

Q Ltd
2012 AGM
Chairman's Address

Ladies and Gentlemen, fellow shareholders, welcome to our 2012 Annual General Meeting, our principal opportunity to speak with shareholders about the Company.

My name is Paul Choiselat and I am the Executive Chairman of Q Ltd. Kevin Campbell and Efrat (Efi) Kleiner, the other members of the Board are present today. You can read full details of their background and qualifications in the Annual Report. Efi Kleiner is also our Financial Controller and Company Secretary.

Deloitte Touche Tohmatsu, the Company's auditors, are represented here today by Mr Joshua Tanchel, a partner of that firm. Thank you Joshua for your attendance at this meeting.

As we have a quorum of shareholders present I will declare the 2012 Annual General Meeting of Q Ltd open. Notice of this meeting was advised to all shareholders on 26 October 2012.

Today, I will provide you with an overview of FY 2012 and of FY 2013 to date.

As always, the opportunity to ask questions will be available to the meeting.

The financial report for Q Ltd for the year ended 30 June 2012 and reports of the directors and auditors has been circulated to shareholders and do not need to be voted upon.

OVERVIEW OF FY2012

- a) At the 2011 AGM, the meeting discussed a number of options for raising additional funding, one of which was “the potential restructuring of the Company involving a possible sale of assets or business units in the Group”.

1. Sale to The Brand Agency

On 6 February 2012, Q Ltd sold its Market United Perth operations to The Brand Agency, a division of STW Communication Group Ltd (ASX:STW). STW is Australia’s largest marketing and communication group, comprising over 75 specialist companies. The Brand Agency has been operating in the Perth marketplace for over 20 years.

2. Sale to Beyond International Ltd Group

At the Q LTD EGM held on 24 April 2012, the shareholders of Q Ltd, were asked to vote on a sale of most of the Company’s digital marketing operations and assets to subsidiaries of Beyond International Ltd (ASX:BYI), Beyond D Pty Ltd and Beyond D NZ Ltd, located in Sydney and Auckland.

Beyond International Ltd is a leading producer and distributor of television and digital content, headquartered in Sydney. Beyond is a solid fixture in the Australian media landscape and has produced over 3,000 hours of television programs for broadcast internationally including Beyond Tomorrow and MythBusters.

b) Financial Results

I hope that all of you will have had the opportunity of reading the 2012 Annual Report.

As stated in the Chairman's letter contained in the 2012 Annual Report, FY 2012 closed a chapter for the Company following the sale during the year of most of the Company's activities. In the Notice of Extraordinary General Meeting ('EGM') and Explanatory Statement, for the meeting held on 24 April 2012, we stated that we expected Net Tangible Assets ('NTA'), as of 1 April 2012 (on a post transaction basis), to be \$1.483m. The reported NTA in the 2012 Annual Report shows NTA of \$1.073m. The difference of \$0.410m was attributable to:

- adjustments to the Beyond transaction;
- the operating costs of the Company during the period 1 April 2012 to 30 June 2012; and
- the tidying up process following the disposal of business activities in April 2012.

OVERVIEW OF FY2012/13 TO DATE

a) Trading activity

We stated in the 2012 Annual Report that the consolidated entity's remaining activity at 30 June 2012 consisted of the provision of hosting services. This is consistent with the Group strategy of providing digital / internet services, a strategy it has pursued since being admitted to the Official List of the ASX in 1999. This continues to be the case pending the acquisition of a new business.

b) Board changes

During the period under review, we had several changes to the Board. Andrew Koo resigned from the Board in August 2012 for personal reasons and Efrat (Efi) Kleiner was appointed a Director in October 2012.

c) Purchase of business(es)

In the Notice for the EGM held on 24 April 2012, we stated that one of the possible courses of action for the Company was to pursue opportunities to list a new business or businesses in the Company.

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."

In the Appendix 4C report lodged with the ASX on 31 October 2012 we stated the following:

“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.”

As of today, I can advise that we have two (2) Chapter 11 submissions with the ASX awaiting their review and comments. Both of those submissions are possible acquisitions of businesses which comprise the provision of digital / internet services. We would expect to receive feedback from the ASX in the next few weeks. There is no guarantee that the ASX will accept either submission.

If neither submission is acceptable to the ASX, it is possible that Q Ltd will be suspended from trading pursuant to ASX Listing Rule 12 which requires the Company to have sufficient operations, financial position and spread of shareholders to continue trading. If this were to occur, the Company will only be able to come out of suspension and re-commence trading on the ASX by acquiring a new business and re-complying with Chapters 1 and 2 of the ASX Listing Rules. This re-compliance requires, amongst other things, a consolidation of securities and a capital raising by way of a prospectus.

RE-ELECTIONS

In accordance with our Constitution Kevin V Campbell retires from the Board at this meeting. He is eligible for re-election and has accordingly offered to do so.

APPOINTMENT OF A DIRECTOR

Efrat (Efi) Kleiner was appointed a Director in October 2012 and stands for election.

REMUNERATION

Shortly, you will be asked to adopt the Company's approach to remuneration, as set out in some detail in the 2012 Annual Report in the Remuneration Report.

CORPORATE GOVERNANCE

We have adopted a deliberate policy of openness and direct communication with all stakeholders, which is directly aligned with good corporate governance.

To this end, we have formalised all aspects of corporate governance so that Q Ltd not only acts appropriately, but demonstrates this to external stakeholders.

The Annual Report discusses this issue in detail and demonstrates the extent of our compliance with the "Principles of Good Corporate Governance" issued by the Australian Stock Exchange. While this may act as a guide for shareholders, corporate governance is about integrity and embedded values demonstrated by the Board and management in the way they manage and behave both internally and externally with customers and other stakeholders.

CONCLUSION

Finally, I would like to thank my fellow directors for their continued valuable contribution to the Board.

I also thank all shareholders for their patience and support.

Paul G Choiselat



Executive Chairman Q Ltd