



Appendix 4C – Quarter ended 30 September 2003

PocketMail reports A\$ 07 million net profit for quarter

Sydney, Friday 24 October PocketMail Group Limited (ASX: PKT), a leading provider of value-priced mobile e-mail services, today released its Statement of Cash Flows for the Quarter ended 30 September 2003.

Statement of Cash Flows

Total receipts from customers for the quarter was \$A 1.7 million. (June quarter 2003 \$A 1.7 million)

The September quarter coincides with a seasonal slow down in the company's US market. Despite this, receipts from customers have been maintained at the same levels as the June quarter.

There was a small net operating cash flow deficit of \$A 0.1 million (June quarter deficit, \$A 0.1 million).

The company expects an operating cash surplus next quarter when licensing revenue invoiced in the September quarter (total A\$ 0.8 million), but not received, is collected.

Other Financial Results

Net profit for the period was \$A 0.7 million. This included income of A\$ 0.8 million from licensing PocketMail technology to the US government.

Comments

PKT Chief Executive, David Marchant, commented:

“This is the company's first quarter of net profit. It comes after four successive periods of EBITDA positive results to June 2003. Whilst we do not expect this level of profit to be repeated in the short term, our results this quarter reflect the steady progress that we are making throughout the business. Our goal remains sustainable and increased profitability through revenue growth.”

About PocketMail

PocketMail Group Limited (ASX:PKT) is a leading provider of value-priced, world-wide mobile e-mail services. The company's services are available locally throughout the United States, Canada, Western Europe and Australia, and internationally from every other country in the world. PocketMail has operations in Sydney, Australia in addition to its US operations in San Jose, California. For more information about PocketMail and its mobile e-mail services, please visit www.pocketmail.com

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

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

Name of entity

PocketMail Group Limited

ABN

008 719 015

Quarter ended ("current quarter")

30 September 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	1,703	1,703
1.2 Payments for		
(a) staff costs	(731)	(731)
(b) advertising and marketing	(158)	(158)
(c) research and development		
(d) leased assets	(98)	(98)
(e) other working capital	(796)	(796)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid	(16)	(16)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net operating cash flows	(96)	(96)

+ 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 (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(96)	(96)
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	(14)	(14)
(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)		
	(14)	(14)
Net investing cash flows		
1.14 Total operating and investing cash flows	(110)	(110)
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	(78)	(78)
1.19 Dividends paid		
1.20 Other (provide details if material)		
	(78)	(78)
Net financing cash flows		
Net increase (decrease) in cash held	(188)	(188)
1.21 Cash at beginning of quarter/year to date	431	431
1.22 Exchange rate adjustments to item 1.20	8	8
1.23 Cash at end of quarter	251	251

+ 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	81
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 – related parties & shareholders	2,436	2,436
	- Hire Purchase facility	143	143
	- non related loan facilities	322	322
3.2	Credit standby arrangements	2,901	2,901

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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	251	251
4.2 Deposits at call		
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	251	251

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
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 ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:  Date: 27 October 2003
 Print name: David McArthur
 Company Secretary

Notes

+ See chapter 19 for defined terms.

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.