

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

3 Q Holdings Limited

ABN

42089058293

Quarter ended ("current quarter")

30 June 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Curent quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	4,342	11,223
1.2 Payments for		
(a) staff costs	(1,496)	(4,212)
(b) advertising and marketing	(72)	(147)
(c) research and development	0	0
(d) leased assets	(5)	(19)
(e) other working capital	(1,267)	(4,552)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	19	32
1.5 Interest and other costs of finance paid	(0)	(10)
1.6 Income taxes paid	(278)	(1,002)
1.7 Other (provide details if material)		
Net operating cash flows	1,243	1,313

+ See chapter 19 for defined terms.

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	Curent quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	1,243	1,313
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5) - includes costs incurred in making acquisition.	(3,901)	(3,912)
Cash acquired on purchase of business in (a)	332	332
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(70)	(111)
(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	(5)	(9)
1.12 Loans repaid by other entities		
	(3,644)	(3,700)
Net investing cash flows		
1.14 Total operating and investing cash flows	(2,401)	(2,387)
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	4,037	4,037
1.18 Repayment of borrowings		(120)
1.19 Dividends paid		
1.20 Other	(24)	(24)
	4,013	3,893
Net financing cash flows		
Net increase (decrease) in cash held	1,612	1,506
1.21 Cash at beginning of quarter/year to date	557	684
1.22 Translation adjustments	(13)	(34)
1.23 Cash at end of quarter/year to date	2,156	2,156

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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 and 1.20	(278)
1.25	Aggregate amount of loans to the parties included in item 1.11	
1.26	<p>Explanation necessary for an understanding of the transactions</p> <div style="border: 1px solid black; padding: 5px;"> <p>Payments to directors or associates of the directors of the entity include payments as part of the director's salary packages including director's fees plus payments for rental of property owned by a related entity of certain of the directors.</p> </div>	

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

3Q acquired the business of AdvanceRetail in both Australia and New Zealand. The transaction was completed in the beginning of April 2007. The initial purchase price of the business was NZ\$8,100,000 payable half in cash and half in 3Q ordinary shares. The cash component paid is reflected in the cash flows relating to Investment activities above, whereas the issues of shares has not been reflected as it does not involve the outflow of cash.

There is also a second consideration payable on the anniversary of the completion date of up to NZ\$2,025 million, and is also payable half in cash and half in 3Q ordinary shares.

- 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

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	5,500	4,074
3.2	Credit standby arrangements		

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The Loan facilities above include:

- Foreign Currency Term Loan of AUD2, 000,000 that is interest only and has a 4-year term. This facility is for the acquisition of AdvanceRetail;
- Foreign Currency Term Loan of AUD2, 000,000 that is principal and interest and is amortised over 30 months. This facility is for the acquisition of AdvanceRetail;
- Deferred Foreign Currency Term Loan of AUD1, 000,000 that is principal and interest and is amortised over 30 months. This facility is for the acquisition of AdvanceRetail;
- A Multi Option (Bank Guarantee) of \$500,000 with a term of 1 year, which is to be used for working capital.

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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	2,077	551
4.2 Deposits at call	116	6
4.3 Bank overdraft	(37)	
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	2,156	557

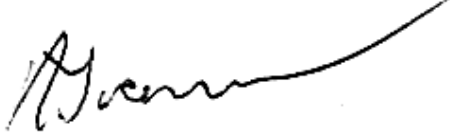
Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	AdvanceRetail	
5.2 Place of incorporation or registration	Auckland (New Zealand) and Sydney (Australia)	
5.3 Consideration for acquisition or disposal	<ul style="list-style-type: none"> • Initial consideration of NZ\$8,100,000 payable half in 3Q ordinary shares and half in cash. • Deferred consideration of up to NZ\$2,025,000 payable half in 3Q ordinary shares and half in cash. 	
5.4 Total net assets (includes intellectual property and Goodwill)	<ul style="list-style-type: none"> • Net Tangible assets of NZ\$1,400,000. • Intangible assets of NZ\$6,700,000 	
5.5 Nature of business	Retail Solutions Provider	

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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: ..  ..
Date: 30/07/2007.....
(Director/Company secretary)

Print name: Alan Treisman.....

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.

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