

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 September 2007

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	3,590	3,590
1.2 Payments for		
(a) staff costs	(1,604)	(1,604)
(b) advertising and marketing	(47)	(47)
(c) research and development		
(d) leased assets		
(e) other working capital	(1,492)	(1,492)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	25	25
1.5 Interest and other costs of finance paid	(95)	(95)
1.6 Income taxes paid	(23)	(23)
1.7 Other (provide details if material)		
Net operating cash flows	354	354

+ See chapter 19 for defined terms.

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	Curent quarter \$A'000	Year to date (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	354	354
1.9 Cash flows related to investing activities		
1.9 Payment for :		
(a) costs incurred on the acquisition of AdvanceRetail Technology Limited.	(77)	(77)
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(42)	(42)
(e) other non-current assets		
(f) deposit in relation to potential investment	(120)	(120)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) listed investments	26	26
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities (including staff)	(57)	(57)
1.12 Loans repaid by other entities		
	(270)	(270)
Net investing cash flows		
1.14 Total operating and investing cash flows	84	84
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	(207)	(207)
1.19 Dividends paid		
1.20 Other		
	(207)	(207)
Net financing cash flows		
	(123)	(123)
Net increase (decrease) in cash held		
1.21 Cash at beginning of quarter/year to date	2,156	2,156
1.22 Translation adjustments	(36)	(36)
1.23 Cash at end of quarter/year to date	1,997	1,997

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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	(218)
1.25	Aggregate amount of loans to the parties included in item 1.11	
1.26	Explanation necessary for an understanding of the transactions	
	<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. Also included is an advance to the related entity referred to above.</p>	

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
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- 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
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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	3,811
3.2	Credit standby arrangements		

The bank loan facilities above include:

- Foreign Currency Term Loan of AUD \$2,000,000 that is interest only and has a 4-year term. The interest is charged at a fixed rate which equates to St George Bank's NZD cost of funds (fixed 3

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year rate) plus a margin of 2.0% (11.12% at 30 June 2007). This loan has been drawn down by AdvanceRetail Technology to NZD \$2,260,000.

- Foreign Currency Term Loan of AUD 2,000,000 that is principal and interest and is amortised over 30 months. The interest is charged at a variable rate which equates to St George Bank's NZD cost of funds (variable rate) plus a margin of 1.75% (10.03% at 30 June 2007). This loan has been drawn down by AdvanceRetail Technology to NZD \$1,790,000.
- A component of each of the Foreign Currency Term Loans above was drawn down by 3Q Holdings to a total of AUD \$400,000 principal and interest at 30 June 2007.
- Deferred Foreign Currency Term Loan of AUD \$1,000,000 that is principal and interest and is amortised over 30 months. This loan had not been drawn down as at the date of this report.
- A Multi Option (Bank Guarantee) of AUD \$500,000 with a term of 1 year, which is to be used for working capital. The interest is charged at a variable rate of interest. This multi option facility is subject to an annual review.

The bank loan facilities are for the primary purpose of funding the acquisition of AdvanceRetail Technology.

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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	866	2,077
4.2 Deposits at call	1,196	116
4.3 Bank overdraft	(65)	(37)
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	1,997	2,156

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		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets (includes intellectual property and Goodwill)		
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:  Date: 26/10/2007
(Director/Company secretary)

Print name: Alan Treisman.....

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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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