

30 April 2009

## *Appendix 4C – Quarter ended 31 March 2009*

IM Medical Limited (“the Company”) presents its Appendix 4C Cash Flow Statement for the quarter ended 31 March 2009.

Net operating cash outflows were \$0.457m, which now means that monthly cash burn has been reduced to an average of \$0.150m per month.

Net cash flow from investing activities included the net proceeds of \$0.223m from the sale of the Cardanal technology.

Net financing cash inflows for the March quarter were \$0.302m following a drawdown under the \$5m Fortrend Standby Subscription Agreement of \$0.068m and a private placement of shares which resulted in funds of \$0.258m.

The company had cash balances of \$0.203m and \$4.7m drawdown facilities available under the Fortrend Standby Subscription Agreement.

Since 31 March 2009, the company is in the process of securing further funding from Fortrend under its Standby Subscription Agreement to assist in working capital needs and the funding of the due diligence and acquisition process relating to the proposed acquisition of Melbourne Specialist Imaging announced to the market previously.

As also announced to the market, the company is to secure, via letter of credit arrangements, \$0.24m from the sale of Intelliheart units to Malaysia. This will come from available IMI stock of equipment.

Roman Najdecki  
Company Secretary

## 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

IM Medical Limited

ABN

47 009 436 908

Quarter ended ("current quarter")

31 March 2009

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	64	420
1.2 Payments for		
(a) staff costs	(232)	(1,014)
(b) advertising and marketing	(6)	(70)
(c) research and development	(2)	(18)
(d) leased assets	-	-
(e) other working capital	(278)	(1,023)
1.3 Dividends received	--	--
1.4 Interest and other items of a similar nature received	-	22
1.5 Interest and other costs of finance paid	(3)	(14)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
Termination and severance payments – one off	-	(106)
<b>Net operating cash flows</b>	<b>(457)</b>	<b>(1,803)</b>

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+ See chapter 19 for defined terms.

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	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(457)	(1,803)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	(38)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	223	223
(d) physical non-current assets	-	70
(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)	-	-
<b>Net investing cash flows</b>	<b>223</b>	<b>255</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(234)</b>	<b>(1,548)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	311	504
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	(9)	(16)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)		
<b>Net financing cash flows</b>	<b>302</b>	<b>488</b>
<b>Net increase (decrease) in cash held</b>	<b>68</b>	<b>(1,060)</b>
1.21 Cash at beginning of quarter/year to date	135	1,263
1.22 Exchange rate adjustments to item 1.20	-	-
<b>1.23 Cash at end of quarter</b>	<b>203</b>	<b>203</b>

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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	22
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Directors' fees and consulting fees

**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

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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

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**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	20	2

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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	78	10
4.2 Deposits at call	125	125
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.23)	203	135

**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 ~~not~~ *(delete one)* give a true and fair view of the matters disclosed.



Sign here: ..... Date: 28 April 2009  
 (~~Director~~/Company Secretary)

Print name: Roman Najdecki

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**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.
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.

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