31 October 2003

CBD ENERGY LIMITED
APPENDIX 4C CASH FLOW STATEMENT AND MONTHLY UPDATE

In the ASX Announcement dated 30 June 2003, the Board of CBD Energy Limited (“CBDE” or “the Company”) stated that it would provide a monthly update to shareholders, by way of ASX Announcement. We provide that update for the month of October 2003 below. This update should be read in conjunction with all previous updates provided by the Company, which can be obtained at www.asx.com.au.

APPENDIX 4C

The Company’s Appendix 4C Statement for the quarter ended 30 September 2003 is attached. The Company had net cash of $513k as at 30 September 2003, a net decrease of $106k since 30 June 2003.

It is important to note that the Appendix 4C does not include any trading activities from the Capacitor Technologies business, which was acquired on 1 October 2003. There is also only nominal revenue attributable to the Company’s Hong Kong subsidiary, Ventrionics, given that the recent contracts that have been entered into by Ventrionics did not commence to generate cash revenue until the current December quarter.

In the opinion of the Board, the Company has the working capital it requires to fund its existing and likely future requirements.

BUSINESS UPDATE

CBDE is in the business of minimising a building’s power/energy related outgoings whilst at the same time maintaining or improving occupant productivity through increased building amenity. A detailed explanation of the business can be found in the Company’s monthly newsletter dated 31 July 2003 (issued by way of ASX Announcement).

CBDE is operating in both Hong Kong and Australia. Each is summarised below.

Australian Operations

CBDE is actively pursuing the acquisition of Australian based engineering businesses which can deliver strong earnings and at the same time provide a distribution network for CBDE’s energy saving business.

As stated above, the acquisition of the Capacitor Technologies (“Cap Tech”) business was settled on 1 October 2003. CBDE is pleased to advise that Cap Tech has met its revenue targets for the month of October. Further developments at Cap Tech during the month of October include the following:

• CBD has secured employment agreements with all staff at Cap Tech, including all key management (including the managing director, Mr Helge Lechner), technical and sales staff.
• Various potential customers have been identified who wish to take advantage of CBDE’s unique financing options, which will allow customers to acquire Cap Tech’s power factor correction equipment, without any capital expenditure required. The acquisitions will be financed by CBDE’s financing arm, and paid back out of guaranteed energy savings.

• CBDE’s Head of Sales, Energy Management Division, Mr Simon Hewitt, has identified the first 20 Cap Tech customers that will be approached by Cap Tech’s existing sales team, in conjunction with Mr Hewitt, with a view to offering the customer CBDE’s comprehensive suite of energy saving products;

• Cap Tech has identified the Sydney market as an avenue for expansion of company sales. It is anticipated that significant growth can be obtained in Sydney.

Further Australian Acquisitions

CBDE is now at the advanced stage of negotiations to acquire another engineering company in Australia. In keeping with CBDE’s existing strategy, the acquisition will have a long history of revenue and sustainable earnings, and will importantly provide a distribution network for CBDE’s suite of energy saving products. Further information will be provided, by way of ASX Announcement, in accordance with the Company’s continuous disclosure obligations.

Hong Kong Operations

CBDE’s Hong Kong subsidiary, Ventronics, continues to develop its customer relationships. Recent developments include:

• On 20 October 2003, Ventronics received notification from Hutchison Whampoa Property (“HWP”) that it had been successfully included on their approved contractor list for tenders issued by the HWP Estate Management Department. HWP holds all the property interests for Hutchison Properties and Hong Kong & Whampoa Docks. These property interests include residential, commercial and industrial properties located in Hong Kong, China, UK, Singapore, Japan and the Bahamas. Ventronics already has one signed contract with a subsidiary of HWP, in relation to the City Garden building.

• Following on from the successful sale to Otis Elevator Company (H.K.) Limited of a small number of health extraction ventilation (“HEV”) fans for lifts, Otis have agreed to sell the HEV fans to their customer base. The HEV fans have the combined benefits of improving air quality (important in the region due to issues such as SARS) and reducing the air temperature. CBDE considers this to be an important development as the combined retrofit market in China is 540,000 lifts, with 66,000 new lift installations per annum, with Otis the largest manufacturer of lifts in the South East Asia.

• The sale is for 25 units of lighting equipment in relation to the Ming Pao Industrial Centre (“Ming Pao”) in Hong Kong. The contract was negotiated with the property manager, Urban Property Management Limited (“Urban”). Urban is the biggest property management company in Hong Kong in terms of managed space by cubic metre, and currently manages more than 320 properties, including industrial sites, commercial buildings and residential apartment blocks. Urban is a member of the
New World Group, one of the largest property developers in Hong Kong, which is listed on the Hang Seng Stock Exchange. The payment terms for this first contract is based on 12 monthly payments, to be paid out of the power savings (of no less than 25%) that Ventronics have guaranteed to Urban. The sale resulted from successful trials of the equipment, both at the Ming Pao property, and also at a number of other properties managed by Urban. It is expected that the successful installation of Ventronics’ lighting equipment at Ming Pao will lead to further contracts with Urban managed properties, many of which have already received written proposals from Ventronics. It also opens the way for Ventronics to offer other energy saving initiatives to Ming Pao and other buildings managed by Urban.

- As a result of the successful installation by Ventronics of its energy saving equipment for lighting at the head office of Hang Seng Bank (“HSB”) (www.hangsgeng.com) in Hong Kong on 30 September 2003, HSB have requested that Ventronics’ products and software are included in the documentation for any future branch upgrades. HSB are the second largest listed bank in Hong Kong with 7300 staff and 155 branch offices throughout Hong Kong, servicing more than 1/3rd of the Hong Kong population. Ventronics has been able to guarantee to HSB that their energy consumption for lighting will be reduced by a minimum of 25% following the installation of the energy saving equipment.

Further significant developments are expected in the near future, and shareholders will be advised of such developments by way of ASX Announcement.

**CAPITAL RAISING UPDATE**

CBDE may seek to raise further capital in order to finance the acquisition program outlined above. Any such acquisitions, and resultant capital raising, will only take place on the basis that the acquisition earnings per share positive for existing shareholders.

If you require any further information, please contact:

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