



ASX Announcement & Media Release

MDS Financial Group Limited

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ASX Code: MWS

Directors

Sean Rothsey

Chairman and Non Executive Director

Wayne Johnson

Deputy Chairman and Executive Director

Damian Isbister

Executive Director and CEO - Trading

Richard Symon

Executive Director

Jamie Khoo

Independent Non-Executive Director

Secretary

Tony Iremonger

Company Secretary and CFO

312.3 million listed shares

12.5 million unlisted options

Appendix 4C: Quarterly Report

MDS Financial Group has today released its Appendix 4C consolidated statement of cash flows for the quarter ending 30 September 2011.

Cash receipts from customers for the quarter of \$2,246,000 represents a 53% increase over the previous year's corresponding period's \$1,463,000. Net Operating cash outflows of \$147,000 compares favourably to the net operating cash outflow of \$170,000 in the September 2010 quarter.

The quarter's cash flows reflect strong growth in Group consolidated revenues over the corresponding period in 2010 as a result of the Group's targeted move to grow ASX trading and corporate deal flow. Consolidated revenue for the quarter was \$2,456,000 (2010: \$1,534,000) and included in excess of \$500,000 brokerage received in cash after 30th September 2011.

The revenue growth is a result of activation of D2MX Pty Ltd, the Group's wholly owned ASX participant (Stockbroker) during the quarter. D2MX executes transactions on the ASX for high frequency and large tranche institutional trading and dealer group clients who have transferred trading to the broker. D2MX trades executed on ASX through September were valued at \$561 mil and with trades executed by D2MX and transferred to custodians exceeded \$700m which places the Group's transactions well ahead of a number of well known ASX listed stockbrokers and international financial services companies.

The integration of D2MX with the Group's retail online and telephone trading team, Trader Dealer Online Pty Ltd (TDO), demonstrates the size of the Group's trading capacity since TDO transferred its online and high frequency trading to D2MX from a third party service late August.

Software and data sales are beginning to demonstrate a flattening out in subscriber numbers during these difficult economic times. The company intends to continue with a strategy to maintain their loyal customer base through innovation and functionality particularly enhancing the integration of data and software with stockbroking services. The Group's software and information systems integration continue to provide leading edge and dynamic functionality which has underpinned Group revenues.

Fees received from the capital raising and ASX listing of Nuiminco Group Ltd by the Group's corporate advisory subsidiary, MDS Financial Services Pty Ltd, also contributed to the growth in revenues. The financial services team has a solid pipeline of corporate deal flow including the \$500m RMB property fund announced earlier in the quarter.



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ABOUT MDS FINANCIAL GROUP

MDS Financial Group is a full-service corporate advisory and capital markets specialist with clients in Australia and the Asia-Pacific region. Listed on the Australian Securities Exchange (ASX), MDS Financial Group is also an ASX market participant, with institutional and third-party wholesale brokerage facilities underpinned by substantial retail online trading and market data services.



Sean Rothsey
Chairman

END

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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

MDS Financial Group Limited

ABN

90 091 744 884

Quarter ended ("current quarter")

30 September 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from customers	2,246	2,246
1.2 Payments for		
(a) staff costs	(551)	(551)
(b) advertising and marketing	(40)	(40)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(1,803)	(1,803)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	3
1.5 Interest and other costs of finance paid	(2)	(2)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	(147)	(147)

+ 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)	(146)	(146)
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	(67)	(67)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	29	29
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
Loans repaid by other entities	-	-
1.13 Other (provide details if material)		
Net investing cash flows	(38)	(38)
1.14 Total operating and investing cash flows	(185)	(185)
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	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other - Payment for share buy-back	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	(185)	(185)
1.21 Cash at beginning of quarter/year to date	892	892
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	707	707

+ 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	130
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

The above amount (\$130,299) represents payments to directors or their associates as part of service contracts and director's stipend.

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	-	-

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
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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	707	892
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		707	892

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	N/A
5.2	Place of incorporation or registration	N/A
5.3	Consideration for acquisition or disposal	N/A
5.4	Total net assets	N/A
5.5	Nature of business	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 ~~not~~* (delete one) give a true and fair view of the matters disclosed.

Sign here: Date:
(Director/Company secretary)

Print name:

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.

+ See chapter 19 for defined terms.

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.