

Q Ltd
ABN 13 083 160 909
Appendix 4D
Half year report

Information for the half year ended 31 December 2007 given to ASX under listing rule 4.2A
(Comparative information is for the half year ended 31 December 2006)

Pursuant to listing rule 4.2A.3, the following information is given to the ASX by **Q Ltd** ("the Group" or "QXQ" incorporating Q Ltd ACN 083 160 909 and its wholly owned subsidiaries). The following information should be read in conjunction with the most recent annual financial report together with any public announcements made by Q Ltd and its controlled entities during the half year ended 31 December 2007 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001. Accounting policies, estimation methods and measurement bases used in this Appendix 4D are the same as those used in the last annual report and the last half year report.

Key Highlights

- Organic growth of 42.7% from businesses owned longer than 12 months
- Interactive Advertising Division sales revenue up 377.7%
- Acquisition of Market United Pty Ltd August 2007
- Acquisition of Clear Blue Day Pty Ltd August 2007
- Acquisition of The Great Australian Survey Pty Ltd October 2007
- Rights issue raising \$7.2M before costs in August 2007
- Rights issue raising \$5.3M before costs in December 2007
- Cash balance of \$6.2M at December 2007

Results for announcement to the market

The Board of QXQ is pleased to report the half year results for the period from 1 July to 31 December 2007. Following the sale of its printing division in June 2007, the QXQ Group was able to put all of its focus on growing its Interactive Advertising Division during the First Half of FY 2008.

Sales revenue grew by 377.7% to \$12.0m during the First Half compared to \$2.5m in the First Half of FY 2007. This includes both organic revenue growth and growth from acquisitions.

On a combined basis, revenue for the Group's businesses which have been owned for 12 months or longer had an organic growth rate of 42.7% over the First Half of FY 2007. During the same period industry growth was reported by IAB Online Advertising Expenditure Report (PricewaterhouseCoopers 14.02.2008) to be 34.5%.

The Group incurred a net loss of \$55,000 during the period compared to \$335,000 in the corresponding period in FY 2007.

3 acquisitions were made during the period.

- Clear Blue Day Pty Ltd
- Market United Pty Ltd
- The Great Australian Survey Pty Ltd

In addition to this, a number of subsidiaries have opened a presence in other locations to help support their future growth. Although this has contributed to revenue growth, it has negatively impacted the Group's profit during the First Half.

The Group's subsidiaries have expanded their presence in the following locations:

<u>Subsidiary</u>	<u>New Location</u>
3Di	Auckland
Axis	Sydney
First Rate	Sydney Melbourne

The Board is pleased with the efforts and focus of management on integrating the newly acquired subsidiaries. Merging small unlisted businesses into a bigger listed Group brings challenges and management are addressing those as they arise.

Key QXQ Performance Statistics

Continuing operations

Six months ending	Dec-07	Dec-06	Change %	
Revenue				
Sales revenue				
- Interactive advertising (\$'000)	12,029	2,518	377.7	▲
Other revenue (\$'000)	120	45	n/c	
Total	12,149	2,563	374.0	▲
<u>EBITDA (\$'000)</u>				
Interactive advertising	777	142	447.2	▲
Corporate	(712)	(619)	15.0	▲
Total EBITDA (\$'000)	65	(477)	n/c	
Less Depreciation (\$'000)	(202)	(10)	n/c	
EBIT (\$'000)	(137)	(487)	71.9	▼
Less Interest (\$'000)	79	28	182.1	▲
Net loss before tax (\$'000)	(58)	(459)	87.4	▼
Income tax benefit/(expense)	3	144	97.9	▼
Net loss after tax attributable to members (\$'000)	(55)	(315)	82.5	▼
Profit/(Loss) per share (basic) (cents)	(0.01)	(0.11)		
NTA per share (cents)	1.1	0.9		

Key QXQ Share Statistics

	Dec-07	Dec-06	Change (%)	
Total shares on issue (million)	845.5	567.3	49.0	▲
Closing share price (cents)	5	3.7	35.1	▲
ASX Market capitalization (\$ million)	42.3	20.9	102.3	▲

