

RXP Services Ltd Quarterly Report - Brief Commentary

Report on Activities for the Quarter Ended 30 September 2012

Highlights:

- Several new Client contracts have been executed in the past 3 months (including a major bank in Australia, a major utility in Australia and a major telecommunications provider in Hong Kong)
- Several new Vendor/Partner contracts have been executed in the past 3 months (including a major document design, assembly, composition, processing and delivery provider, a major Business Intelligence software provider and another major software product provider)
- Our pipeline of work continues to build across Australia and Asia, leveraging both existing and new client and vendor/partner agreements
- Our consulting staff numbers have increased by 11 since 30 June, with RXP Services now having over 120 employees

Corporate & Finance:

Cash on Hand at 30 June 2012: \$868K

Cash flow from operations:

- Net operating cash flow \$329k for the September quarter
- Cash inflows were up 5.2 percent to \$5.68M quarter on quarter, in line with expectations

Based on current actual results and forecasts from operations, we expect positive cash flow to continue to grow and reiterate our recent guidance of revenue of between \$26-30M and EBIT of \$4.5-6.0M.

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

Ross Fielding – CEO & Managing Director,
RXP Services Limited

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 2012

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date 12 months \$A'000
1.1	Receipts from customers	5,680	5,680
1.2	Payments for (a) staff costs	(4,387)	(4,387)
	(b) advertising and marketing	-	-
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(955)	(955)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	4	4
1.5	Interest and other costs of finance paid	(13)	(13)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net operating cash flows	329	329

+ 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)	329	329
Cash flows related to investing activities			
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	(382)	(382)
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(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	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
	Net investing cash flows	(382)	(382)
1.14	Total operating and investing cash flows	(53)	(53)
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	140	140
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other – capital raising expenses	-	-
	Net financing cash flows	140	140
	Net increase (decrease) in cash held	87	87
1.21	Cash at beginning of quarter/year to date	781	781
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	Cash at end of quarter	868	868

+ 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	800	685
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	868	781
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		868	781

Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Acquisitions (Item 1.9(a))
5.1	Name of entity	Stonewell Consulting P/L	PL Consulting Pte Ltd
5.2	Place of incorporation or registration	Melbourne	Hong Kong
5.3	Consideration for acquisition	\$4,061,000	\$750,000
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: 30 October 2012

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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