

3Q HOLDINGS LIMITED

May 2008

Investor Presentation

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Agenda

- History
- Business
 - Products
 - Key Personnel/Org Chart
 - Customer Base
 - Strategic Objectives
- Financials
 - Performance Highlights
 - Annual Trends over 3-years
 - Annual Margins over 3-years
 - Revenue Breakdown
 - Recurring vs Other Revenue
- TQH Group Going Forward
- Capital Raising Structure
- Capital Raising Timeline
- Island Pacific Acquisition





Background to Business

Overview

- TQH is in the business of supplying solutions consisting of POS and head office technology for retailers in Australia, NZ, US, UK and Asia.
- TQH's current management have extensive experience of growing the business organically and via acquisition, including three acquisitions completed in the last two years.
- The retail software and services industry remains highly fragmented and TQH is aggressively pursuing further acquisitions in Australia and overseas.



Company History

- **1987** Divergent Technologies founded by Shaun Rosen, David Rosen & Clive Klugman
- **1994-97** Divergent acquires a number of Australian companies
- **1997** Divergent sold to California-based SVI Holdings Inc (OTC Bulletin Board listed)
- **1998** Significant growth for SVI Holdings Inc. Divergent revenues reach \$25m
- **1999** Shaun Rosen appointed group CEO and relocates to USA. SVI Holdings Inc acquires 2 further businesses

SVI's market capitalisation (now AMEX listed), reaches approx. US\$500m
Shaun Rosen resigns from SVI Holdings Inc & SVI Retail Pty
- **2000-02** SVI Holdings Inc run by new management team
- **2002** Receiver appointed to SVI Retail Pty Limited (Australian subsidiary). Shaun Rosen and Clive Klugman re-acquire Australian SVI Retail business

Commence business improvement and turn around strategy
- **2003** Profits are restored under leadership of Shaun Rosen and Clive Klugman's team
- **2005** Lists on ASX as TQH
- **2006** TQH acquire US-based ARS from SVI Holdings
- **2007** TQH acquire NZ-based AdvanceRetail
- **2007** TQH acquire US-based Island Pacific



