flows	597	1,466
	Net increase (decrease) in cash held	(78)	85
1.21	Cash at beginning of quarter/year to date	289	126
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	**Cash at end of quarter**	211	211

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	68
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 of 43,000 and capital raising fees of $25,000 paid to Melbourne Capital Limited, a company associated with Director, Mr. Stephen Layton.

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
	- Total	760	760
3.2	Credit standby arrangements	-	-

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	186	264
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details) (cash held in a separate bank account to secure a bank guarantee in respect of leased office accommodation)	25	25
Total: cash at end of quarter (item 1.23)	211	289

Acquisitions and disposals of business entities

		Acquisitions *(Item 1.9(a))*	Disposals *(Item 1.10(a))*
5.1	Name of entity	Swish MG Distribution Pty Ltd	-
5.2	Place of incorporation or registration	Victoria	-
5.3	Consideration for acquisition or disposal	$115,000	-
5.4	Total net assets	$Nil	-
5.5	Nature of business	Distributor of Indian feature films	-
5.1	Name of entity	Swish Communications Pty Ltd	-
5.2	Place of incorporation or registration	Victoria	-
5.3	Consideration for acquisition or disposal	$Nil	-
5.4	Total net assets	$Nil	-
5.5	Nature of business	Brand management services	-

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 / * *(delete one)* give a true and fair view of the matters disclosed.

+ See chapter 19 for defined terms.

Sign here: .... Date: ....27 July 2007........................
(Director)

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

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.