



Cellnet Group Limited

59-61 Qantas Drive, Eagle Farm. Queensland 4009

11 July 2011

The Manager Companies
Company Announcements Office
ASX Limited
Level 4, Stock Exchange Centre
20 Bridge Street
Sydney NSW 2000

Market Update & Discontinued Operations Claim

Cellnet advises that the claim received from the Liquidators of Leading Solutions Ltd (In Liquidation) for recovery of an amount of \$1,238,811 on the grounds that those monies were allegedly received by Cellnet as an unfair preference in the 6 months prior to Leading Solutions being put into administration in October 2009, has been settled.

Whilst the terms of the settlement are confidential, the settlement will have an immaterial impact on its net profit for the financial year ended 30 June 2011 which is expected to be similar to that achieved for 2010.

Enquiries

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Cellnet is a leading distributor of flash memory, mobile phone accessories and retail products across Australia and New Zealand. Cellnet distributes products on behalf of a number of the world's leading vendors and in doing so, deliver the best products for today's business, corporate and consumer retail environments. For further information please visit www.cellnet.com.au