



Appendix 4C

Quarterly report for entities admitted
on the basis of commitments

28 April 2016

March 2016 Quarter Cash Flow Report and Commentary

Megaport Limited (ASX: MP1) has today released the March 2016 quarter Appendix 4C.

Revenue

Receipts from customers were \$631K for the quarter, an increase of 17% from the prior quarter. All revenue receipts during the reporting period are from the Asia Pacific region.

Operating Costs

Megaport has maintained staff costs of \$2.28M during the reporting period as compared to \$2.34M in the previous quarter, while continuing with new market expansions.

Other Working Capital was \$3.43M during the reporting period as compared to \$1.92M in the previous quarter. With the completion of the North American network expansion, Direct Network Costs increased by \$455K, reflecting that the majority of the North American network was deployed in Q3 FY2016 (Revenue attributable to the North American network is anticipated from Q4 FY2016 onwards).

Additionally, there were a number of one-off cash outflows in Other Working Capital during Q3 FY2016 that impacted the increase:

- Megaport's roll-out of the North American network is funded by capital raised during the Company's IPO in Australia last year. As a result of the Australian dollar strengthening in Q3 FY2016, the Company realised a foreign currency loss of AUD\$504K on funds transferred from AUD to USD.
- Other Working Capital includes increased pre-payments of \$460K specific to the North American rollout, with the services to be used across Q4 FY2016.

Capital Expenditure

With the majority of the North American network hardware purchased in Q2, the Capital Expenditure decreased in Q3 FY2016 by \$725K.

Cash Position

As anticipated, the Company experienced a net decrease in Cash Held for this reporting period, reflecting the company's focus on the expansion of the North American market during this period. Closing Cash at the end of Q3 FY2016 is \$18.7M.

Name of entity

Megaport Limited

ABN

46 607 301 959

Quarter ended ("current quarter")

31 March 2016

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (8 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from customers	631	1,464
1.2	Payments for (a) staff costs	(2,281)	(5,700)
	(b) advertising and marketing	(540)	(1,049)
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(3,435)	(6,113)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	104	104
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – Payments for ASX listing costs	-	(509)
	Net operating cash flows	(5,521)	(11,803)
Cash flows related to investing activities			
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	(1,209)	(3,537)
	(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 – Cash acquired from purchase of subsidiary	-	306
	Net investing cash flows	(1,209)	(3,231)
1.14	Total operating and investing cash flows	(6730)	(15,034)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc.	-	35,000
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	(376)
1.19	Dividends paid	-	-
1.20	Other – Payment for share issue costs	(11)	(890)
	Net financing cash flows	(11)	33,734
Net increase (decrease) in cash held		(6,741)	18,700
1.21	Cash at beginning of quarter/year to date	25,441	-
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	Cash at end of quarter	18,700	18,700

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	306
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	-

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

In the quarter ended 31 March 2016, there were no non-cash flow financing and investing transactions having a material effect on consolidated assets and liabilities.

However, as published in the Prospectus dated 20 November 2015, there were 2 material non-cash transactions in the year-to-date. Details of these transactions are:

1. The purchase of wholly-owned subsidiaries (Megaport (Australia), (Singapore), (Hong Kong), (USA), and (UK)) from Bevan Slattery, Founding Shareholder & Executive Director, was settled via an issue of shares in August 2015.
2. These subsidiaries were originally funded by Mr Slattery through a Director's loan, which was settled via a debt to equity conversion in August 2015.

- 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

	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	18,391
4.2	Deposits at call	309
4.3	Bank overdraft	-
4.4	Other (provide details)	-
Total: cash at end of quarter (item 1.23)		18,700
		25,441

Acquisitions and disposals of business entities

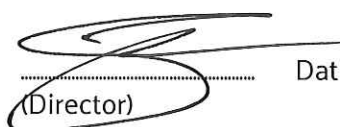
- 5.1 Name of entity
- 5.2 Place of incorporation or registration
- 5.3 Consideration for acquisition or disposal
- 5.4 Total net assets
- 5.5 Nature of business

Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
-	-
-	-
-	-
-	-
-	-

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:


(Director)

Date:

28/4/16

Print name: Bevan Slattery