

Name of entity

POWERLAN LIMITED

ABN

87 057 345 785

QUARTER ENDED

30 June 2010

Consolidated statement of cash flows

	Additional Information	Current Quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities			
1.1 Receipts from customers		9,896	29,548
1.2 Payments for			
(a) staff costs		(6,415)	(25,113)
(b) advertising and marketing		(176)	(1,077)
(c) research and development		(11)	(11)
(d) leased assets		-	-
(e) cost of goods sold		(999)	(4,619)
(f) rent		(365)	(1,552)
(g) professional fees		(353)	(1,417)
(h) travel and accommodation		(822)	(2,641)
1.3 Dividends received		-	-
1.4 Interest and other items of a similar nature received		21	45
1.5 Interest and other costs of finance paid		(343)	(349)
1.6 Income taxes refunded/(paid)		(5)	(22)
1.7 Other (provide details if material)		(497)	(2,500)
Net operating cash flows		(69)	(9,708)

	Additional Information	Current Quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)		(69)	(9,708)
Cash flows related to investing activities			
1.9 Payment for acquisition of:			
(a) businesses (item 5)		-	(1,520)
(b) equity investments		-	-
(c) intellectual property		-	-
(d) physical non-current assets		(24)	(199)
(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)		-	1
Net investing cash flows		(24)	(1,718)
1.14 Total operating and investing cash flows		(93)	(11,426)
Cash flows related to financing activities			
1.15 Proceeds from issues of shares, options, etc.		(73)	15,366
1.16 Proceeds from sale of forfeited shares		-	-
1.17 Proceeds from borrowings		-	8,290
1.18 Repayment of borrowings		-	(9,000)
1.19 Dividends paid		-	-
1.20 Other		-	-
Net financing cash flows		(73)	14,656
Net increase (decrease) in cash held		(166)	3,230
1.21 Cash at beginning of quarter/year		5,624	2,228
1.22 Exchange rate adjustments to item 1.20		-	-
1.23 Cash at end of period		5,458	5,458

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	Year to date \$A'000
1.24 Aggregate amount of payments to the parties included in item 1.2	630	1,881
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 included in 1.24	Current Quarter	Year to date
Ian Campbell	64,664	225,605
Geoff Harrington	12,500	50,000
Ian Lancaster	12,500	50,000
Fiona McLeod	12,500	50,000
Services rendered by DMA Insurance (party related to Ian Lancaster)	53,612	214,450
Loan received from/(repaid to) CPS Group Investments Pty Ltd as trustees for Powerlan Investment Trust ("CPS") (party related to Ian Campbell)	-	(710,000)
Interest on loan from CPS	330,092	1,610,295
Services rendered by Superchoice Services Pty Ltd (party related to Ian Campbell)	143,917	390,678

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

N/A

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

N/A

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	12,000	11,065
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	Previous Quarter
	\$A'000	\$A'000
4.1 Cash on hand and at bank	5,458	5,624
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (please specify)	-	-
Total cash at end of month (item 1.23)	5,458	5,624

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)) \$A'000	Disposals (Item 1.10(a)) \$A'000

Additional Information

- 1 During the year the Company paid \$1.5 million to purchase the remaining 49% minority interest in Omnix Holdings Ltd (Omnix)
- 2 The loan facility from CPS includes principal of \$9.0 million and interest accrued until 30 Jun 2010 of \$2.1 million

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 additional note 2) or other standards acceptable to ASX.
- 2 This statement does ~~does not~~* give a true and fair view of the matters disclosed.



Jon Newbery
(~~Director~~/Company Secretary)