



VMOTO LIMITED OPERATIONAL REVIEW

ANNOUNCEMENT

29 April 2013

Vmoto Limited ("Vmoto" or "the Company") (ASX:VMT, AIM:VMT), the global scooter manufacturing and distribution group specialising in "green" electric powered scooters, provides the following update for the quarter ended 31 March 2013.

HIGHLIGHTS

- Delivery of approximately 8,700 units to Shanghai PowerEagle International Co Ltd ("PowerEagle") under the Strategic Cooperation Agreement - a continued increase from the last quarter. The Company remains on track to fulfil PowerEagle's forecast production of 42,000 units by 31 December 2013.
- Production and delivery of electric scooters to E-Tropolis GmbH ("E-Tropolis") commenced in February 2013 and expects to deliver another two containers in May 2013. The Company remains on track to fulfil E-Tropolis' forecast production of 1,000 units for 2013 under the OEM agreement.
- European service, marketing and distribution centre moved to Bremen, Germany.
- Distribution and sales continue with shipments to, among others, South Africa, USA, Australia, Germany and Egypt.
- New 80L model electric scooter developed for the Chinese market. The electric scooter market in China for 2012 was 8.5 million units and is forecast to reach 12.4 million units in 2018 (Source: Pike Research).
- Appointment of Mr Simon Farrell as Non-Executive Chairman and Mr Ivan Teo as Finance Director.
- \$895,000 cash and \$1.1 million available from undrawn bank operating facility as at 31 March 2013.



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CASH FLOW

Operating cash flow for the March 2013 quarter improved by 43.8% in comparison with the previous quarter.

Vmoto's receipts from customers during the quarter remained on par with the previous quarter, albeit much of China was closed for business for a week in February 2013 due to the Chinese New Year festival.

During the quarter, employee payments decreased in comparison to the previous quarter as a result of ongoing rationalisation and close monitoring of staff costs.

Payments in respect of advertising and marketing during the quarter were at the same level as the previous quarter (see "Exhibition/Forum" section below), while payments in respect of other working capital (including inventories) decreased when compared to the previous quarter as the Company utilised its previously built up stock to fulfil the orders from PowerEagle.

In January 2013, the Company repaid RMB13million (approximately AUD2million) and drew down RMB13million (approximately AUD2million) from its operating facility.

As at 31 March 2013, the total operating facility drawn down was RMB26.9 million (approximately AUD4.2million) and the total undrawn operating facility was RMB7.1million (approximately AUD1.1million).

EXISTING CUSTOMERS

PowerEagle: During the March 2013 quarter, the Company produced approximately 9,000 units of PowerEagle electric scooters and, as at 31 March 2013, had delivered approximately 8,700 units of PowerEagle electric scooters to the customer. Production continues to be efficient and the Company remains on track to produce PowerEagle's forecast production of 42,000 units by the calendar year end.

E-Tropolis: The Company commenced the production of E-Tropolis electric scooters during the quarter and has delivered to E-Tropolis. The Company expects to deliver another two containers in May 2013 and remains on track to fulfil E-Tropolis' forecast production of 1,000 units for 2013 under the OEM agreement signed in November 2012.

USA: The Company received the first order of 75 units from KLD Energy in the USA where KLD will install their own Samsung lithium battery packs and drive systems into the Vmoto "120" model.

Sweden: EON Sweden agreed to market the Company's range of electric scooters to 150,000 of its private customers and over 14,000 of its business customers with a special offer for the 2013 season.

Others: Containers were shipped to distributors in South Africa, USA, Australia and Egypt whilst European orders slowed due to the winter and poor economic climate.

NEW CUSTOMERS

Brazil: As announced post quarter end on 24 April 2013, the Company has signed a joint venture agreement with Riba Motors Industria e Comercio Ltda (“Riba”), providing Vmoto access to Riba’s assembly facility with direct distribution to Latin America, the world’s second fastest growing electric scooter market.

The JV with Riba as local partner offers significant cost savings for the Company and the opportunity for Vmoto to leverage Riba’s expertise in the Latin America market.

