

30 April 2013

Dear Shareholder,

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

The March 2013 quarter marked a major milestone for the Company with production of the first superchargers from the Malaysian production facility and also the assembly of supercharger systems for the Toyota FT86 / Subaru BRZ / Scion FR-S in Malaysia. This commissioning (please see the announcement of 6 February 2013) was the culmination of 18 months of effort by the Sprintex team working closely with our Malaysian joint venture partner to establish this state of the art, volume production facility in line with assembly and production standards adopted by OEM suppliers.



FT86 supercharger systems before packing in Malaysia

With the commissioning of the Malaysian production facility, the Company completed the transition of the Perth facility to a dedicated R&D facility. This involved a further reduction in staff numbers, consistent with the closure of production in Perth.

The Company is now very focused on developing new customers and new products. An agreement with Performance Motorsports Inc. (PMI) to be the exclusive distributor in North America for the Company's Jeep Wrangler supercharger systems (please see the announcement on 11 March 2013), which is in addition to PMI also being the exclusive distributor in North

America for the Toyota FT86 / Subaru BRZ / Scion FR-S supercharger system. The agreement with PMI includes the Company developing a new supercharger system for the 2012-2013 Pentastar V6 supercharger system, for which PMI paid a 50% deposit against an initial order for 100 systems for delivery in September 2013.

The Company has been funded primarily from sales proceeds, the receipt of an R&D Tax Incentive grant, the exercise of options issued to participants in the 2012 entitlement issue and loan a from director. Further options were exercised in April 2013 providing \$600k of funding.

The financial support has been key to the Company as inventory is built to fill sales orders and in advance of an expected increase in sales.

We would like to thank our shareholders for their ongoing support during the current expansion phase of the Company's business.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Steven Apedaile". The signature is stylized with a large, looped initial "S" and a long horizontal stroke extending to the right.

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")

31 March 2013

### 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	430	997
1.2 Payments for (a) staff costs (note 1)	(409)	(1,309)
(b) advertising and marketing	(82)	(204)
(c) research and development	(466)	(1,151) <sup>1</sup>
(d) leased assets	-	-
(e) other working capital	(460)	(1,085) <sup>1</sup>
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	10
1.5 Interest and other costs of finance paid	(7)	(16)
1.6 Income tax received	-	-
1.7 Other - R&D Tax Incentive grant received	965	965
<b>Net operating cash flows</b>	<b>(26)</b>	<b>(1,793)</b>

<sup>1</sup> Costs were reclassified from working capital to research and development to better reflect the nature of the expenditure.

+ 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 (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(26)	(1,793)
<b>1.9 Cash flows related to investing activities</b>		
Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(99)	(169)
(e) other non-current assets	-	-
<b>1.10 Proceeds from disposal of:</b>		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
<b>1.11 Loans to other entities</b>	(228)	(414)
<b>1.12 Loans repaid by other entities</b>	-	-
<b>1.13 Other (provide details if material)</b>	-	-
<b>Net investing cash flows</b>	(327)	(583)
<b>1.14 Total operating and investing cash flows</b>	(353)	(2,376)
<b>Cash flows related to financing activities</b>		
<b>1.15 Proceeds from issues of shares, options, etc.</b>	566	1,411
<b>1.16 Proceeds from rights issue received in advance</b>	-	-
<b>1.17 Proceeds from borrowings</b>	100	500
<b>1.18 Repayment of borrowings</b>	(329)	(428)
<b>1.19 Dividends paid</b>	-	-
<b>1.20 Other (provide details if material)</b>	-	-
<b>Net financing cash flows</b>	337	1,483
<b>Net increase (decrease) in cash held</b>	(16)	(893)
<b>1.21 Cash at beginning of quarter/year to date</b>	175	1,052
<b>1.22 Exchange rate adjustments</b>	-	-
<b>1.23 Cash at end of quarter</b>	159	159

+ 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

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	-
3.2	Credit standby arrangements	-

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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	159	175
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details) – credit card	-	-
<b>Total: cash at end of quarter (item 1.23)</b>		<b>159</b>	<b>175</b>

**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: 30 April 2013  
 (Managing Director)

Print name: Steven Apedaile

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+ 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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