

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

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

Name of entity

HORIZON GLOBAL LIMITED

ABN

009 201 763

Quarter ended ("current quarter")

30 June 2003

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers		
1.2 Payments for		
(a) staff costs		
(b) advertising and marketing		
(c) research and development	(30)	(119)
(d) leased assets		
(e) other working capital	(15)	(88)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	8	29
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net operating cash flows	(37)	(178)

Appendix 4C
Quarterly report for entities
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	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(37)	(178)
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		
(e) other non-current assets		(2)
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		186
1.13 Other (provide details if material)		
Net investing cash flows		182
1.14 Total operating and investing cash flows	(37)	6
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 (provide details if material)		
Net financing cash flows		
Net increase (decrease) in cash held	(37)	6
1.21 Cash at beginning of quarter/year to date	637	594
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	600	600

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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 \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	6
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

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

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

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		

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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	52	89
4.2 Deposits at call	548	548
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	600	637

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

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 give a true and fair view of the matters disclosed.

Sign here: Paul Gregory BURGE
(Director and Company Secretary)

Date: 31 July 2003

CORPORATE

At the date of this report, Horizon has approximately \$629,000 in net liquid assets. This includes cash and listed investments less creditors in the normal course of business.

The burn rate of cash for the 2003-04 year's overheads and on-going development expenditure remains low and is expected to be less than \$200,000.

TECHNOLOGY

The past quarter has seen the integration of a new technology into HTV, which the company has called "revolving segment technology" ("RST"). The 75% owned subsidiary of Horizon Global Limited, Horizon TV (Operations) Pty Limited, has filed a provisional application for patent for RST.

The directors intend that the commercialisation of HTV will feature RST, which the directors believe will make HTV far more valuable for larger industry participants, and thus aid support for commercialisation. Independent research undertaken by our consultants also confirms this. A description of RST follows after "Future Prospects".

The streaming and channelling capabilities of HTV are excellent, and have also been confirmed by independent research.

Description of RST

RST can best be summarised as a new method for downloading files from a server to a remote computer.

The invention provides a file downloading method, which is efficient by exploiting the available bandwidth between a remote computer and a server, and avoids time-consuming re-assembly of a file that has been broken into smaller pieces.

Segments may only be stored in a volatile memory, for example, RAM. If the file is a media file, the method may further comprise the step of overwriting downloaded segments after they have been played. Importantly, these features can be adopted to hinder unauthorised copying of the media file, to protect the rights of media publishers and content creators.

A file may be stored on more than one server. Advantageously, if a first server will not allow further connections to be made to it, the remote computer can establish connections to a second server to receive segments of the same file. Another advantage is that it allows the remote computer to use a faster transmission route to another server, which is geographically closer to the remote computer or has a higher bandwidth than the first server.

In another aspect, the invention is a new media player software program.

FUTURE PROSPECTS

The integration of RST has taken considerably longer than the directors envisaged, as has the development of HTV generally. Accordingly, there is concern about the time that it will take to commercialise HTV. As shareholders are aware, there seems to have been many “false dawns” caused largely, it would seem, by the developer being unable to complete the final stage in supplying a commercially viable and robust technology. Because of the unavoidable dependence on the developer, the directors are unable to short track the process, and indeed are unable to give any reliable guide as to how much longer it will take for a commercially viable product to be completed.

Clearly, the stockmarket has valued the HTV technology at close to zero, and the directors fully provided for a diminution in value of HTV in the June 2002 financial statements. This will also be the case in the June 2003 financial statements. Whilst the Directors remain hopeful that the HTV technology will ultimately be commercialised the search for alternative investments has commenced. Should an attractive proposition be found, shareholders will be asked to consider a restructuring, subject to the proper law and approvals. It is envisaged that their 75% ownership of the HTV technology would be transferred to an unlisted public company prior to the incorporation of the previously mentioned “attractive proposition”. The new company would be owned by the current shareholders of Horizon Global Limited at the time of restructure in the same proportion as their shareholdings at the time of restructure. The reason for such a restructure would be to preserve the potential value that HTV may ultimately deliver for the current shareholders.

Clearly, the above scenario is presently conjecture, but it gives shareholders an insight into the current thinking of the directors.

In the meantime, the directors will continue to support HTV, control costs, and search for alternative possibilities to restore shareholder wealth.

HORIZON GLOBAL LIMITED
31 July 2003