

Quarterly Cash Flow Report

Name of entity

Betta Stores Limited

ABN

44 009 710 605

Quarter ended ("current quarter")

30 June 2006

	Quarter ended 30-Jun-2006 \$A
Consolidated Statement of Cash Flows	
Cash flows from operating activities	
Cash receipts from customers	61,083,553
Cash paid to suppliers and employees	(62,696,572)
Interest paid	(329,123)
Income taxes paid	0
Interest received	23,492
Dividends received	0
Net cash from operating activities	(1,918,650)
Cash flows from investing activities	
Proceeds from sale of property, plant and equipment	411,727
Proceeds from sale of investments	10,448,539
Disposal of subsidiary, net of cash disposed of	0
Acquisition of subsidiary, net of cash acquired	0
Acquisition of property, plant and equipment	(61,796)
Acquisition of other investments	0
Net cash from investing activities	10,798,471
Cash flows from financing activities	
Proceeds from the issue of share capital	0
Proceeds from borrowings	2,000,000
Share buy back	0
Repayment of borrowings	(9,546,777)
Payment of finance lease liabilities	(188,896)
Payment of transaction costs	0
Dividends paid	0
Net cash from financing activities	(7,735,673)
Net increase in cash and cash equivalents	1,144,148
Cash and cash equivalents at 1 April 2006	5,398,948
Cash and cash equivalents at 30 June 2006	6,543,096

Payments to directors of the entity and associates of the directors**Payments to related entities of the entity and associates of the related entities**

All payments to directors are in the ordinary course of business and relate to payment of directors' fees as well any payments made to their director related entities as franchisees.

Full details will be disclosed with the release of the Group's preliminary financial report for the year ended 30 June 2006, which is due for lodgement on 13 September 2006.

There have been no loans advanced to directors.

Non-cash financing and investing activities

There have been no financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows.

There have been no outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest.

Financing facilities available

	30 June 2006	
	Amount available \$A	Amount used \$A
Commercial bill facilities	16,900,000	16,900,000 ⁽¹⁾
Receivables finance facility	10,000,000	3,443,149

As a result of the restructure of the business, non-core assets including corporate stores and the interest free debtors book have been sold, and central accounting services have been reduced. This enabled the Group to reduce the value of its available and used facilities with the Commonwealth Bank in June 2006. The Group's facilities as at 30 June 2005 are shown below:

	30 June 2005	
	Amount available \$A	Amount used \$A
Commercial bill facilities	27,500,000	25,750,000
Receivables finance facility	20,000,000	18,411,145

- (1) A further \$2,000,000 was repaid in early July 2006 reducing the commercial bill facilities used to \$14,900,000 and cash on hand balance by \$2,000,000.

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
Cash on hand and at bank	4,543,096
Bank overdraft	2,000,000
Total: cash at end of quarter	6,543,096

Acquisitions and disposals of business entities

Nil

Compliance statement

- 1 This quarterly cash flow report has been prepared in response to a request from NSX dated 16 August 2006 to provide a quarterly cash flow report for the quarter ended 30 June 2006.

The Group has not yet finalised its preliminary financial report for the year ended 30 June 2006, which is due for lodgement on 13 September 2006. As a result, a number of reconciliations, including some affecting cash, are still outstanding. In order to provide the information requested by the NSX in a timely manner, this cash flow report has been prepared with reference to actual cash flows as shown on the Group's bank statements for the quarter and are subject to change.

This report has not been audited.

- 2 Notwithstanding the above, this statement provides a true and fair view of the matters disclosed.

Sign here:


Chief Financial Officer

Date: 4 September 2006

Print name:

Scott McLennan