

15 February 2013

Dave Filov
ASX Compliance Pty Limited
Level 8 Exchange Plaza, 2 The Esplanade
Perth WA 6000

Dear Mr. Filov

## Response to ASX query - Appendix 4C

Anittel Group Limited ('Anittel' or 'Company') refers to your letter dated 12 February 2013.

Using the numbering in your letter, we respond to your questions as follows:

- 1. The nature of Anittel's business is one where quarterly cash movements have historically been both positive and negative, largely driven by the timing of supplier payments and customer receipts within each quarter. Given this fact, it should not be assumed that cash flows reported in the Appendix 4C as at December 2012 is an indication of expected future cash expenditure. Anittel continually updates its cash flow forecast and takes required actions to ensure it has adequate funds to support its operation.
- 2. Anittel does not believe the current quarter will incur negative cash flows similar to that reported in the Appendix 4C as at December 2012.
- 3. Anittel's management continually updates and reviews monthly cash flow forecasts and if required, takes any necessary actions to ensure it has sufficient funds to support its operation.
- 4. The Company confirms it remains in compliance with the ASX Listing Rules, in particular, ASX Listing Rule 3.1.
- 5. Anittel considers it is in compliance with ASX Listing Rule 12.2 having regard to the composition of its balance sheet, relative size and nature of liabilities and access to funds.

Yours faithfully

Justyn Stedwell

Company Secretary

On behalf of the Board of Directors

Anittel Group Limited



ASX Compliance Pty Limited ABN 26 087 780 489 Level 8 Exchange Plaza 2 The Esplanade PERTH WA 6000

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12 February 2013

Mr Justyn Stedwell Company Secretary Anittel Group Limited Level 10, 132 Arthur Street NORTH SYDNEY NSW 2060

By email: justyn@stedwell.com.au

Dear Justyn

## Anittel Group Limited ("Company")

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 31 December 2012, released to ASX Limited ("ASX") on 31 January 2013 (the "Appendix 4C").

ASX notes that the Company has reported the following.

- 1. Receipts from product sales and related debtors of \$14,526,000.
- 2. Net negative operating cash flows for the quarter of \$1,647,000.
- 3. Cash at end of guarter of \$1,541,000.

In light of the information contained in the Appendix 4C please respond to each of the following questions.

- 1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
- 2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
- 3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
- 4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
- 5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

## Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me on **facsimile number +61 8 9221 2020** or **email dave.filov@asx.com.au**. It should <u>not</u> be sent to ASX Market Announcements.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **3.00pm WST on Friday 15 February 2013**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries please let me know.

Yours sincerely,

[sent electronically without signature]

Dave Filov
Adviser, Listings Compliance (Perth)

Direct: +61 8 9224 0014