

31 July 2014

ASX Announcement

Appendix 4C Quarterly Report and Shareholder Update

Cash Flow Results

- **Net Operating Cash Flow of \$4.3M for Q4 FY14.**
- **Full Year Net Operating Cash Flow of \$5.3M.**
- **Cash at bank of \$8M at 30 June 2014.**
- **Accounts receivable of \$11.5M and payable of \$3.9M at 30 June 2014.**

Commentary

- Net operating cash flows are not indicative of the trading EBITDA result during the quarter or full year and are heavily influenced by the timing of payables and receivables during the period.
- Empired is pleased with full year operating cash flow results and they are in line with management expectations.
- Empired is delighted with its closing cash position of \$8M which includes the cash payment made on settlement to the vendors of eSavvy Pty Ltd which was acquired during the period.

FY14 Full Year Update

- **Empired will provide unaudited FY14 Headline Results and Commentary to the market on Monday 4th of August 2014.**

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Important notice re forward looking statements

Certain statements made in this communication, may contain or comprise certain forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, and business and operational risk management. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

About Empired Limited

Empired Ltd is a national IT Services Provider with a broad range of capabilities and experience. First established in 1999, Empired is a publicly listed company (ASX: EPD) that is proud to have its foundations in Western Australia, with a strong national presence. With approximately 425 staff, Empired has built a reputation for service excellence and is a leading provider of business technology solutions in the Corporate and Government sector.

Our flexible service delivery approach and "can do" attitude has enabled Empired to secure clients that range from medium size entities through to large enterprise accounts with services delivered across Australia, South East Asia and beyond.

Empired focuses on providing companies with tailored IT service solutions that address their specific needs. We have established long-term client relationships and are continually invited to help enhance their business processes.

Empired offers a range of services complemented by hardware and software products that enable it to provide comprehensive and professional ICT solutions.

Website: www.empired.com

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

Empired Limited

ABN

81 090 503 843

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter (3 months) \$A	Year to date (12 months) \$A
1.1	Receipts from customers	19,719,857	64,654,084
1.2	Payments for:		
	(a) staff costs	(11,380,712)	(41,606,379)
	(b) advertising and marketing	(43,543)	(170,028)
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(3,750,038)	(17,519,182)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	35,032	124,270
1.5	Interest and other costs of finance paid	(195,010)	(735,276)
1.6	Income taxes rebates /(paid)	(90,899)	510,835
1.7	Other	-	-
Net operating cash flows		4,294,687	5,258,324

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

	Current quarter (3 months) \$A	Year to date (12 months) \$A
1.8 Net operating cash flows (carried forward)	4,294,687	5,258,324
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses net of cash acquired (item 5)	(295,688)	(16,298,814)
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(1,783,304)	(3,615,155)
(e) other non-current assets	(882,106)	(2,631,869)
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)	-	-
	(2,961,098)	(22,545,838)
Net investing cash flows		
1.14 Total operating and investing cash flows	1,333,589	(17,287,514)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	15,329,643
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	460,598	12,276,640
1.18 Repayment of borrowings	(1,146,335)	(4,003,086)
1.19 Dividends paid	-	(339,591)
1.20 Other (provide details if material)	-	-
	(685,737)	23,263,606
Net financing cash flows		
Net increase (decrease) in cash held	647,852	5,976,092
1.21 Cash at beginning of quarter/year to date	7,414,153	2,085,913
1.22 Exchange rate adjustments		
	8,062,005	8,062,005
1.23 Cash at end of period		

+ 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
1.24 Aggregate amount of payments to the parties included in item 1.2	\$132,718
1.25 Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Salaries and fees paid to Directors

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	Amount used \$A
3.1 Loan facilities	\$13,866,198	\$11,957,198
3.2 Credit standby arrangements	-	-

The Company has two loan facilities, a credit card facility and bank guarantee contingent instrument facility. One loan facility provided funding for the acquisition of OBS Pty Ltd. The second loan facility provides funding for the remaining conditional payment to the vendors of Conducive Pty Ltd should performance criteria be met. The maximum final payment for the acquisition of Conducive Pty Ltd will be \$1,909,000 on the 31st of July 2014.

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

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	Previous quarter \$A
4.1 Cash on hand and at bank	7,486,802	6,840,445
4.2 Deposits at call	575,203	573,708
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	8,062,005	7,414,153

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	eSavvy Limited	-
5.2 Place of incorporation or registration	Australia, NSW	-
5.3 Consideration for Acquisition or disposal	\$ 1,765,688	-
5.4 Total net assets	\$ 29,981	-
5.5 Nature of business	IT consultancy services	-

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: 

 (Company secretary)

Date:31 July 2014

Print name: Mark Edward Waller.....

Notes

+ See chapter 19 for defined terms.

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.

+ See chapter 19 for defined terms.