

30 July 2015

Market Announcements Platform
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Appendix 4C

Cross-track digital advertising system owner and operator XTD Limited (ASX: XTD) (**XTD** or the **Company**) is pleased to lodge its cashflow report for the June quarter.

The June quarter featured the successful launch of the Brisbane XTD system. Work began on the Brisbane installation in January and the system was fully functional for its June 1st deadline and installed on budget. Brisbane's launch meant that cross-track digital communications could be offered as an Eastern Sea Board network, marketed by APN Outdoor.

Operating Cash flow Commentary

Operating cash flow was negative \$267,000 for the June quarter.

- Q4 saw a three-month period where revenues were softer than anticipated. In the closing period of Q4 and into Q1 2015/2016 we are seeing a return to a significant pickup in signed advertising in line with budgets across both the Melbourne and Brisbane networks. Key to this uplift has been fresh audience research that led to an updating of the Eastern Sea Board network offer. This updated package has struck a chord with marketers and media agencies that can now see suitable scale and accountability.
- Q4 saw costs associated with technology development of approximately \$69,000. This development including the June quarter is now approximately \$250,000 and will be fully reimbursed to XTD upon the successful completion of the capital raising for the Custodio App (this new division was approved by shareholders to be "spun out" – 27th July 2015).
- Costs associated with establishing a USA business were incurred in the quarter and will continue in Q1 2015/16.

Against this backdrop we have been very careful in managing our cash flow, concentrating on three areas that are important to building a strong future. First, our focus on the US market as the prime opportunity for our international expansion. Discussions with potential business partners are at an advanced stage in this market place.

Second, we have invested in the development of mobile technologies that will significantly increase people's engagement with the cross track digital network via their mobile devices. The new technology will extend the reach of the network beyond the platform, and deliver a wealth of data for advertisers and rail network operators. At the global level, the marketing industry is most enthusiastic about synergies between digital out-of-home and mobile devices that have been highlighted in research and are expected to accelerate significantly into the future.

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Third, we have ensured that the Melbourne and Brisbane XTD networks are performing at optimum capabilities. Both network installations are fully paid and are operating to our high expectations. With Melbourne already fully operational from mid October 2014 and Brisbane launching on time in June 2015, we have fine-tuned the systems with small adjustments to hardware and software that will be incorporated into future XTD installations.

In particular, the Brisbane system has become an important showcase for us as it has both underground and open-air installations that demonstrate the adaptability of the XTD product. The open-air units are performing very well in both daylight conditions and also in darkness.

Overall, despite a recent period of soft revenue that we believe is now behind us, XTD is very optimistic about the performance of the business and our unique cross-track media systems. Cash at the end of the quarter was approximately \$1 million and XTD will be reimbursed in 2015 for costs incurred in technology development.

For more information visit www.xtd.tv or contact:

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Quarterly report for entities admitted on the basis of commitments

Name of entity

XTD Limited

ABN

43 147 799 951

Quarter ended ("current quarter")

30 June 2015

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	313	795
1.2 Payments for		
(a) staff costs	(165)	(301)
(b) advertising and marketing	-	-
(c) research and development grant	-	129
(d) leased assets	-	-
(e) other working capital	(476)	(1,069)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	5	23
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – GST	56	57
Net operating cash flows	(267)	(366)

+ See chapter 19 for defined terms.

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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)	(267)	(366)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	(450)	(1,803)
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 (Lunalite International Pty Ltd)	-	(600)
1.12 Loans repaid by other entities	-	-
1.13 Other (cash acquired – subsidiary)	-	43
Net investing cash flows	(450)	(2,360)
1.14 Total operating and investing cash flows	(717)	(2,726)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	3,001
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (costs of issue)	-	(442)
Net financing cash flows	-	2,559
Net increase (decrease) in cash held	(717)	(167)
1.21 Cash at beginning of quarter/year to date	1,673	1,123
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	956	956

+ 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	69
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Payment for director fees is \$30,500.

Payments made to related parties during the quarter:

Minerva Corporate Pty Ltd	\$ 28,500
Wrays Pty Ltd	\$ 9,821

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	179	306
4.2 Deposits at call	762	1,352
4.3 Bank overdraft	-	-
4.4 Term Deposits	15	15
Total: cash at end of quarter (item 1.23)	956	1,673

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	N/A	N/A
5.3 Consideration for acquisition or disposal	N/A	N/A
5.4 Total net assets	N/A	N/A
5.5 Nature of business	N/A	N/A

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: *(lodged electronically)*
 Company secretary

Date: 30 July 2015

Print name: Matthew Foy

+ 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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