POS



AdvanceRetail
✓ General Retail



dPOSit
✓ Fashion



Applied Retail Solutions

OnePointe
✓ Tier 1 Retailer

Thin RMS
✓ Thin Client

Head Office



AdvanceRetail
✓ General Retail
Advance Reports
✓ Retail Business Intelligence



dofIN
✓ Specialty
CRMS
✓ Furniture and Electrical
RAGS
✓ Fashion



Pyramid
✓ Planning



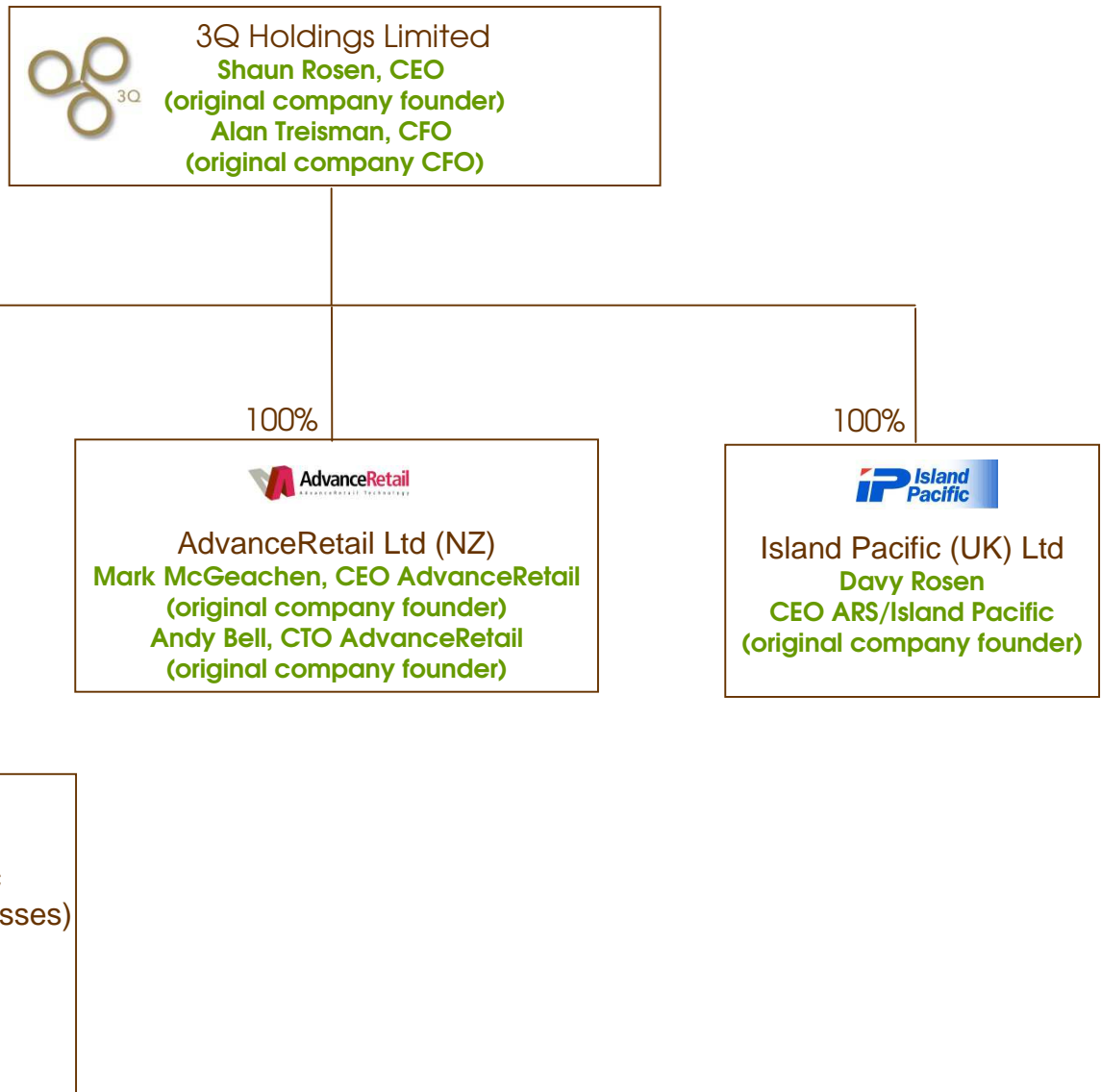
IPMS
✓ General Retail

Value Proposition

- ✓ Strong management - initial owners still involved with vast experience in industry
- ✓ Turn-key solutions (including hardware, software and technology services)
- ✓ Feature rich, mature, proven and stable technology
- ✓ Fully flexible and scalable products, offering tailored solutions to the client base i.e. can be employed by single store retailers through to large nationwide chains



Business - Key Personnel



Business - Customer Global Reach

Some of 3Q's Worldwide Customers

USA



UK/Europe



China/Asia



New Zealand



Australia



Recent 3Q Group Wins



AMART All Sports/Rebel
Australia
IPMS



Ann Summers
UK & Europe
Pyramid (IP Planning)



Black Spade (Fragile Stores)
Australia
doIFIN/dPOSt



Bridgestone
New Zealand
AdvanceRetail



FortyWinks
Australia
AdvanceRetail



Charming Shoppes
USA
OnePointe e-commerce





- **Primary strategic objective is to grow via sector consolidation**
- **Senior management team has shown sector consolidation can greatly increase profitability via:**
 - ✓ Consolidation of overhead expenses
 - ✓ Improved purchasing power
 - ✓ Revenue synergies through cross-selling of products
 - ✓ New customer acquisition and incremental sales to existing customers
 - ✓ Better net profit management
- **Potential acquisitions will be measured for:**
 - ✓ Financial performance including operating margins
 - ✓ Proprietary technology
 - ✓ Management fit
 - ✓ Synergies (Geographic and/or Product)



Financials

In the following financial slides, please note:

* 2008 include actual figures to 31/12/07 as per Appendix 4D plus:

- management accounts for January to March 2008
- Forecast for the period April-June 08

**2008 pro-forma figures include actual figures to 31/12/07 as per Appendix 4D plus:

- management accounts for January to March 2008
- IP for the period 1/7/07-20/12/07 (date of acquisition)
- Forecast for the period April-June 08

IP figures not audited for period 1 July 07-20 December 07.

