

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

MatrixView Limited

ABN

109 317 151

Quarter ended ("current quarter")

31st December 2004

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter S \$	Year to date (.6... months) S \$
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) staff costs	(318,227)	(531,596)
(b) advertising and marketing	(20,917)	(25,145)
(c) research and development	(273,961)	(483,436)
(d) leased assets	-	-
(e) other working capital	(24,299)	(52,057)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	107,108	135,714
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
(a) Professional Fees	(190,193)	(310,371)
(b) Transport & Travel Expenses	(127,295)	(232,262)
(c) Other Expenses	(71,679)	(213,632)
(d) Exchange Gain	153,434	374,187
Net operating cash flows	(766,029)	(1,338,598)

- Note: 1. Research and Development includes payments to staff related to research & development activities amounting to S \$ 273,961 for the quarter and S \$ 483,436 Year to Date. In the report for the previous quarter, all payments to Research and Development activities were classified as Staff costs and others. These payments amounting to S \$ 209,475 are reclassified as Research and Development payments in the year to date amount in this report.
2. The Year to Date amount for the IPO expenses has been increased by S \$ 173,243 to reflect costs accrued as at 30th June 2004 but paid in the September quarter. This was an allocation issue and had no effect on the cash balance.
3. The Year to Date amount contains other minor reclassifications of the expenses reported in the Appendix 4C for the September quarter. These had no effect on the amount of Cash at the end of the September quarter.

+ See chapter 19 for defined terms.

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	Current quarter S \$	Year to date (...6... months) S \$
1.8 Net operating cash flows (carried forward)	(766,029)	(1,338,598)
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	(176,409)	(273,252)
(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 (provide details if material)	-	-
Net investing cash flows	(176,409)	(273,252)
1.14 Total operating and investing cash flows	(942,438)	(1,611,850)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	7,381,600
IPO expenses	-	(711,899)
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 (provide details if material)	-	-
Net financing cash flows	-	6,669,701
Net increase (decrease) in cash held	(942,438)	5,057,851
1.21 Cash at beginning of quarter/year to date	9,729,602	3,729,313
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	8,787,164	8,787,164

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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 S \$
1.24	Aggregate amount of payments to the parties included in item 1.2	177,487
1.25	Aggregate amount of loans to the parties included in item 1.11	NIL
1.26	Explanation necessary for an understanding of the transactions	
	Para 1.7 (a) – Professional fees includes S \$ 12,000 paid to an executive director.	

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

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available S \$	Amount used S \$
3.1	Loan facilities	NIL	NIL
3.2	Credit standby arrangements	NIL	NIL

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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 \$ \$	Previous quarter \$ \$
4.1	Cash on hand and at bank	1,398,625	2,500,202
4.2	Deposits at call	7,388,539	7,229,400
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		8,787,164	9,729,602


Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	MATRIXVIEW INC
5.2	Place of incorporation or registration	DELAWARE,USA
5.3	Consideration for acquisition or disposal	NIL
5.4	Total net assets	NIL
5.5	Nature of business	RESEARCH & MARKETING
5.6	Incorporation expenses	NIL

Note: Para 5.6 Incorporation Expenses are estimated at \$ \$ 5,000, but has not been paid as yet.

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 ~~not~~ (delete one) give a true and fair view of the matters disclosed.

Sign here:  Date: 31st January 2005.....
 (Director/Company secretary)

Print name: NOEL FRANCIS ROBERTSON

+ 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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