

**Imagine Un Limited**  
ABN: 97 009 201 763

Ground Floor, 493 St Kilda Road  
MELBOURNE VIC 3004

Phone: 1300 136 369  
Fax: 1300 794 354



## **APPENDIX 4C – QUARTERLY CASH FLOW STATEMENT**

31 January 2009

The Board of Imagine Un Limited (IUL) is pleased to provide its Quarterly Cash Flow Statement (Appendix 4C) for the period to 31 December 2008.

Cash Receipts crossed the \$1 million mark for the quarter for the first time and IUL believes that it will continue to grow its revenue as SME's look for more cost effective communications and other essential services.

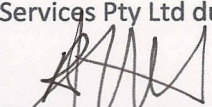
The company's new Greenplan product has been selling well during the test phase of the launch and IUL expects that its overall rate of growth will increase over the coming months as its sales and marketing efforts ramp up..

The cost reduction component of its restructuring plan was implemented during November and December and the next quarter will see the full impact of these improvements to its cash flow.

IUL announced on 21 January 2009 that it had reached an agreement to underwrite the issue of a series of Convertible Notes to raise \$700,000 over the next six months . This and other aspects of the restructuring plan are expected to be finalised during February 2009.

IUL has been sued by its previous CEO Michelle Morrison, who is claiming \$589,094. IUL will be defending this largely spurious claim and has instructed its solicitor to launch a counter claim in respect to certain overpayments, the return of shares and options issued to Ms. Morrison and to enforce certain undertakings provided to the company's auditors relating to financial support.

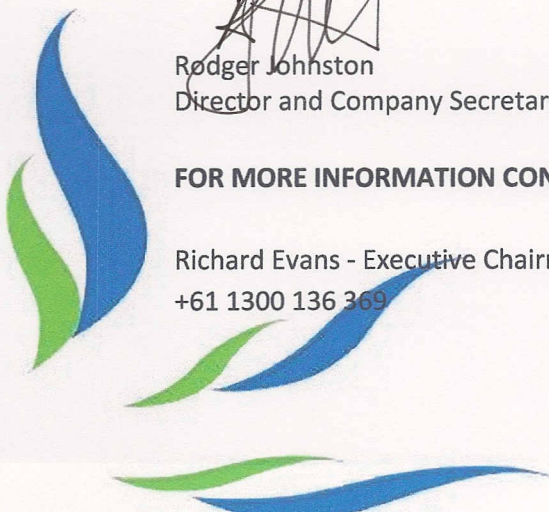
IUL also expects to finalise the restructuring plan of its largely dormant subsidiary, Imagine Essential Services Pty Ltd during the coming quarter.



Rodger Johnston  
Director and Company Secretary

### **FOR MORE INFORMATION CONTACT**

Richard Evans - Executive Chairman or Rodger Johnston  
+61 1300 136 369



# 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

IMAGINE UN LIMITED

ABN

97 009 201 763

Quarter ended ("current quarter")

31 DECEMBER 2008

### 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	1,038	1,989
1.2 Payments for (a) staff costs	(81)	(366)
(b) advertising and marketing	(28)	(131)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(1,219)	(2,711)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	(16)	(22)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net operating cash flows</b>	<b>(305)</b>	<b>(1,240)</b>

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

	Current quarter \$A'000	Year to date ( 6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(305)	(1,240)
<b>1.9 Cash flows related to investing activities</b>		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
<b>1.10 Proceeds from disposal of:</b>		
(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	(178)	(555)
1.12 Loans repaid by other entities	178	555
1.13 Other (provide details if material)		
	-	-
<b>Net investing cash flows</b>		
<b>1.14 Total operating and investing cash flows</b>	(305)	(1,240)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings	248	740
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other (provide details if material)		
	248	740
<b>Net financing cash flows</b>		
<b>Net increase (decrease) in cash held</b>	(57)	(500)
1.21 Cash at beginning of quarter/year to date	(358)	85
1.22 Exchange rate adjustments to item 1.20		
1.23 <b>Cash at end of quarter</b>	(415)	(415)

+ 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	109
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

Not Applicable

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

Not Applicable

**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	500	500
3.2	Credit standby arrangements	3,000	2,995

+ See chapter 19 for defined terms.

**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'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	85	142
4.2 Deposits at call	-	-
4.3 Bank overdraft	(499)	(499)
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.23)</b>	<b>(415)</b>	<b>(357)</b>

**Acquisitions and disposals of business entities**

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

**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: .....

Date: 31 JANUARY 2009

Print name: **RODGER JOHNSTON.**  
 (Director & Company Secretary)

+ See chapter 19 for defined terms.