Net Profit After Tax figures have not been used as there is too much uncertainty as to what the final Tax figure will be as a result of the Australian Tax losses and the recognition of Deferred Tax Assets resulting from these losses.

Performance Highlights

	2006	2007	*2008	**2008 pro-forma
Consolidated Revenue	\$7,918,924	\$11,196,055	\$20,686,501	\$27,895,741
Gross Profit Percentage	75%	76%	77%	81%
EBITDA	¹ \$2,161,300	\$2,305,160	¹ \$4,326,866	¹ \$7,543,138
Operating Profit Before Tax	¹ \$1,900,800	\$1,938,933	¹ \$2,364,810	¹ \$4,140,880
Interest Expense	\$89,956	\$115,705	\$1,124,010	³ \$1,908,726
Cash	\$684,101	\$2,155,810	² \$7,911,499	² \$7,911,499
Trade Debtors	\$1,157,981	\$3,175,991	⁴ \$7,299,501	⁴ \$7,299,501
Capital Expenditure – Fixed Assets	(\$34,000)	(\$111,000)	⁵ (\$197,272)	⁵ (\$197,272)
Number of Employees	38	80	⁴ 119	⁴ 119

¹ Normalised before one-off or extraordinary items

² Cash balance as at 31 March 2008 adjusted by \$2.95m, representing IP's half-yearly maintenance invoice run of approximately \$3.74million, of which approximately 80% should be received by 30 June 2008. Should this not all be received by then, Trade Debtors would increase by these outstanding amounts.

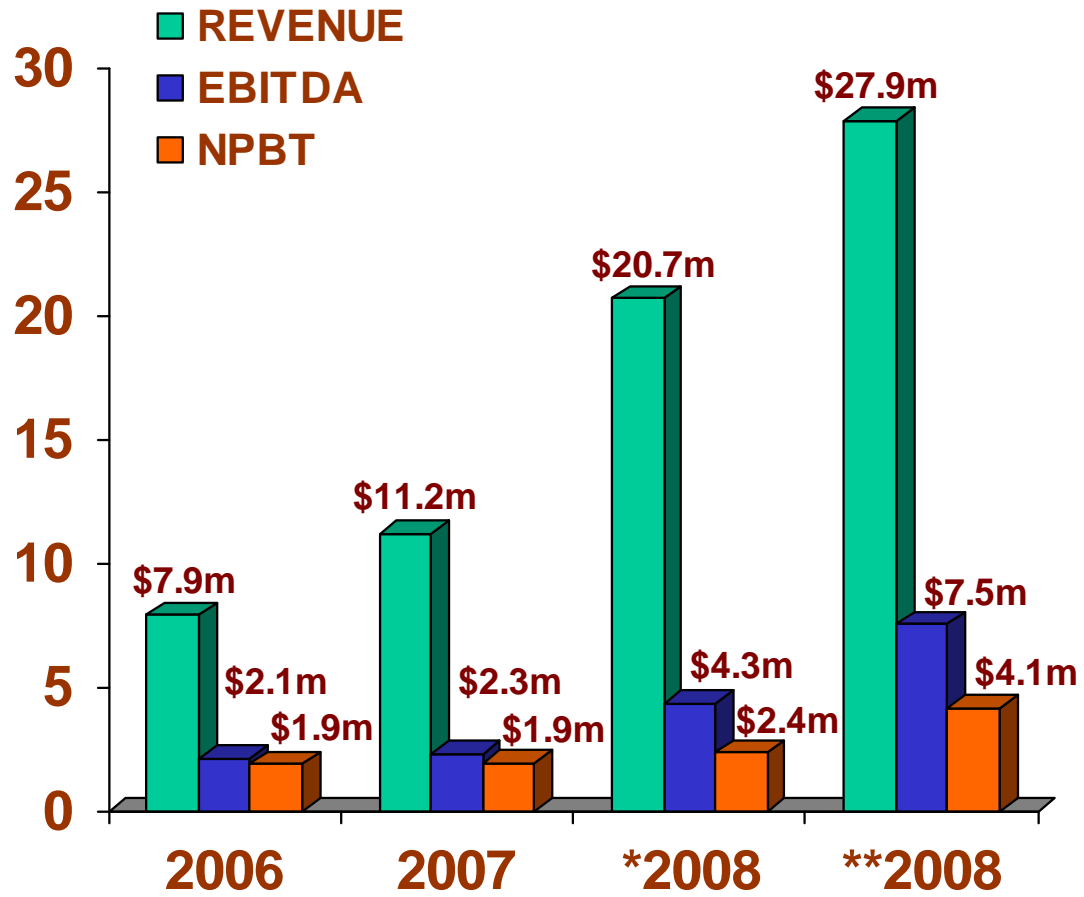
³ Interest has been calculated as though the debt incurred on the acquisition of Island Pacific was outstanding for the full period and no principal repayments were made.

