ASX ANNOUNCEMENT AND MEDIA RELEASE **ASX CODE: MBO**

Date: 31 October 2012

MBO continues to improve its results from operations

- **Customer receipts for the quarter of $1.3M, a growth of 21% over the previous year's quarter**
- **Increase in inventory expenditure to improve lead times and address pipeline of opportunities**

Global marine safety equipment provider Mobilarm Limited (ASX: MBO) today reported first quarter receipts from customers for the three month period ended 30 September 2012 of $1,284,995 a 21% increase over the same period last year. The Company had net operating cash out flows of $546,757 for the quarter after an outlay of $ 790,947 on inventory.

Mobilarm Chief Executive Officer Ken Gaunt commented: "A very positive start to the new financial year. With two new products about to be released, a focused sales effort and large sales pipeline we are on track to deliver a significant increase on last year's results."

Mobilarm Chief Financial Officer Jorge Nigaglioni commented: "We increased our customer receipts over the similar period last year. The first quarter is our seasonal low due to the European holiday season, so to grow it over the previous year is a great result, considering that the holiday season was extended this year by the London Olympics. A significant portion of our quarter's expenditures were inventory related as we have improved the inventory levels of our Sea Marshall brand of products to expedite our customer deliveries and we have committed to an increase of our V100 inventories to address our pipeline of opportunities."

-Ends-

Further details

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Notes for editors

Mobilarm (ASX: MBO) is one of the world's leading suppliers of marine safety products with its Mobilarm and Sea Marshall brand of man overboard solutions.

Rule 4.7B

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

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

Name of entity

Mobilarm Limited

ABN	Quarter ended ("current quarter")
15 106 513 580	30 September 2012

Consolidated statement of cash flows

	Cash flows related to operating activities		**Current quarter $**	**Year to date (3 months) $**
1.1	Receipts from customers		1,284,995	1,284,995
1.2	Payments for	(a) staff costs	(563,243)	(563,243)
		(b) advertising & marketing	(21,883)	(21,883)
		(c) research & development	(39,152)	(39,152)
		(d) leased assets	-	-
		(e) Other working capital	(419,351)	(419,351)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		4,039	4,039
1.5	Interest and other costs of finance paid		(1,215)	(1,215)
1.6	Income taxes (paid)/received		-	-
1.7	Rental recoveries		-	-
1.7	Purchases of inventory		(790,947)	(790,947)
	Net operating cash flows		**(546,757)**	**(546,757)**

+ See chapter 19 for defined terms.

		Current quarter $	Year to date (9 months) $
1.8	Net operating cash flows (carried forward)	**(546,757)**	**(546,757)**
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) Net cash acquired on acquisition(item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(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	-	-
	(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	**-**	**-**
1.14	**Total operating and investing cash flows**	**(546,757)**	**(546,757)**
	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	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Share issue expenses	-	-
	Net financing cash flows	**-**	**-**
	Net increase (decrease) in cash held	**(546,757)**	**(546,757)**
1.21	Cash at beginning of quarter/year to date	1,356,400	1,356,400
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	**Cash at end of quarter**	**809,643**	**809,643**

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
1.24	Aggregate amount of payments to the parties included in item 1.2	(170,425)
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Payments were for salaries and director fees and travel.

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

Nil

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

Nil

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available $A	Amount used $A
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

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	Previous quarter $A
4.1	Cash on hand and at bank	544,469	544,469
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Deposits securing guarantees	265,174	265,174
	Total: cash at end of quarter (item 1.22)	**809,643**	**809,643**

Acquisitions and disposals of business entities

		Acquisitions *(Item 1.9(a))*	Disposals *(Item 1.10(a))*
5.1	Name of entity	Nil	Nil
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 give a true and fair view of the matters disclosed.

Sign here: D McArthur

Company Secretary Date: 31 October 2012

Print name: David McArthur

+ 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.