



the digital marketing group

31 October 2012

Australian Stock Exchange Limited
Level 4
Stock Exchange Centre
20 Bridge Street
Sydney NSW 2000

Appendix 4C / September 2012

We enclose the Appendix 4C quarterly report for the quarter ended September 2012.

We advise that the cash flow results for that quarter are not representative of the likely cash flow for the current and future quarters.

The September quarter included such one off payments as:

- payment of creditors relating to the period before the disposal of various assets to the Beyond Group in April 2012,
- retrenchment pay for one executive.

In terms of trading activity, we stated in the 2012 Annual Report that the consolidated entities' remaining activity at 30 June 2012 consisted of the provision of hosting services. This continues to be the case pending the acquisition of a new business.

We take this occasion to update the shareholders on progress which has been made in identifying a new business for Q Ltd to acquire. In the Chairman's report contained in the 2012 Annual Report we stated the following:

"Since 24 April 2012, the Company has had discussions with a number of third parties in relation to such potential acquisitions. A small number of those are of greater interest to the Company than others. The Company is continuing discussions with those, however, it is too early to tell whether one of those will result in an acquisition. Any such transaction will be subject to shareholders' approval."

During the last 3 months we have communicated with the ASX in relation to such potential acquisitions. We are currently in discussion with them in relation to how some of the listing rules would apply in particular circumstances. We expect to resolve some of those issues shortly, and subject to a positive outcome, we should shortly after that be in a position to progress one of the transactions we are currently considering. This is of course subject to finalising a commercial agreement with one of those potential vendors.

We will keep the shareholders informed of any further developments.

Yours sincerely



Paul Choiselat
Executive Chairman

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

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

Name of entity

Q Ltd

ABN

13 083 160 909

Quarter ended ("current quarter")

30/09/2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from customers	1	1
1.2 Payments for (a) staff costs	(83)	(83)
(b) advertising and marketing		
(c) research and development		
(d) leased assets		
(e) other working capital	(782)	(782)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	(0)	(0)
1.6 Income taxes paid	(0)	(0)
1.7 Other (provide details if material)		
Net operating cash flows	(863)	(863)

+ 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 (3 months) SA'000
1.8 Net operating cash flows (carried forward)	(863)	(863)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses	325	325
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to / repayment from other entities	(26)	(26)
1.12 Loans repaid by other entities		
1.13 Other – Term Deposit		
Net investing cash flows	299	299
1.14 Total operating and investing cash flows	(564)	(564)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings (C/Bill)		
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other (Share issue costs)		
Net financing cash flows	0	0
Net increase (decrease) in cash held	(564)	(564)
1.21 Cash at beginning of quarter/year to date	843	843
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	279	279

+ 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	79
1.25	Aggregate amount of loans to the parties included in item 1.11	N/A

1.26 Explanation necessary for an understanding of the transactions

Payments to Executive Directors, Non Executive Directors and associates of Directors. The breakdown of the amount is as follows:	
	Amount
	\$000
Salaries – Executive Directors and associates	54
Payment – Non Executive Directors and associates	20
Superannuation	2
Fees paid to associates	-
Expense reimbursements	<u>3</u>
TOTAL	<u>79</u>

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

+ See chapter 19 for defined terms.

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

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 – Bank bills	0	0
3.2 Overdraft	0	0
3.3 Equity Financing Arrangements	0	0
3.4 Short Term Acquisition Debt Facility	0	0

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	279	843
4.2 Deposits at call	0	0
4.3 Bank facilities – Bank Bills	0	0
Bank facilities – Overdraft	0	0
4.4 Other (provide details) Term Deposit	0	0
Total: cash at end of quarter (item 1.23)	279	843

+ See chapter 19 for defined terms.

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 give a true and fair view of the matters disclosed.



Efrat Kleiner
(Company Secretary)
31st October 2012

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 Flow* 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.