⁴ Balance as at 31 March 2008.

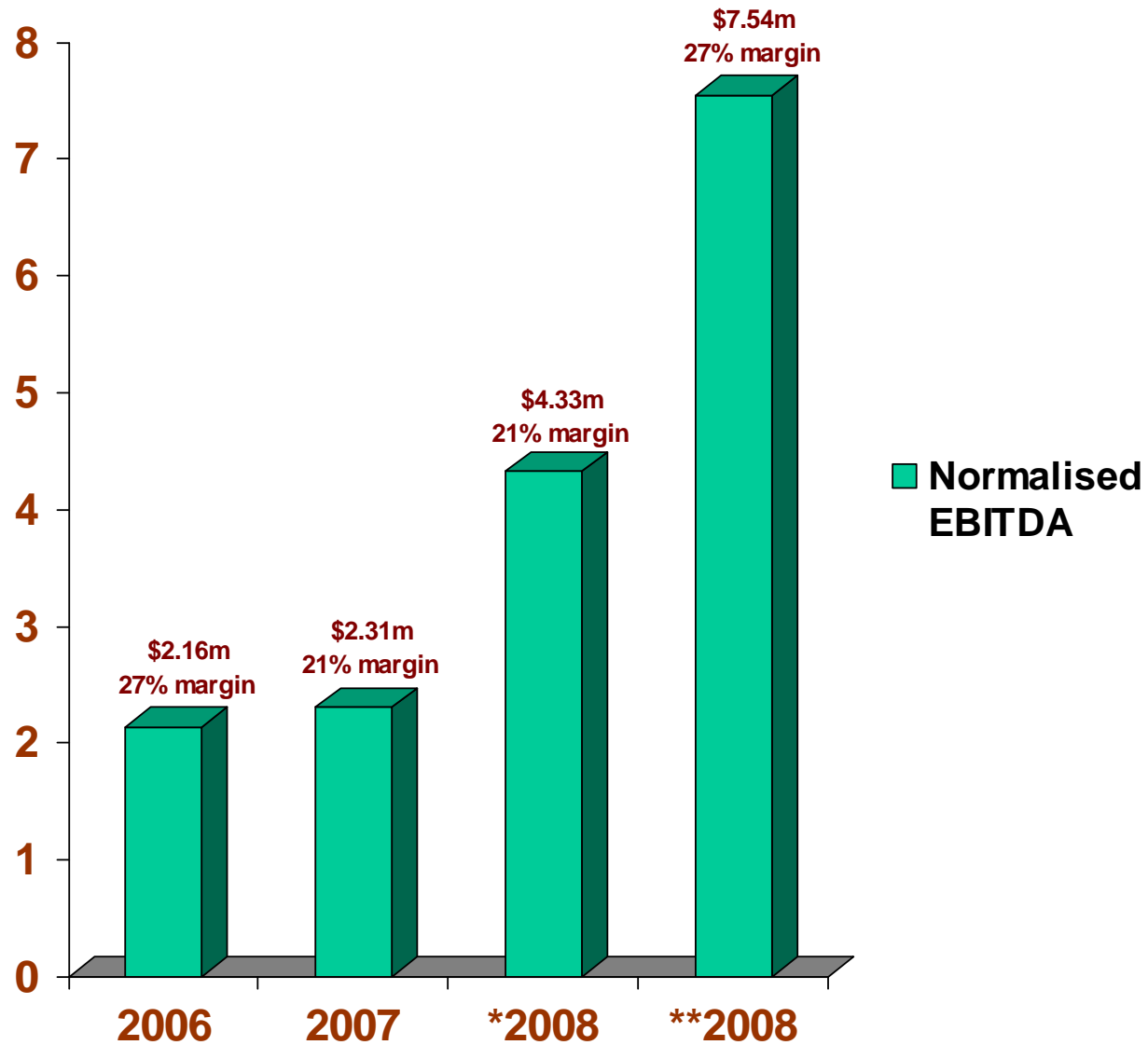
⁵ Annualised half year ended 31 December 2007.



