Q LIMITED

ABN 84 184 701 996

Registered Office:

5th Floor, Bank House
11 Bank Place
Melbourne Vic 3000
Australia

Correspondence:

GPO Box 2113
Melbourne Vic 3001
Australia

Australian Stock Exchange Limited
Level 8
Exchange Plaza
2 The Esplanade
PERTH WA 6000

8th September 2004

Attention: Ms Christine Panetta, Senior Companies Adviser

Dear Ms Panetta

**RE: Q LIMITED ("THE COMPANY")
LISTING RULE 12.2**

We refer to your letter of 6th September 2004 in respect of the above matter and provide our response to the questions listed in your letter as follows: -

1. **QUESTION**
   Does the Company expect that in the future it will have losses and/or negative operating cash flows for the printing business and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations?

RESPONSE

(a) **Printing Business**

The printing business is forecast to have the following profits and cash flows during 2004/05 :-

	Profit (Loss) Before and After Tax		Cashflow	
	Quarter	Cum.	Quarter	Cum.
Sep 2004	61,069	61,069	(171,345)	(171,345)
Dec 2004	157,630	218,699	290,678	119,333
Mar 2005	(27,882)	190,817	(16,322)	103,011
Jun 2005	8,863	199,680	70,990	174,001

Profits and cash flows of the printing business reflect a seasonal pattern business.

(b) Q Ltd – Company Total

The Company is forecast to have the following profits and cash flows during 2004/05 :-

	Profit (Loss) Before and After Tax		Cashflow		Cash Position	
	Quarter	Cum	Quarter	Cum	Date	Amount
June 2004					30/06/04	327,952
Sep 2004	(26,861)	(26,861)	(193,106)	(193,106)	30/09/04	134,846
Dec 2004	69,811	42,950	47,409	(145,697)	31/12/04	182,255
Mar 2005	(104,370)	(61,420)	(114,172)	(259,869)	31/03/05	68,083
Jun 2005	(69,676)	(131,096)	(9,988)	(269,857)	30/06/05	58,095

The Company's profits and cash flows reflect :-

- The seasonal patterns of the printing business.
- The corporate/administrative costs of the Company.
- The payments in the September 2004 quarter of non-recurring obligations incurred in relation to the de-merger of Jumbuck Entertainment Ltd.

(c) Outlook Statement

I refer you to the Notice of General Meeting of the Company in respect of the Meeting held on 24th May 2004 in which the Company stated :-

"…. The separation of QDi Direct Press printing and the Mobile Data Services business allows the Company to specifically focus on further developing and growing its printing business and print related activities. Future capital raising should be more easily achievable by each individual listed entity (referring here to QXQ and JMB) as the focus of the funding will be on ……printing …… On completion of the equal reduction, the focus of the Company will be on further developing and growing its QDi Direct Press printing business and print related activities."

In the Managing Director's review of operations in its 2004 Annual Report, the Company made the following outlook statement :-

"The Company expects that in the absence of being successful in acquiring (an) established business(es) during the 2004/05 financial year, it is likely to return a loss in 2004/05. The Company will continue closely monitoring its cash flows and balance sheet to ensure that funding is adequate pending making an acquisition. The Company expects that it will need to raise equity when a suitable acquisition is made."

The Company is very clear about its intention to increase the size of its print activities to allow it to make adequate returns to its shareholders. Although the Company's intentions in relation to pursue growth have been delayed by some 2 months as a result of the delay in listing its former subsidiary, Jumbuck Entertainment Ltd, the Company is working on identifying/making (an) acquisition(s) as stated in its Annual Report. The Company is confident that it currently has adequate financial resources. The Company intends to strengthen its balance sheet and cash position at the same time as funds are raised for (an) acquisition(s).

2. QUESTION

Please provide comments as to the Company's compliance with ASX Rule 12.2

RESPONSE

The Company believes that its financial condition is adequate to warrant the continued quotation of its securities and its continued listing. The Company has adequate access to funding to allow it to meet its short term objectives and is confident that it will be able to obtain additional funding to allow it to achieve its longer term objectives.

The Company believes that shareholders and the investment community generally have been kept informed of the Company's intentions since earlier in 2004. The Company is broadly on track with its stated intentions.

Yours sincerely
Q LIMITED

Grant A Darling
Company Secretary

ASX
AUSTRALIAN STOCK EXCHANGE

Australian Stock Exchange Limited
ABN 98 008 624 691
Level 8
Exchange Plaza
2 The Esplanade
Perth WA 6000

GPO Box D187
Perth WA 6840

Telephone 61 (08) 9224 0014
Facsimile 61 (08) 9221 2020
Internet http://www.asx.com.au

FAXED

6 September 2004

Mr Grant Darling
Company Secretary
Q Limited
GPO Box 2113
MELBOURNE VIC 3001

By facsimile: (03) 9670 7932

Dear Sir

Q Limited (the "Company")

Listing Rule 12.2

We refer to the Company's announcement to Australian Stock Exchange Limited ("ASX") on 27 August 2004 enclosing the Company's Annual Report for the year ended 30 June 2004 (the "Report"). We have reviewed the Report and noted the following:

1. Working Capital deficiency of $204,047;
2. Demerger of Jumbuck Entertainment Ltd;
3. Operating Loss After Tax for printing business of $62,290;
4. Cash at the end of the period of $327,953;
5. Unused credit facility of $500,000, comprising of $250,000 bank overdraft and $250,000 commercial bill facility.

We refer you to ASX Listing Rule 12.2 which states:

"An entity's financial condition (including operating results) must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing."

In light of the demerger of Jumbuck Entertainment Ltd and the matters discussed above, please respond to the following questions:

1. Does the Company expect that in the future it will have losses and/or negative operating cash flows for the printing business and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations?

2. Please provide comments as to the company's compliance with ASX Rule 12.2.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office. A response is requested as soon as possible, and in any event by no later than the close of business **(i.e. 5.00 pm W.S.T.) on Wednesday, 8 September 2004.**

Please note that your comments may be released to the market.

If you have any queries, do not hesitate to contact me.

Yours faithfully

CPanetta

Christine Panetta
Senior Companies Adviser

Direct Line: (08) 9224 0014