

59 Belmont Avenue Belmont WA 6104  
PO Box 414 Belmont WA 6984

**Telephone** +61 8 9262 9999

**Facsimile** +61 8 9262 9998

[www.paladio.com.au](http://www.paladio.com.au)

Paladio Group Limited ABN 35 111 210 390

28 January 2009

Company Announcements Office  
Australian Stock Exchange  
Level 10, 20 Bond Street  
SYDNEY NSW 2000

*By ASX Online*

*No. of pages: 6*

## **SECOND QUARTER ACTIVITIES AND CASH FLOW REPORT**

Please find attached the Appendix 4C of Paladio Group Limited (ASX: PDO) for the second quarter ended 31 December 2008.

Yours faithfully,  
PALADIO GROUP LIMITED



Victor Kuss  
**Chief Executive Officer**

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

PALADIO GROUP LIMITED

ABN

35 111 210 390

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	76,606	119,848
1.2 Payments for		
(a) supplier and staff costs	(68,162)	(116,870)
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	108	151
1.5 Interest and other costs of finance paid	(133)	(196)
1.6 Income taxes paid	(33)	(33)
1.7 Other (provide details if material)	-	-
<b>Net operating cash flows</b>	<b>8,386</b>	<b>2,900</b>

+ See chapter 19 for defined terms.

**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)	<b>8,386</b>	<b>2,900</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	(750)	(750)
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(166)	(809)
(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	31	31
(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)	-	-
<b>Net investing cash flows</b>	<b>(885)</b>	<b>(1,528)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>7,501</b>	<b>1,372</b>
<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	-	-
1.18 Repayment of borrowings	(406)	(734)
1.19 Dividends paid	-	-
1.20 Other (capital raising costs)	-	-
<b>Net financing cash flows</b>	<b>(406)</b>	<b>(734)</b>
<b>Net increase (decrease) in cash held</b>	<b>7,095</b>	<b>638</b>
1.21 Cash at beginning of quarter/year to date	3,448	9,905
1.22 Exchange rate adjustments to item 1.20	-	-
<b>1.23 Cash at end of quarter</b>	<b>10,543</b>	<b>10,543</b>

+ 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	10,543	5,442
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	(1,994)
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.23)	10,543	3,448

**Acquisitions and disposals of business entities**

Item 1.9(a) refers to deferred consideration paid on a business acquired 12 months ago.

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration	N/A	N/A
5.3 Consideration for acquisition or disposal	N/A	N/A
5.4 Total net assets	N/A	N/A
5.5 Nature of business	N/A	N/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 ~~does not~~\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: ..... Date: 28 January 2008.....  
 (Director/Company secretary)

Print name: M Buckmaster

+ See chapter 19 for defined terms.

## 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 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.

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