Annual Trends over last 3 years

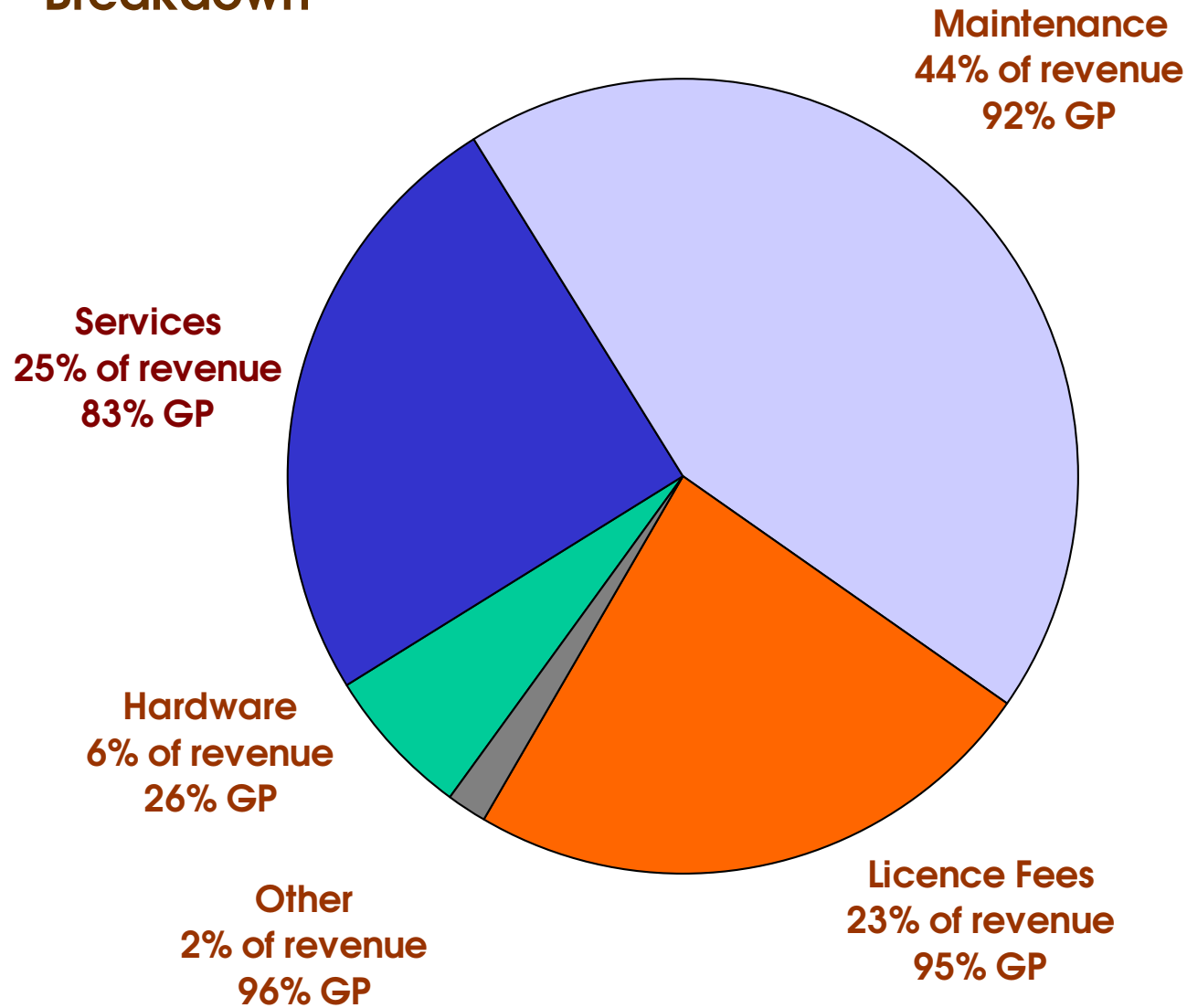


Annual Margins over last 3 years