Continued and discontinued operations

Six months ending	Dec-07	Dec-06	Changed	%
Revenue				
Sales revenue (\$'000)				
- Interactive advertising	12,029	2,518	377.7	▲
- Printing	0	2,775	n/c	
Total	12,029	5,293	127.3	▲
Other revenue (\$'000)	120	45	166.7	▲
Total	12,149	5,338	127.6	▲
EBITDA (\$'000)				
Interactive advertising	777	142	447.2	▲
Corporate	(712)	(619)	15.0	▲
Printing	(6)	266	n/c	
Total EBITDA	59	(211)	n/c	
Less Depreciation (\$'000)	(202)	(254)	20.5	▼
EBIT (\$'000)	(143)	(465)	69.2	▼
Less Interest (\$'000)	79	(14)	n/c	▲
Net loss before tax attributable to members (\$'000)	(64)	(479)	86.6	▼
Income tax benefit/(expense)	3	144	97.9	▼
Net loss after tax attributable to members (\$'000)	(61)	(335)	81.8	▼
Profit/(Loss) per share (basic) (cents)	(0.01)	(0.11)		
NTA per share (cents)	1.1	0.9		

Acquisitions/Controlled entities

During the Half Year, QXQ made the following 3 acquisitions:

Control gained	Name of business	Principal activity acquired	Shares acquired %	Cost of acquisition \$
16/08/2007	Market United Pty Ltd	Digital marketing agency	100	4,246,226
17/08/2007	Clear Blue Day Pty Ltd	Digital marketing agency	100	321,621
04/10/2007	The Great Australian Survey Pty Ltd	Permission based data for direct marketing and research	100	8,787,461
	Total cost			13,355,308

The Group continues to seek acquisitions of the types mentioned at the Company's Annual General Meeting in October 2007. Further announcements will be made as acquisitions are made. All costs associated with the identification, analysis, due diligence and other costs of acquisitions which are made during an accounting period are capitalised as part of the acquisition costs. Acquisition costs incurred in respect of acquisitions which are not completed during an accounting period are expensed to the Income Statement.

Change to capital

During the First Half, QXQ completed the following capital raisings.

Shares issued	No.	Amounts raised before costs \$'000
August 07 (1:5 Rights Issue)	114,234,936	7,197
August 07 (Issued to vendors of Market United Pty Ltd)	28,921,301	2,122
October 07 (Issued to vendors of The Great Australian Survey Pty Ltd)	24,345,930	1,780
November 07 (Exercise of options)	1,166,666	31
December 07 (1:7 Rights issue)	105,691,970	5,284
Total	274,360,803	16,414

Non-Recurring Costs

To provide a better understanding of the progress being made by the Group, we have re-stated the performance of the continuing operations after excluding the following non-recurring costs:

Non-Recurring Costs	Dec-07
Integration of newly acquired subsidiaries	96
Expansion Costs/Losses in establishing a presence in new locations	153
Total	249

Restatement of continuing operations (after excluding non-recurring costs)

Six months ending	Dec-07		Dec-06		Change %
Revenue					
Sales revenue (\$'000)					
- Interactive advertising	12,029	2,518	377.7	▲	
Other revenue (\$'000)	120	45	N/C		
Total	12,149	2,563	374.0	▲	
EBITDA (\$'000)					
Interactive advertising	930	142	554.9	▲	
Corporate	(616)	(619)	(0.5)	▲	
Total EBITDA (\$'000)	314	(477)	N/C		
Less Depreciation (\$'000)	(202)	(10)	N/C		
EBIT (\$'000)	112	(487)	123.0	▲	
Less Interest (\$'000)	79	28	182.1	▲	
Net Profit/(loss) before tax (\$'000)	191	(459)	141.6	▲	
Income tax benefit/(expense)	(2)	144	N/C		
Net Profit/(loss) after tax attributable to members (\$'000)	189	(315)	160.0	▲	
Profit/(Loss) per share (basic) (cents)	0.03	(0.11)			
NTA per share (cents)	1.1	0.9			

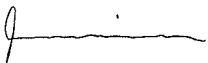
Outlook

QXQ continues evaluating acquisition opportunities which will allow it to respond to client needs in the Interactive Advertising sector. The Group also continues to focus efforts on generating strong organic growth.

The Board is confident that in the absence of unforeseen circumstances, revenue in the Second Half will continue to grow strongly.

This report is based on the attached half year financial report which has been subject to a review by the Company's external auditor. The financial statements are not subject to any audit dispute or qualifications.

For and on behalf of the Board



Paul G Choiselat
Managing Director
28 February 2008

Q LTD
ABN 13 083 160 909

HALF YEAR TO 31 DECEMBER 2007

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Financial Statements
Half Year to 31 December 2007

DIRECTORS' REPORT

Your Directors present their report on Q Ltd ("QXQ") for the half-year ended 31 December 2007.

