

# ASX RELEASE

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## RXP SERVICES LIMITED

### Quarterly Report - Brief Commentary

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Attached for release to the market is a copy of the Appendix 4C - Quarterly report for entities admitted on the basis of commitments for the quarter ending 31 December 2013.

#### Commentary

- Cash on Hand at 31 December 2013 was \$25.4M with cash flow from operations remaining positive in a quarter that included the payment of the company's income tax obligation for FY13
- Receipts from customers grew 11% (\$12.6M) against the previous quarter (\$11.4M) and more than 120% (\$5.7M) against the same period last year
- The company settled commitments in respect of consideration obligations for acquired entities in the amount of \$1.5M during the quarter
- The company successfully raised \$20M before raising costs during the quarter to further our acquisition strategy

Commenting on the company's cash flow performance over the June 2013 quarter, RXP's CFO Christopher Shearer said

*"the result again demonstrates the strength of RXP and that the significant growth from where we were 12 months ago continues to be managed well."*

The company looks forward to providing a more detailed update to the market when it releases its first half results on or about 13<sup>th</sup> February 2014.

For further information, please contact either myself or Ross Fielding (CEO) on 03 8256 4855.

## Appendix 4C

### Quarterly report for entities admitted on the basis of commitments

Name of entity

RXP Services Limited

ABN

30 146 959 917

Quarter ended ("current quarter")

December 2013

#### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date 6 months \$A'000
1.1	Receipts from customers	12,629	23,996
1.2	Payments for (a) staff costs	(8,945)	(17,406)
	(b) advertising and marketing	-	-
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(2,478)	(3,915)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	33	71
1.5	Interest and other costs of finance paid	(3)	(2)
1.6	Income taxes paid	(1,032)	(832)
1.7	Other (provide details if material)	-	-
	<b>Net operating cash flows</b>	<b>204</b>	<b>1,911</b>

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		Current quarter \$A'000	Year to date 6 months \$A'000
1.8	Net operating cash flows (carried forward)	204	1,911
<b>Cash flows related to investing activities</b>			
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	(1,483)	(6,732)
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	(14)	(38)
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)	-	(10)
	<b>Net investing cash flows</b>	(1,497)	(6,780)
<b>1.14</b>	<b>Total operating and investing cash flows</b>	(1,293)	(4,869)
<b>Cash flows related to financing activities</b>			
1.15	Proceeds from issues of shares, options, etc.	20,000	20,000
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Capital raising expenses	(979)	(979)
	<b>Net financing cash flows</b>	19,021	19,021
	<b>Net increase (decrease) in cash held</b>	17,728	14,152
1.21	Cash at beginning of quarter/year to date	7,633	11,209
1.22	Exchange rate adjustments	-	-
1.23	<b>Cash at end of quarter</b>	25,361	25,361

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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	128
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Remuneration paid to executive and non-executive directors of the Company for the period

**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.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

## 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	25,361	7,633
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.23)</b>		25,361	7,633

## Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Acquisitions (Item 1.9(a))
5.1 Name of entity	Transpire P/L	MethodGroup Pty Ltd
5.2 Place of incorporation or registration	Melbourne	Melbourne
5.3 Consideration for acquisition	\$4,150,000	\$4,742,450
5.4 Total net assets	Nil	Nil
5.5 Nature of business	ICT Professional Services	ICT Professional Services

	Acquisitions (Item 1.9(a))	Acquisitions (Item 1.9(a))
5.1 Name of entity	Nobel Consulting Pty Ltd	Integrated Value Pty Ltd
5.2 Place of incorporation or registration	Melbourne	Melbourne
5.3 Consideration for acquisition	\$5,609,951	\$10,560,000
5.4 Total net assets	Nil	Nil
5.5 Nature of business	ICT Professional Services	ICT Professional Services

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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:

Chief Financial Officer

Date: 31 January 2013

Print name: Christopher Shearer

**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 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting 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.