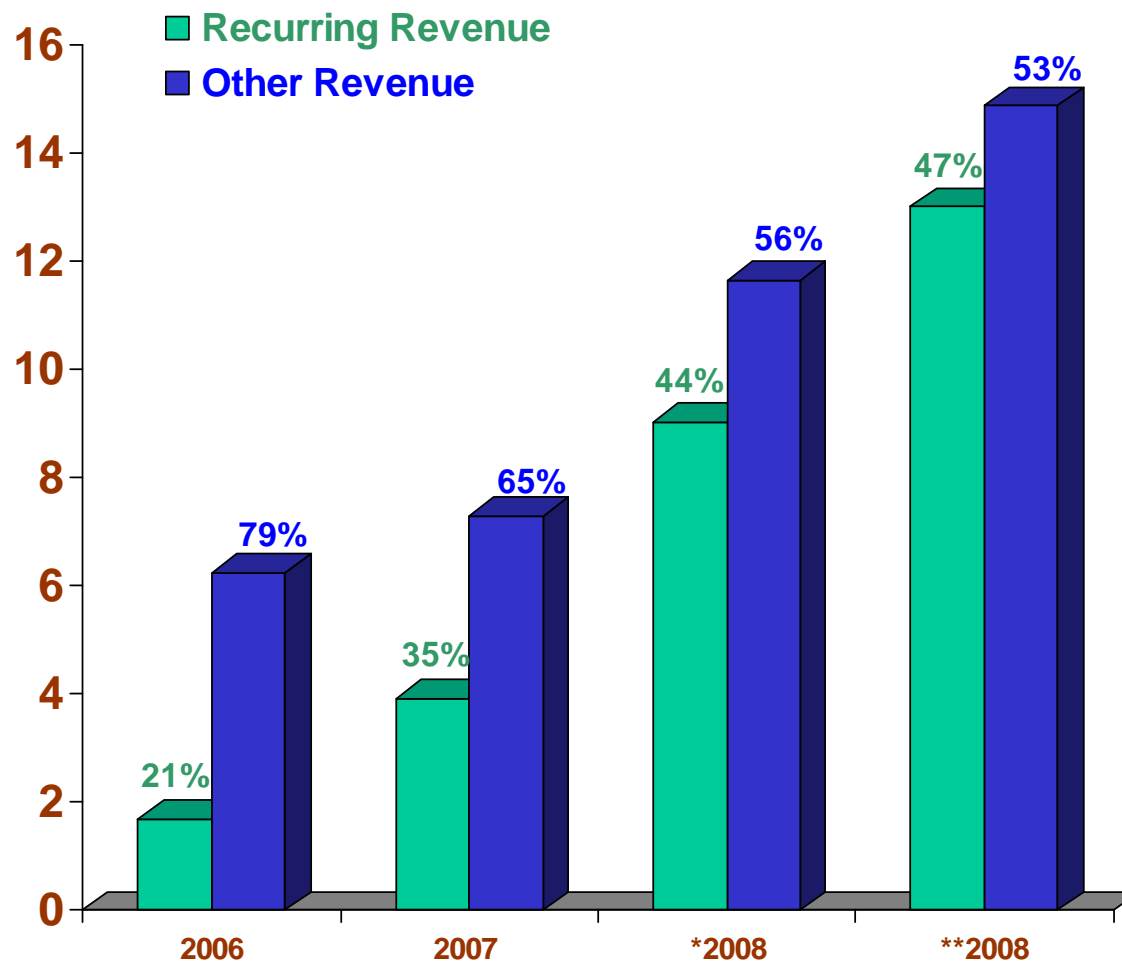
Revenue Mix Going Forward

Breakdown



Based on year-end 2009 projections which include IPMS for a full year.