Directors

The following persons were Directors of QXQ during the whole of the half-year and up to the date of this report:

Kevin Victor Campbell AM	Chairman and independent non-executive director
Bruce Robert Bennie	Independent non-executive director
Hon Jeffrey Gibb Kennett AC	Independent non-executive director
Paul Gerard Choiselat	Managing Director
Andrew Heng Seak Koo AM	Independent non-executive director
Mark Halstead	Chief Executive Officer

Principal Activities

The principal activity of QXQ during the half-year was interactive advertising.

Review of Operations

Sales revenue grew by 377.7% to \$12.0m during the First Half compared to \$2.5m in the First Half of FY 2007. This includes both organic revenue growth and growth from acquisitions.

On a combined basis, revenue for the Group's businesses which have been owned for 12 months or longer had an organic growth rate of 42.7% over the First Half of FY 2007. During the same period industry growth was reported by IAB Online Advertising Expenditure Report (PricewaterhouseCoopers 14.02.2008) to be 34.5%.

The Group incurred a net loss of \$55,000 during the period compared to \$335,000 in the corresponding period in FY 2007.

3 acquisitions were made during the period.

- Clear Blue Day Pty Ltd
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In addition to this, a number of subsidiaries have opened a presence in other locations to help support their future growth. Although this has contributed to revenue growth, it has negatively impacted the Group's profit before tax during the First Half.

The Group's subsidiaries have expanded their presence in the following locations:

<u>Subsidiary</u>	<u>New Location</u>
3Di	Auckland
Axis	Sydney
First Rate	Sydney Melbourne

The Board is pleased with the efforts and focus of management on integrating the newly acquired subsidiaries. Merging small unlisted businesses into a bigger listed Group brings challenges and management are addressing those as they arise.

Further details on the operations and the results of those operations are shown on pages 4 to 12 of this Financial Report.

Dividends

QXQ does not propose to pay a dividend for this reporting period.

Cashflow

Negative cash flow from operating activities of \$1,071,000 compared to a positive cash flow of \$89,000 during the half-year to December 2006. Cash flow was negatively affected by tax payments of \$681,180 in respect of tax liabilities which were incurred by newly acquired subsidiaries prior to acquisition by QXQ. The liabilities were known at the time of acquisition and were taken into account in negotiating the purchase price of these acquisitions.

Balance Sheet

Net assets at 31 December 2007 were \$27,732,000 (\$10,628,535 at 30 June 2007). The increase in net assets was largely due to equity raisings in August and December 2007.

Change to capital

During the First Half, QXQ completed the following capital raisings.

Shares issued	No.	Amounts raised before costs \$'000
August 07 (1:5 Rights Issue)	114,234,936	7,197
August 07 (Issued to vendors of Market United Pty Ltd)	28,921,301	2,122
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November 07 (Exercise of options)	1,166,666	31
December 07 (1:7 Rights issue)	105,691,970	5,284
Total	274,360,803	16,414

After having made the acquisitions of Clear Blue Day Pty Ltd, Market United Pty Ltd and The Great Australian Survey Pty Ltd during the half-year, the Group had a cash balance of \$6,204,649 at 31 December 2007.

Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Auditors' Independence Declaration

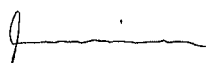
The Auditors' Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

Rounding of Amounts

QXQ is a company of a kind referred to in Class Order 98/100, issued by the Australian Securities & Investment Commission, and in accordance with that class order, amounts in the Directors' Report and the Half Year financial report are rounded off to the nearest thousand dollars unless otherwise indicated.

Signed in accordance with a resolution of the Directors made pursuant to s306 (3) of the Corporations Act 2001.

On behalf of the Directors



Paul G Choiselat
Managing Director
28 February 2008

The Board of Directors
Q Limited
Level 5, Bank House
11 Bank House
MELBOURNE VIC 3000

28 February 2008

Dear Board Members

Q Limited

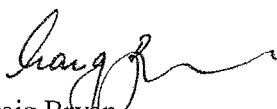
In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Q Limited.