Currently, the Company is in discussions with postal services, fast food chain and public services in Brasil via the newly established JV and is optimistic about the prospects of the JV gaining orders to distribute Vmoto’s electric scooters to these targeted groups.

Riba has recently promoted Vmoto’s E-Max electric scooter products together with Correios at Post Expo Latin America 2013.



Netherlands: In January 2013, Vmoto secured B.V Nimag as its new exclusive distributor in the Netherlands. Vmoto’s products are to be marketed as Nimoto Pro range. Nimag is a well established electric scooter distributor in Netherlands and has the number one selling scooter there already. It is also the importer for Suzuki cars and motorcycles. Nimag is part of the Louwmann Group, a multi-billion Euro turnover giant in the automotive sector.

Nimag has placed its first order for Vmoto’s electric scooter products during the quarter. In addition, Nimag has promoted Vmoto’s E-Max electric scooter products in Utrecht Motor Show, which is the biggest motorcycle show in Netherlands with over 100,000 visitors, in February 2013.



NEW MODELS/VERSIONS

The Company has completed the development of several new versions of its electric scooter range, including new versions of the 80L, 80S, 120S and 120L models, which have more advanced and sophisticated settings, and new lithium batteries packs that are interchangeable with the silicone batteries pack. The Company continues to work on research and development to improve the technology of its electric scooters.

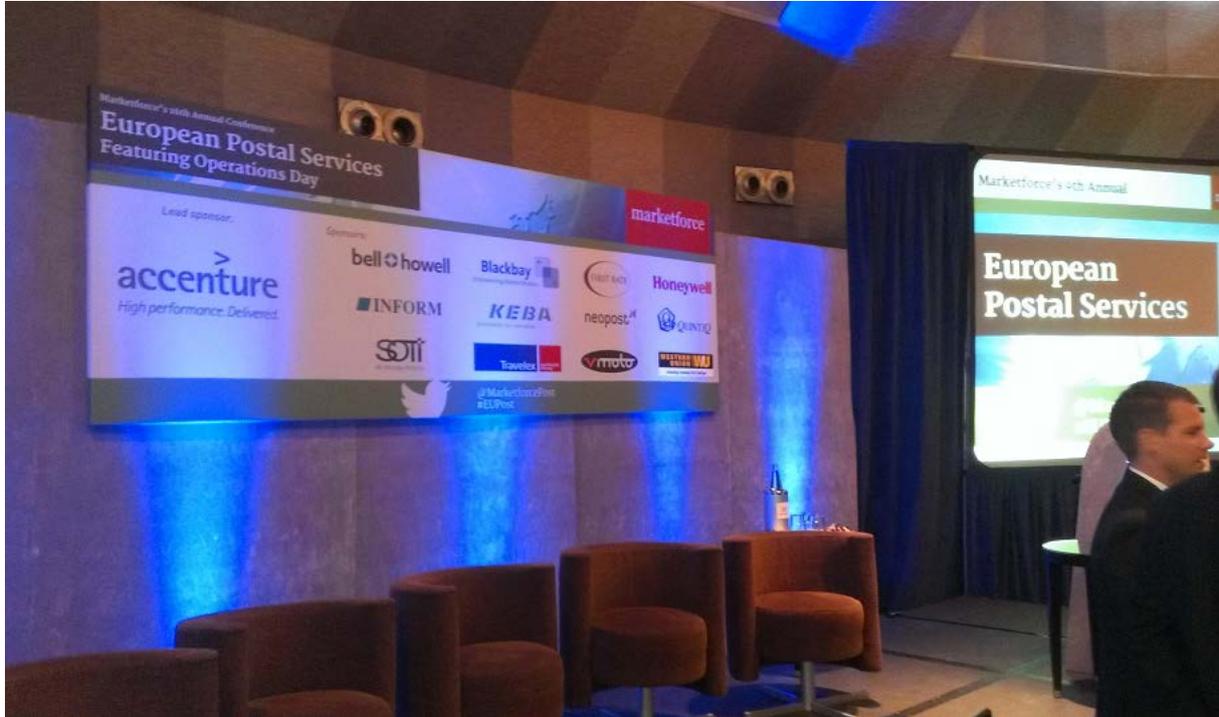
Compliance testing is underway in Australia for Vmoto's new E-Milan, an electric version of its popular petrol Milan scooter, which is expected to be launched in Australia during 2013, subject to compliance approval in Australia.

