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ABN 35 094 006 023

QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2003

Capital Raising

The Company issued an Entitlements Issue Prospectus on the 10th June 2003. EHO shareholders were entitled to apply for one share at 2 cents each for every three shares they held in EHO as at 22 May 2003.

The purpose of the Entitlement issue was to raise up to \$ 721,000 before costs to replenish working capital for use in the development of the Company's current business.

To date the Entitlements Issue have raised an amount of \$ 225,266 represented by 11,263,310 shares at 2 cents each.

Galaxy TDS System

The Galaxy TDS is now proven to work in the market, with the successful commencement of trading on the system, which took place during this quarter.

Development and Content

At present, Galaxy TDS offers over 22,000 hotel rates. However, it does not limit itself solely to the distribution of hotel room rates, but also transfers, city packages and tours, which are coming on stream by the end of the third quarter 2003. Following that Galaxy will be rolling out new modules that will allow Retail Travel Agents to provide their clients with additional ground services, such as car rentals, cruises, rail ticketing, sporting events and much more.

The final stages of programming the Moneydirect interface are now almost completed and testing is expected to commence no later than the month of August. This will enable the expansion of our target market to travel agents in both Australia and New Zealand who are not IATA members to trade on the system using an Electronic Funds Transfer (EFT) system which is well recognised and trusted in the travel industry as an alternative method of payment for travel services.

Development of the web-based retail version of the Galaxy TDS is approaching completion, and full testing and commencement of this version is expected during August. This web-based version will open the distribution channels to the market, ensuring that previous download issues with programmes such as Microsoft Windows 95 and 98 will be eliminated.

Marketing and Distribution

Galaxy has established 34 strong NMC partnerships and these partners provide training, distribution and support centres in 58 countries, comprising the global frontline of Galaxy on a local level. Galaxy also assists its NMC network with regional sales and training offices located in Toronto, New Delhi, Kuala Lumpur, Frankfurt and Bangkok.

The response from retail travel agents (RTA's) in the Australian market has been very positive. Travel agents recognise the Galaxy TDS as a platform, which not only reduces their costs, but provides them direct and immediate access for the first time to competitively priced products and gives them the unique advantage of being able to process their bookings via the trusted IATA BSP billing program.

Talks with major travel agency groups have progressed in our region. Six key pilot offices from three major travel agency groups have also agreed to commence trading on the system in Western Australia. We also have approval from management in one major travel group in Australia to continue with the pilot sites in Western Australia and once the web-based version of the Galaxy TDS is released during early August, further roll out of pilot offices in New South Wales and Victoria will also commence using the system.

Throughout the months of June and July 2003 press releases will be distributed to all countries participating in the Galaxy TDS. The press releases have been distributed to local and national trade publications in order to create brand recognition and generate maximum response in the market. The global press release is being distributed to media around the world by Incentive Dynamics (S) Pte Ltd. A copy of this press release and further information may be viewed on the website www.galaxy-system.com

In exchange for undertaking the distribution responsibility Echo will receive from Galaxy 2.5% of every booking value transacted through Galaxy TDS, US\$2.00 per vouchered booking for the first six months, US\$1.00 per vouchered booking thereafter and 50% of the direct promotional expenses incurred by Tardis in connection with trade shows, advertorials and promotional materials, subject to prior agreement with Galaxy after deduction of direct costs and expenses associated with the billing and collection process.

Insurance Module

Echo Technologies Ltd, through its subsidiary, GroundServices Limited, was granted the nonexclusive distributorship for its travel insurance module using the Galaxy platform. Ground Services Limited has the right to place the product on the Galaxy TDS. Galaxy retains the right to place similar or identical product of others on the Galaxy platform.

In exchange for providing the distribution right to GroundServices, GroundServices will pay a non-refundable transaction fee equal to 1% of the net selling price of confirmed and paid bookings to Galaxy. The term of the agreement with Galaxy is for five years starting 3 April 2003 and can be extended at Echo's election for a further five years following which GroundServices and Galaxy will commence negotiations in good faith to determine the terms and conditions of the agreement for the extended term.

Echo Technologies Ltd is also in the process of negotiating an exclusive distributorship for its travel insurance module using the Galaxy platform and hope to formalise this agreement in the near future. At this stage a heads of agreement has been signed. The material terms of the heads of agreement include that Galaxy will distribute the insurance module on the Galaxy TDS System, Galaxy will build in association with Echo a module that will interface exclusively with the Echo insurance applications.

GroundServices Limited

GroundServices Ltd (GroundServices), a wholly owned subsidiary of Echo is responsible for the delivery of its Travel Insurance Module via Galaxy TDS. The term of the agreement with Galaxy is for five years starting 3 April 2003 and can be extended at Echo's election for a further five years following which GroundServices and Galaxy will commence negotiations in good faith to determine the terms and conditions of the agreement for the extended term.

GroundServices has entered into an agreement with Parkside Insurance Brokers Pty Ltd, a registered insurance broker under the Insurance Agents Act. Parkside will provide the insurance product to be placed on the Galaxy TDS pursuant to the non-exclusive and exclusive (if successfully concluded) agreement made.

Under the agreement Parkside has appointed GroundServices as an Authorised Representative for the processing of travel insurance business. The term of the agreement is initially three years from 23 May 2003 with an option exercisable at the election of either party to extend the term for a further three years. Parkside and GroundServices agreed to share all commissions derived from the sale of travel insurance products through the Galaxy TDS system equally but with the understanding that GroundServices commission will not be less than 10%.

GroundServices will adapt the Galaxy TDS to provide an interface for Retail Travel Agents to book travel insurance products and will provide infrastructure to support transactions between Galaxy TDS and the Travel Insurer's Core Operating System, enabling travel professionals worldwide to immediately access, book, confirm and settle payments on-line and at the best possible prices.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

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

Name of entity

ECHO TECHNOLOGIES LTD

ABN

35 094 006 023

Quarter ended ("current quarter")

30 June 2003

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter SA'000	Year to date (12 months) SA'000
1.1 Receipts from customers	68	912
1.2 Payments for		
(a) staff costs	(37)	(583)
(b) advertising and marketing	-	(76)
(c) research and development	-	-
(d) leased assets	(22)	(98)
(e) other working capital	(117)	(1074)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	19
1.5 Interest and other costs of finance paid	-	(26)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	(106)	(926)

+ See chapter 19 for defined terms.

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

	Current quarter SA'000	Year to date (12 months) SA'000
1.8 Net operating cash flows (carried forward)	(106)	(926)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	(89)
(c) intellectual property	-	-
(d) physical non-current assets	-	(5)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	64	672
(c) intellectual property	-	-
(d) physical non-current assets	-	15
(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	64	593
1.14 Total operating and investing cash flows	(42)	(333)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	173	423
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	380
1.18 Repayment of borrowings	(37)	(728)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	136	75
Net increase (decrease) in cash held	94	(258)
1.21 Cash at beginning of quarter/year to date	578	930
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	672	672

+ 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	6
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	Remuneration of Directors (6)	

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	-	-
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	343	241
4.2 Deposits at call	329	337
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	672	578

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	N/A	
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 /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: Date: 24th July 2003
(Director/Company secretary)

Print name: Marinko Vidovich

+ 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.