As lead audit partner for the review of the financial statements of Q Limited for the half-year ended 31 December 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU


Craig Bryan
Partner
Chartered Accountants

Financial Statements
 Half Year to 31 December 2007

Condensed Consolidated Income Statement for the Half Year Ended 31 December 2007		
	Dec-07 \$000	Dec-06 \$000
Revenues	12,149	2,563
Expenses		
Business development and integration cost	(89)	(326)
Accounting, administration and compliance cost	(580)	(190)
Commission	(593)	(216)
Consultants	(79)	(28)
Depreciation and amortisation expense	(202)	(9)
Employee benefits expense	(5,231)	(616)
Equipment rental	(31)	-
Financing costs expense	(14)	(55)
Insurance	(40)	(18)
Media bookings and list rental	(3,738)	(1,383)
Occupancy	(548)	(63)
Other expenses	(398)	(45)
Repairs and maintenance	(24)	-
Subcontractors	(141)	-
Technology cost and maintenance	(322)	(40)
Travel and accommodation	(177)	(33)
Loss before income tax for the period	(58)	(459)
Income tax benefit/(expense)	3	144
Loss for the period from continuing operations	(55)	(315)
Loss for the period from discontinued operations	(6)	(20)
Loss attributable to members of the parent entity	(61)	(335)
From continuing and discontinued operations	Cents	Cents
Basic Earnings (Loss) Per Share	(0.01)	(0.11)
Diluted Earnings (Loss) Per Share	(0.01)	(0.11)
From continuing operations		
Basic Earnings (Loss) Per Share	(0.01)	(0.11)
Diluted Earnings (Loss) Per Share	(0.01)	(0.11)

The accompanying notes form part of these financial statements.

Q LTD
 ABN 13 083 160 909
 Financial Statements
 Half Year to 31 December 2007

Condensed Balance Sheet as at 31 December 2007		
	Dec-07 \$000	Jun-07 \$000
Current assets		
Cash	6,205	3,731
Receivables	5,714	3,655
Other	233	65
Total current assets	12,152	7,451
Non-current assets		
Intangible assets	20,093	5,829
Property, plant and equipment	1,432	406
Deferred tax asset	2,547	2,649
Total non-current assets	24,072	8,884
Total assets	36,224	16,335
Current liabilities		
Payables	7,568	5,502
Current tax liabilities	111	-
Borrowings	262	9
Provisions	455	141
Total current liabilities	8,396	5,652
Non-current liabilities		
Borrowings	63	30
Provisions	33	24
Total non-current liabilities	96	54
Total liabilities	8,492	5,706
Net assets	27,732	10,629
Equity		
Issued Capital	4	38,766
Contributed equity	5	1,575
Reserves	2	92
Accumulated Losses	2	(12,701)
Total equity	27,732	10,629

The accompanying notes form part of these financial statements.

Q LTD
 ABN 13 083 160 909
 Financial Statements
 Half Year to 31 December 2007

Condensed Statement of Changes in Equity for the Half Year Ended 31 December 2007						
		\$000	\$000	\$000	\$000	\$000
	Note	Fully paid ordinary shares	Contributed equity	Reserves	Accumulated Losses	Total
Balance at 1.7.2006		15,362	-	-	(13,985)	1,377
383,661,412 shares issued during the period	4	7,611	-	-	-	7,611
Recognition of Share Based Payments	5	-	-	36	-	36
Loss for the period attributable to members of parent entity		-	-	-	(335)	(335)
Balance at 31.12.2006		22,973	-	36	(14,320)	8,689
Balance at 1.7.2007		23,198	-	71	(12,640)	10,629
274,360,803 shares issued during the period	4	15,568	-	-	-	15,568
Recognition of Share Based Payments	5	-	-	19	-	19
Foreign currency translation		-	-	2	-	2
Loss for the period attributable to members of parent entity		-	-	-	(61)	(61)
Shares to be issued under existing business combinations		-	1,575	-	-	1,575
Balance at 31.12.2007		38,766	1,575	92	(12,701)	27,732

The accompanying notes form part of these financial statements.

Q LTD
 ABN 13 083 160 909

Financial Statements
 Half Year to 31 December 2007

Condensed Consolidated Statement of Cash Flow for the Half Year Ended 31 December 2007		
	Dec-07 \$000	Dec-06 \$000
Cash flows from operating activities		
Receipts from customers	12,168	5,273
Payments to suppliers and employees	(12,631)	(5,153)
Payment for tax	(690)	(11)
Interest received	93	42
Interest paid	(11)	(62)
Net cash provided by/(used in) operating activities	(1,071)	89
Cash flows from investing activities		
Purchases of property, plant and equipment	(373)	(33)
Payment for subsidiaries net of cash acquired	(7,053)	(2,430)
Payment of costs relating to prior period acquisitions	(474)	0
Net cash used in investing activities	(7,900)	(2,463)
Cash flows from financing activities		
Proceeds from issues of shares	11,614	8,173
Proceeds from borrowings	250	-
Payment for share issue costs	(407)	(504)
Repayment of borrowings	(12)	(255)
Net cash provided by financing activities	11,445	7,414
Net increase in cash held	2,474	5,040
Cash at beginning of period	3,731	313
Cash at end of period	6,205	5,353

The accompanying notes form part of these financial statements.