The Company has also developed a new 80L electric scooter model specifically targeting the Chinese market. The electric scooter market in China for 2012 was 8.5 million units and is forecast to reach 12.4 million units in 2018 (source: Pike Research).



EXHIBITION/FORUM

During the quarter, the Company participated in the European Postal Services exhibition held in Madrid, Spain from 12-14 March 2013.



Vmoto also presented at an investor forum, Stars in 2013 Series, in Sydney, Australia on 13 February 2013, which was well attended by over 150 attendees including high net worth investors, professional investors, stockbroking firms and analysts.

CORPORATE

On 29 January 2013, the Company announced the appointment of Mr Simon Farrell and Mr Ivan Teo as Non-Executive Chairman and Finance Director respectively.

Vmoto's European service, marketing and distribution centre has moved from Barcelona, Spain to Bremen, Germany in order to provide a more efficient after sales services to the Company's distributors and customers in Europe.

OUTLOOK

The Company continues to deliver on its existing OEM contracts with PowerEagle and E-Tropolis while maintaining distribution of its E-Max brand to a number of high profile jurisdictions. Vmoto continues to attract interest from a range of potential new customers across the globe, particularly India and Indonesia. The strength of Vmoto's operating licenses also give the Company good leverage to consolidate in the Chinese market.

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About Vmoto

Vmoto is a global scooter manufacturing and distribution group and is listed on the Australian Stock Exchange (ASX) and on the AIM market of the London Stock Exchange. The Company specialises in high quality “green” electric powered scooters and manufactures a range of western designed electric (and some petrol) scooters from its low cost manufacturing facilities in Nanjing, China, marketed in Europe through its operation in Barcelona, Spain and marketed outside Europe through its operations in Australia. Vmoto combines low cost Chinese manufacturing capabilities with European design. The group operates through two primary brands: Vmoto (aimed at the value market in Asia) and E-Max (targeting the Western markets, with a premium end product). As well as operating under its own brands, the Company also sells to a number of customers on an original equipment manufacturer (“OEM”) basis.

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

VMOTO LIMITED

ABN

36 098 455 460

Quarter ended ("current quarter")

31 March 2013

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from customers	2,664	2,664
1.2 Payments for		
(a) staff costs	(329)	(329)
(b) advertising and marketing	(54)	(54)
(c) research and development	(5)	(5)
(d) leased assets	-	-
(e) other working capital (including inventories)	(2,876)	(2,876)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	(78)	(78)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	31	31
Net operating cash flows	(647)	(647)

+ 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 (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	(647)	(647)
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	(143)	(143)
(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 (net cash acquired on acquisition of subsidiary)	-	-
Net investing cash flows	(143)	(143)
1.14 Total operating and investing cash flows	(790)	(790)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	1,983	1,983
1.18 Repayment of borrowings	(1,999)	(1,999)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	(142)	(142)
Net financing cash flows	(158)	(158)
Net increase (decrease) in cash held	(948)	(948)
1.21 Cash at beginning of quarter/year to date	1,835	1,835
1.22 Exchange rate adjustments to item 1.21	8	8
1.23 Cash at end of quarter	895	895

+ 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	87
	Aggregate amount of payments to the parties included in item 1.18	-
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Payments include:	\$A'000
Executive Directors' remuneration	87
Non-Executive Directors' remuneration	-
	<u> -</u>

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

Nil

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

Nil

+ See chapter 19 for defined terms.

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

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	5,247	4,152
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 \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	895	1,835
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	895	1,835

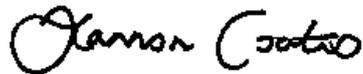
Acquisitions and disposals of business entities

	Acquisitions <i>(Items 1.13 and 2.1)</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		

+ See chapter 19 for defined terms.

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: **29 April 2013**
(Company Secretary)

Print name: **Shannon Coates**

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

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.