



GoConnect Limited
ACN 089 240 353
Suites 1-3, Ground Floor
107-111 High Street
Prahran, Victoria 3181
Australia
Tel 61 3 9993 7000
Fax 61 3 9993 7099

30 April 2012

Company Announcement Office
Australian Securities Exchange Limited

Dear Sir/Madam

Re: Appendix 4C Quarterly Report – Q/E 31 March 2012

The directors of GoConnect Limited (“GoConnect” or “the Company”) are pleased to present the attached March 2012 quarterly report with the following additional comments:

	March 2012 Quarter	March 2011 Quarter	Change %
Cash receipts from customers	\$ 231,367	\$ 196,070	+ 18%
Net operating cash flows	-\$339,386	-\$597,214	- 43%

During the March 2012 quarter, cash receipts from customers improved by 18 per cent while net cash outflows also improved by 43 per cent, relative to the March 2011 quarter. Restructuring of the GoConnect group’s business in the past 12 months has led to savings in overheads, in particular, to savings in staff expenses and improvement to productivity.

Improvements evidenced in the March quarter would have been greater had it not been the delay to the commencement of the Metro Netbay Free WiFi service. GoConnect is the appointed media sales agent for this Free Wifi service and has received strong support from a number of advertisers and advertising agencies who are keen to embrace this fast emerging media platform. The unfortunate delay has largely been due to disagreement over the exorbitant charges imposed on Netbay Internet by VicTrack, the Victorian Government company that owns the real estate of the train stations in Melbourne, for the cable connection for the remaining infrastructure to be put in place before the service can be activated. Had it not been this disagreement over the unacceptable charge, the service could be live and activated within 2 days.

We are disappointed that a Victorian Government company is not only conducting itself inappropriately but is also standing in the way of progress for Melbourne City. Accordingly, GoConnect has lodged formal complaint and made representation to the Victorian Transport Minister, and the Shadow Transport Minister regarding the conduct of VicTrack which has held up the provision of an important yet free WiFi utility service which, when fully operational, will be available to over 700,000 Melbourne train commuters daily. We have also been advised that separate complaints to the Victorian Premier and to ACCC have also been lodged by a consumer advocate. We believe this disagreement will be resolved soon and common sense will prevail so that the Melbourne public will finally receive their free utility service.

GoConnect's involvement in free WiFi media is not restricted to or solely dependent on the Metro Netbay service. Discussions are advanced with additional parties to provide free WiFi service across Australia which when launched, will expand GoConnect's media network substantially. GoConnect has developed unique technologies and knowhow in the commercialisation of free WiFi as a rapidly emerging interactive online media platform. GoConnect is confident that while the delay in the Metro Netbay Free WiFi service affected the generation of revenue for the March 2012 quarter, free WiFi media will start to contribute to revenue from the current quarter.

During the March 2012 quarter, GoConnect entered into an exciting partnership with China's Sogua Entertainment and has just concluded a strategic partnership agreement with them. The new partnership has opened up the opportunity for GoConnect to generate a new source of revenue from music sales and artist promotion to the massive China music market, which has largely eluded Western music businesses to-date. With Sogua's established Greater China distribution infrastructure in place, Goconnect will be able to rapidly enter the China market while at the same time, GoConnect will also be able to assist Sogua with their Chinese artists in entering the Western music market.

GoConnect was a pioneer in IPTV 12 years ago and today, the Company is amongst the most experienced players in the world of IPTV. GoConnect's IPTV channel uctv.fm has been live on the 3 screens of desktop PC, smartphone, and connected smart TV for almost 2 years. The future of IPTV is expected to be largely based on the smartphone or tablet PC when on the move or smart TV when stationary. GoConnect is continuing to expand its smart TV penetration for uctv.fm. While at the same time advancing the distribution of uctv.fm to additional major smart TV brands, uctv.fm is also undergoing significant restructuring to simplify its adoption by additional TV brands and for third party content providers to join the "uctv.fm program network". A subscription service will also be added to the existing free service, commencing with a Bollywood Movie channel in association with Priority One, and a number of Asian language TV program channels. The new look uctv.fm will be available in 4 to 6 weeks.

During the March 2012 quarter, GoConnect's media production team attended and filmed the ACT Government Multicultural Festival in Canberra. Production and editing of the documentary for the Festival is well under way. Marketing of the documentary to commercial sponsors has been greatly assisted by the recent significant increases in marketing budgets by various Australian tourism authorities targeting the China outbound tourist market. The documentary represents a celebration of Australian multiculturalism but is also a significant showpiece for Australia for the inbound tourist

market. GoConnect is working closely with our China business partners to distribute the documentary widely in China while at the same time proposals have been prepared for various Australian tourism authorities to secure their sponsorships.

The proposed ASX listing of Priority One and First Mongolian Investment Holdings are continuing to make progress. Further details will be made available within the next two weeks.

Based on revenue to be generated from new and existing businesses, capital on hand, and credit facility in place, GoConnect has sufficient capital for the next two quarters and beyond.

Yours sincerely

Richard Li
Chairman

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

GOCONNECT LIMITED

ABN

14 089 240 353

Quarter ended ("current quarter")

31 March 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (9 months) \$A
1.1 Receipts from customers [^]	231,367	289,228
1.2 Payments for		
(a) staff costs	(281,144)	(1,420,689)
(b) advertising and marketing	(23)	(4,089)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(289,586)	(470,026)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	(11,111)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	(339,386)	(1,616,687)
[^] Note re item 1.1 Includes R&D Tax Offset Rebate	218,136	218,136

+ See chapter 19 for defined terms.

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

	Current quarter \$A	Year to date (9 months) \$A
1.8 Net operating cash flows (carried forward)	(339,386)	(1,616,687)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	(4,778)
(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	(5,515)	(7,548)
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	(5,515)	(12,326)
1.14 Total operating and investing cash flows	(344,901)	(1,629,013)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	700,000	1,982,605
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from issue of convertible notes	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Transaction cost	(41,912)	(41,912)
Net financing cash flows	658,088	1,940,693
Net increase (decrease) in cash held	313,187	311,680
1.21 Cash at beginning of quarter/year to date	1,752	3,259
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter *	314,939	314,939

* Refer to comments in the cover letter to this report.

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
1.24	Aggregate amount of payments to the parties included in item 1.2	
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

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

Financing facilities available

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

		Amount available \$A	Amount used \$A
3.1	Loan facilities	2,100,000	962,669
3.2	Credit standby arrangements		

+ See chapter 19 for defined terms.

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	Previous quarter \$A
4.1 Cash on hand and at bank	24,427	1,752
4.2 Deposits at call	290,512	
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	314,939	1,752

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		
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 ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:
(Director/Company secretary)

Date: 30 April 2012

Print name: Tony Ng

+ 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.

+ See chapter 19 for defined terms.