Financial Statements
Half Year to 31 December 2007

Notes to the condensed financial statements

Note 1 Significant Accounting Policies

Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of Preparation

The condensed financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computations adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Company's 2007 annual financial report for the financial year ended 30 June 2007.

Note 2 Accumulated Losses

	Dec-07 \$000	Jun-07 \$000
Accumulated losses at the beginning of the financial period	(12,640)	(13,985)
Net (loss)/profit attributable to members of the Company	(61)	1,345
Accumulated losses at the end of the financial period	(12,701)	(12,640)

Note 3 Segment Results

	Printing		Interactive advertising		Unallocated	
	Dec-07 \$000	Dec-06 \$000	Dec-07 \$000	Dec-06 \$000	Dec-07 \$000	Dec-06 \$000
REVENUE						
External sales	-	2,775	12,029	2,518	-	-
Total sales revenue	-	2,775	12,029	2,518	-	-
Other revenue	-	0	61	3	59	42
Total segment revenue	-	2,775	12,090	2,521	59	42
RESULT						
Profit/(Loss) before income tax	(6)	(20)	659	136	(717)	(595)
Income tax benefit/(expense)	-	-	3	-	-	144
Profit/(Loss) after income tax	(6)	(20)	662	136	(717)	(451)
Net Profit	(6)	(20)	662	136	(717)	(451)

Financial Statements
Half Year to 31 December 2007

Notes to the condensed financial statements (cont'd)

Note 4 Equity Securities Issued

	Note	Dec-07 \$	Jun-07 \$
Contributed Equity			
845,535,317 (30/6/07: 571,174,514)		38,766,273	23,197,935
Fully paid ordinary shares		38,766,273	23,197,935
a. Ordinary Shares			
At the beginning of the reporting period		23,197,935	15,361,855
Shares issued during the period			
- 50,000,000 at 2.0 cents per share on 30/08/06			1,000,000
- 233,661,412 at 2.0 cents per share on 31/10/06			4,673,228
- 100,000,000 at 2.5 cents per share on 19/12/06			2,500,000
- 3,851,690 at 6.3 cents per share on 04/06/07			245,160
- 114,234,936 at 6.3 cents per share on 03/08/07		7,196,801	
- 28,921,301 at 7.336 cents per share on 16/08/07		2,121,667	
- 24,345,930 at 7.31 cents per share on 04/10/07		1,779,688	
- 1,166,666 at 2.68 cents per share on 26/11/07		31,267	
- 105,691,970 at 5.0 cents per share on 20/12/07		5,284,598	
Transaction costs relating to share issues		(845,682)	(582,308)
Subtotal of shares issued during the first half of the year		15,568,338	7,836,080
Total shares issued		38,766,273	23,197,935
		<u>No.</u>	<u>No.</u>
No of shares at the beginning of reporting period		571,174,514	183,661,412
Shares issued during the first half of the year			
- 30 August 2006			50,000,000
- 31 October 2006			233,661,412
- 19 December 2006			100,000,000
- 03 August 2007		114,234,936	
- 16 August 2007		28,921,301	
- 04 October 2007		24,345,930	
- 26 November 2007		1,166,666	
- 20 December 2007		105,691,970	
Subtotal of shares issued during the first half of the year		274,360,803	383,661,412
Shares issued during the second half of the year			
- 04 June 2007		N/A	3,851,690
At reporting date		845,535,317	571,174,514

Financial Statements
 Half Year to 31 December 2007

Notes to the condensed financial statements (cont'd)

Note 4 Equity Securities Issued (Cont.)

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. Options (unlisted)	No.	Exercise price (cents)	Expiry date
Director options	1,833,334	2.68	30/09/2010
Director options	2,500,000	2.90	30/09/2011
Director options	2,500,000	3.12	30/09/2012
Employee options	1,875,000	2.68	30/09/2010
Employee options	2,375,000	2.90	30/09/2011
Employee options	2,375,000	3.12	30/09/2012
Total	13,458,334		

Note 5 Reserves

	Note	Dec-07	Jun-07
Employee and Director settled benefits reserve			
Share based payment	a	90	64
Foreign exchange on translation		2	7
		92	71

a Employee and Director equity settled benefits reserve arises on the grant of share options to executives under the executive share option plan and grant of options to Directors. Amounts are transferred out of the reserve into issued capital when the options are exercised.