Recurring vs Other Revenue





TQH Group Going Forward

Organic Growth

- IP Store
- Expand market via new technology
- Cross-selling

Use of funds

- Strengthen balance sheet
- Pay down debt
 - increasing potential capacity for further acquisitions
- Acquisition funding



Growth through acquisition

- Identify acquisitions
- Acquisition criteria
- Expansion into other retail segments



Source and Application of Funds



Source of Funds	42 million shares issued at \$0.24	\$10m
Application of Funds	Pay down of debt to NAB	\$4m
	Balance sheet capacity for further acquisitions, and to bolster working capital to be used for repayment of vendor financing for Island Pacific of up to US\$3M	\$6m

Capital Structure

Issued Capital

147.4 million shares

Options

4 million (strike price 20c, expiry 26/9/08)
 4 million (strike price 20c, expiry 10/11/09)
 1.25 million (strike price 20c, expiry 30/6/10)
 6.34 million (strike price 20c, expiry 8/2/11)

Fully diluted

163 million

Current Market Cap

\$36.9m
 (based on share price of 25c as at 18/4/08)

Top 5 Shareholders
¹Management & founders

Name	Shares	% of Issued Capital
Eastfall Pty Ltd ¹	57.5m	39%
Elabrook Pty Ltd ¹	57.5m	39%
AR Investments Ltd ¹	9.4m	6%
Ron-Ton Fashions Pty Ltd	2.4m	1.6%
Ron-Ton Fashions Pty Ltd	1.8m	1.2%



Questions and Answers



Summary of the Offer

- Total of 147,445,450 ordinary Shares on issue (all ASX listed).
- Maximum of 42,127,274 new Shares may be issued under Rights Issue. Total issued capital after Rights Issue approximately 189,572,734 Shares.
- Directors intend placing shortfall of shares from Rights Issue with selected sophisticated strategic or financial investors. Certain (related party) shareholders with total of 84% of the Company will not participate, allowing their shares to be placed, and their holding diluted.

Type of Offer: Non renounceable Rights Issue to eligible shareholders as at the Record Date

Offer Price: \$0.24 per share

Offer Ratio: 1 new share for every 3.5 shares held as at the Record Date

Underwriter: The offer is not underwritten



Capital Raising Timeline

Announcement of Offer	5 May 2008
Notice of Rights Issue to Shareholders	6 May 2008
Shares trade ex-entitlement	7 May 2008
Record date for determining shareholder entitlements	13 May 2008
Offer and entitlement form dispatched to shareholders	19 May 2008
Opening date of Offer	19 May 2008
Closing date of Offer	4 June 2008
Dispatch new holding statements	13 June 2008
New Shares trade (T+3)	13 June 2008





Island Pacific Acquisition
December 2007

About Island Pacific



- Started in 1978 – celebrates 30th anniversary this year.
- The business is well known to the TQH team.
- IPMS is a fully integrated merchandising application (head office) used by many of the world's leading retailers, including 16 of the Top 1,000 fortune companies.
- Employs 49 staff, 38 of which are based in the United States, with the balance based in the UK.
- The average tenure of active customers is 14 years.





- Installed in over 200 retailers.
- Target customers are in the Tier 1 to Tier 3 retail market sectors.
- Island Pacific has a long term client base that includes many leading international retailers – some companies subsidiaries or divisions run 3Q's software, and not necessarily the whole group.

Department/General/Food



Walmart



J C Penney



Dollar General



Michaels Stores



Campbell Soups

UK/Europe



Hamleys of London (Toys)



ASDA (Supermarkets)



Signet (Jewellers)



Vodafone (Telecoms)

Children/Entertainment& Leisure



Walt Disney



Toys'R'Us



Marriott International

Clothing



Nike



Limited Brands



Phillips Van Heusen



Vanity Fair Liz Claiborne



Polo Ralph Lauren



American Eagle Outfitters





Benefits

Financial

- Business well known to TQH management in Australia.
- At least 58% of revenues for the year ended 31 March 2007 occurring through maintenance contracts.
- Potential to upgrade 122 non-active customers (from a total of 220 customers).
- R&D largely customer funded.
- No major reliance on any large customer.
- Will be accretive to share price.

Product

- Provides TQH with a world class merchandising system to sell to existing 3Q customers in Australasia.
- Ability to sell existing 3Q products to IP customer base.
- Provides IPMS with integrated POS through re-branding OnePointe as IP Store.

Market Reach

- Provides greater presence in US as well as an UK/European office.

