



Reclaim Industries Limited
ABN 47 090 671 819
Office of Managing Director
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30 April 2009

Manager Companies
Company Announcements Office
ASX Limited

Dear Sir/Madam

March Quarter 2009 Results (Appendix 4C)

During the quarter ended 31 March 2009 there has been a net increase in cash held of \$98k.

Investing outflows totalling \$574k primarily relate to the purchase of plant and equipment critical to increasing the production of our manufacturing operations. By the end of April we anticipate finalisation of the installation of the state of the art machinery which will reduce the cost of production of this business unit by 50% and provide material available to be sold to third parties.

Net Operating cash flows of (\$528k) for the third quarter was due to the continued decline in revenue generated by our surfacing division and the delay in the implementation of key components of the plant and equipment upgrade. March saw the first results of an improving cost structure.

The funding of these cash outflows has come from three sources, a debtor factoring facility, equipment finance and government infrastructure grants.

The closing date for our 1 for 2 non-renounceable rights issue and shortfall offer was Wednesday 29th April. We expect that funds in excess of \$1.2m have been raised. These funds will be used for ongoing working capital and our plant improvement program.

Market Conditions

In the first week of March 2009 the Commonwealth Government announced the "Building the Education Revolution" program which led to the largest number and value of quotes ever produced by Reclaim's sales team. In March we submitted quotes totalling in excess of \$10,000,000, which is three times our normal level. Whilst we cannot forecast the conversion rate we can sensibly expect a lift in sales once the approval processes are completed.

The tyre collection business now including Budget Tyres, continues to perform to expectations and is providing growth to our business.

Yours faithfully



Managing Director
Reclaim industries Ltd

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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

RECLAIM INDUSTRIES LIMITED

ABN

47 090 671 819

Quarter ended ("current quarter")

31 MARCH 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	3,601	10,508
1.2 Payments for		
(a) staff costs	(928)	(2,618)
(b) advertising and marketing	(41)	(115)
(c) research and development		
(d) leased assets		
(e) other working capital	(3,125)	(8,838)
1.3 Dividends received	-	
1.4 Interest and other items of a similar nature received	2	31
1.5 Interest and other costs of finance paid	(37)	(71)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net operating cash flows	(528)	(1,103)

+ See chapter 19 for defined terms.

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	Current quarter \$A'000	Year to date (...9... months) \$A'000
1.8 Net operating cash flows (carried forward)	(528)	(1,103)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)	(25)	(25)
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(549)	(1,224)
(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)		
	(574)	(1,249)
Net investing cash flows		
1.14 Total operating and investing cash flows	(1,102)	(2,352)
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	1,042	1,466
1.18 Repayment of borrowings	(58)	(119)
1.19 Dividends paid		
1.20 Government grant funding	217	277
	1,201	1,624
Net financing cash flows		
Net increase (decrease) in cash held	99	-728
1.21 Cash at beginning of quarter/year to date	340	1,167
1.22 Exchange rate adjustments to item 1.20		
	439	439
1.23 Cash at end of quarter		

+ 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	119
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Directors fees, salaries and payments to associated entities for rental of premises at arms length market rates.
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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. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	1,750	993
3.2	Credit standby arrangements	nil	Nil

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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	370	271
4.2 Deposits at call	69	69
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	439	340

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	Budget Retreads Pty Ltd (acquired business assets not legal entity)	N/A
5.2 Place of incorporation or registration	Australia	N/A
5.3 Consideration for acquisition or disposal	\$330,000 payable over 13 instalments	N/A
5.4 Total net assets	\$330,000	N/A
5.5 Nature of business	Tyre collection in South Australia	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 give a true and fair view of the matters disclosed.

Sign here:



(~~Director~~/Company secretary)

Date:30 April 2009.....

Print name:SCOTT MORGAN.....

+ 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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