Financial Statements
Half Year to 31 December 2007

Notes to the condensed financial statements (cont'd)

Note 6 Acquisitions

Name of business	Date of acquisition	Principal activity acquired	Shares acquired %	Cost of acquisition \$
Clear Blue Day Pty Ltd	17/08/2007	Digital marketing agency	100	321,621
Market United Pty Ltd	16/08/2007	Digital marketing agency	100	4,246,226
The Great Australian Survey Pty Ltd	4/10/2007	Permission based consumer data	100	8,787,461

	Clear Blue Day Pty Ltd	Market United Pty Ltd	The Great Australian Survey Pty Ltd	Total
Shares paid	0	2,121,667	1,779,687	3,901,354
Cash paid	87,500	1,878,333	6,720,313	8,686,146
Transaction cost	234,121	246,226	287,461	767,808
Additional consideration payable under share sale agreement	350,719	2,028,498	700,437	3,079,654
Total acquisition cost	672,340	6,274,724	9,487,898	16,434,962
Cash paid	87,500	1,878,333	6,720,313	8,686,146
Net cash acquired	35,299	417,887	1,179,990	1,633,176
Net cash paid on settlement	52,201	1,460,446	5,540,323	7,052,970

The cost of acquisition for the businesses mentioned in the above table comprises of a combination of cash and shares with a deferred consideration tied to future earnings through to no later than 30 June 2010 (Refer note 7). This liability will be settled by a combination of cash and/or shares in the Company and will be recognised when it is considered probable that the earnings will be achieved and the consideration will be payable.

The parent entity has paid a premium for the acquisitions as it believes the acquisitions will introduce additional synergies to its existing operations.

	Clear Blue Day Pty Ltd \$000	Market United Pty Ltd \$000	The Great Australian Survey Pty Ltd \$000	Total fair value on acquisition \$000
Net assets acquired				
Current assets:				
Cash	35	418	1,180	1,633
Trade and other receivables	117	231	1,163	1,511
Other assets	51	-	6	57
Total current assets	203	649	2,349	3,201
Non current assets:				
Plant and equipment	119	294	401	814
Other assets	-	65	-	65
Total non current assets	119	359	401	879
Total assets	322	1,008	2,750	4,080
Current liabilities:				
Trade payables	193	201	465	859
Other payables	365	112	319	796
Total current liabilities	558	313	784	1,655
Total liabilities	558	313	784	1,655
Net assets	(236)	695	1,966	2,425
Goodwill on acquisition	908	5,580	7,521	14,009
Total	672	6,275	9,487	16,434

These acquisitions have contributed \$873,832 of profit before tax to the Group for the period since acquisition through to balance date. The estimated pro forma revenue of the Group and the pro forma net profit before tax had the business purchases been effected from 1 July 2007 cannot be reliably measured given that the historical financial results of the companies were not subject to audit and the acquisitions are relatively recent which means it is extremely difficult to determine what the full year contribution would have been from either a historical or actual perspective. The accounting for these acquisitions has been provisionally determined at the reporting date.

Q LTD
ABN 13 083 160 909

Financial Statements
Half Year to 31 December 2007

Notes to the condensed financial statements (cont'd)

Note 7

Contingent Liability

The acquisition agreements provide for an adjustment to the cost of the acquisition contingent on future earnings of the businesses. Where the achievement of the future earnings is considered probable and the amount of additional consideration payable can be measured reliably, a liability for deferred consideration has been recognised in the financial statements. There are other acquisitions that have occurred previously that also include allowance for additional consideration to be paid under certain considerations but the liability has not been recognised at balance date as the achievement of the future earnings is at present not considered probable.

Note 8

Financial statements

The financial statements have been subject to review which is not an audit.

Q LTD
ABN 13 083 160 909

Financial Statements
Half Year to 31 December 2007

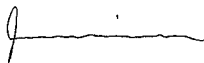
Directors' Declaration

The directors declare that:

- (a) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors



Paul G Choiselat
Managing Director
Melbourne, 28 February 2008

Independent review report to the members of Q Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Q Ltd., which comprises the balance sheet as at 31 December 2007, and the income statement, cash flow statement, statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 3 to 12.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Q Ltd., ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Q Ltd. is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu .

DELOITTE TOUCHE TOHMATSU

Craig Bryan

Partner

Chartered Accountants

Melbourne

28 February 2008