



ASX RELEASE

RXP's cash flows from operations grows by 30% as revenue continues to grow

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 30 September 2013 (1Q14).

RXP is pleased to announce that for the fourth consecutive quarter cash flows from operations has grown on the back of an increasing revenue base.

1Q14 highlights:

- Net operating cash flows were up 30% to \$1.7 million on the previous quarter (4Q13 \$1.3 million)
- Receipts from customers were up 23% to \$11.4 million (4Q13: \$9.3 million)
- Cash on hand at the end of 1Q14 - \$7.6M and the company has zero debt
- Underpinning the result is continued growth in RXP's revenue base
- Acquisitions of Transpire and MethodGroup

Commenting on the company's cash flow performance over 1Q14, RXP's Chief Executive Officer Ross Fielding:

"We have carried the momentum of 4Q13 and made a solid start to FY14; this is a pleasing result.

Integration activities continue to go well with our administration function doing an outstanding job at integrating quickly and seamlessly with no interruption to collection cycles. We now have 280+ people across the business against 120 the same time last year.

We expect cash flows from operations to continue to build and our strong cash position at the end of the quarter leaves the door open for us to take advantage of opportunities to continue the growth both organically and through further acquisition.

We remain focused on refining and executing the business model in Australia, whilst evaluating market opportunities outside of Australia," added Mr Fielding.

For further information, please contact either myself or Christopher Shearer (CFO) on 03 8256 4855.

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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")

September 2013

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	11,367	11,367
1.2 Payments for (a) staff costs	(8,461)	(8,461)
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(1,437)	(1,437)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	38	38
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	200	200
1.7 Other (provide details if material)	-	-
Net operating cash flows	1,707	1,707

+ See chapter 19 for defined terms.

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Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date 3 months \$A'000
1.8 Net operating cash flows (carried forward)	1,707	1,707
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)	(5,249)	(5,249)
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	(24)	(24)
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)	(10)
Net investing cash flows	(5,283)	(5,283)
1.14 Total operating and investing cash flows	(3,576)	(3,576)
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 Capital raising expenses	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	(3,576)	(3,576)
1.21 Cash at beginning of quarter/year to date	11,209	11,209
1.22 Exchange rate adjustments	-	-
1.23 Cash at end of quarter	7,633	7,633

+ See chapter 19 for defined terms.

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	116
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	-	-

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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	7,633	11,181
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		7,633	11,181

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

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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 October 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.

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