

31 July 2013

Dear Shareholder,

Attached is the quarterly cash flow report of the Company for the June 2013 quarter.

The main activities during the quarter have been the focus on product delivery to our customers, specifically for the Jeep JK Wrangler and the Toyota FT86 / Subaru BR-Z. The FT86 supercharger system is now on sale through distributors and dealers in Australia, Germany, Japan, South Africa, Switzerland, the United Kingdom and the United States. Both non-intercooled and intercooled variants of the FT86 supercharger system are available, with the intercooled system being a first for the Company. While the non-intercooled system provides a solid improvement in performance over the standard vehicle, the addition of an intercooler allows for higher performance and enables the system to be marketed with a stage 2 upgrade. With geographical localisation completed and distributors and dealers well advanced with marketing the systems, the Company is now receiving repeat orders.

On the product development front, the design for a supercharger system for the 3.6L Pentastar engine used in the 2013 Jeep Wrangler and 2013 Dodge Ram is well advanced. This design will be finalised in the December 2013 quarter and the manufacture of production tooling will commence along with component procurement. In yet another first for the Company, this system will be produced by current OEM methodology in the United States with the benefit of lighter weight and reduced absorption of heat, which can be a limiting factor to engine performance. Introduced in 2010, the Pentastar engine has now been introduced into more than a dozen vehicles and is still near the start of its life cycle.

As sales continue to build, funding of the Company has been provided by convertible notes (secured on the 2012/13 Research and Development Tax Incentive grant the Company expects to receive later this calendar year); US\$600,000 advanced to the Company in June 2013 and A\$200,000 advanced to the Company in July 2013. The Company also announced an entitlement issue of one new 2 cent option with an expiry of 30 June 2014 for each four existing shares held for consideration of 0.1 cent. This entitlement issue enables the shareholders to continue to support the Company as it progresses towards the immediate goal of becoming cash flow positive and ultimately profitable.

Yours faithfully,



Steven Apedaile
Managing Director

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

Sprintex Limited

ABN

38 106 337 599

Quarter ended ("current quarter")

30 June 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	450	1,447
1.2 Payments for		
(a) staff costs	(426)	(1,735)
(b) advertising and marketing	(23)	(227)
(c) research and development	(573)	(1,724)
(d) leased assets	-	-
(e) other working capital	(543)	(1,628)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	11
1.5 Interest and other costs of finance paid	(9)	(25)
1.6 Income tax received	-	-
1.7 Other - R&D Tax Incentive grant received	-	965
Net operating cash flows	(1,123)	(2,916)

+ 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 (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,123)	(2,916)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	(168)	(168)
(c) intellectual property	-	-
(d) physical non-current assets	(65)	(234)
(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	15	15
(e) other non-current assets	-	-
1.11 Loans to other entities	-	(414)
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	(218)	(801)
1.14 Total operating and investing cash flows	(1,341)	(3,717)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	564	1,975
1.16 Proceeds from rights issue received in advance	-	-
1.17 Proceeds from borrowings	802	1,302
1.18 Repayment of borrowings	(42)	(470)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	1,324	2,807
Net increase (decrease) in cash held	(17)	(910)
1.21 Cash at beginning of quarter/year to date	159	1,052
1.22 Exchange rate adjustments	-	-
1.23 Cash at end of quarter	142	142

+ 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	80
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 and remuneration	

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

\$1,178k of a loan to an entity in which the Company holds a 50% interest was converted to equity via participation in preference shares.

- 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	-	-
3.2	Credit standby arrangements	-	-

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Appendix 4C
Quarterly report for entities
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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	142	159
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details) – credit card	-	-
Total: cash at end of quarter (item 1.23)	142	159

Acquisitions and disposals of business entities

	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		
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 give a true and fair view of the matters disclosed.



Sign here: Date: 31 July 2013
 (Managing Director)

Print name: Steven Apedaile

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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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