Aeris Technologies Ltd
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31 October 2003

Companies Announcement Office
Australian Stock Exchange Limited

QUARTERLY REPORT – APPENDIX 4C

In accordance with Listing Rule 4.7B we attach our September Quarterly Report – Appendix 4C. During the quarter, Aeris Technologies made strong progress in its global rollout and achieved several milestones in terms of key reference sites and validation of the outstanding benefits derived from the Aeris-Guard™ systems.

As previously announced, Aeris's International Distributors have moved aggressively to gain opportunities for the Company in the commercial, residential and the OEM (original equipment manufacturers) sectors. The success of customer trials and validations to date is rapidly allowing our network to move into a commercial phase, the momentum of which is growing on a daily basis.

Key areas of activity during the quarter are summarized below:

Duty of Care Campaign
The "Duty of Care" campaign, aimed at raising public awareness of the health issues resulting from poor air quality, has generated significant interest from customers as well as from both regulators and the media. In recent weeks the Company has mailed a total of 8,000 Duty of Care booklets to specifically targeted industry participants throughout the country. The campaign continues next quarter with breakfast seminars in capital cities around Australia. The campaign will continue into 2004.

US Launch
Mr Bill Lundquist of MonsterVac, our exclusive distributor for Aeris-Guard™ in the USA, has been actively marketing the products across the United States. His early response from both his own customers and his distribution network has been most encouraging. There is a high level of awareness in the US market of biological contamination and the dangers associated with mould growth. MonsterVac is ideally positioned to capitalise on the resulting demand for effective IAQ solutions and to develop this crucial market for Aeris.

New Markets

Aeris Technologies received strong enquiries from several new territories during this quarter. These have arisen both from potential distributors and from customers who have encountered specific problems associated with biological contamination. Significant agreements for distribution in the Middle East, Asia and certain European and South American countries should be forthcoming into 2004.

Professor Kerryn Phelps Joins Aeris As Key Health Advisor

The team at Aeris was extremely pleased to have Professor Kerryn Phelps join Aeris Technologies as our Media Spokesperson relating to Community Health. Professor Phelps will be assisting Aeris in raising community awareness of the health implications of poor indoor air quality and in communicating the "Duty of Care" message to key constituents.

Research and Development

The Company continues to respond to customer and market demands by an aggressive Research and Development program that has resulted in several new products and, as recently announced, a new patent filing. This continues to extend the Company's valuable intellectual property portfolio.

Finance

Cash at hand at 30 September 2003 was $783,000 and well in line with the budget. On 31 October 2003 the Company announced a placement of 2.2 million ordinary shares at a price of 65 cents per share to rise $1.43 million. The Company has no borrowings. Receipts from customers during the quarter were in line with forecast and the Company's business plan and reflected the shipment of trial/sample quantities to its various distributors.

The Company is pleased to report that it is now beginning to receive orders for commercial quantities of products and believes these will scale markedly both in the December quarter and beyond. Production of the "Total Air Care Pack" should come on stream in November and has received strong early demand, both locally and internationally. Payments during the September quarter were in line with forecast.

Summary

The demand for healthier indoor environments, energy conservation and the awareness of the hazards of biological contamination are growing on a daily basis. Over the past quarter Aeris has continued to move aggressively to deliver on this global opportunity.

Yours Faithfully
Aeris Technologies Ltd

Maurie Stang
Chairman

Rule 4.7B

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

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

Name of entity

Aeris Technologies Ltd

ABN	Quarter ended ("current quarter")
19 093 977 336	30 September 2003

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (3 months) $A'000
	Cash flows related to operating activities		
1.1	Receipts from customers	43	43
1.2	Payments for:		
	(a) staff costs	(98)	(98)
	(b) advertising and marketing	(59)	(59)
	(c) research, development and patents	(2)	(2)
	(d) leased assets	(5)	(5)
	(e) other working capital	-	-
	(f) other admin and corporate costs	(68)	(68)
	(g) product purchased	(15)	(15)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	9	9
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	(195)	(195)

+ See chapter 19 for defined terms.

		Current quarter $A'000	Year to date $A'000
1.8	Net operating cash flows (carried forward)	(195)	(195)
	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	(2)	(2)
	(e) other non-current assets - costs of intangible assets (patents and R&D)	(57)	(57)
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)	-	-
	Net investing cash flows	(59)	(59)
1.14	**Total operating and investing cash flows**	(254)	(254)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	20	20
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 – share issue expenses	-	-
	Net financing cash flows	20	20
	Net increase (decrease) in cash held	(234)	(234)
1.21	Cash at beginning of quarter/year to date	1,017	1,017
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	**Cash at end of quarter**	783	783

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	44
1.25	Aggregate amount of loans to the parties included in item 1.11	Nil

1.26 Explanation necessary for an understanding of the transactions

The salary paid to the current executive directors and the directors' fees and consultancy fees paid to non-executive directors amounted to $37,169. In addition $2,158 was paid to Novapharm Pty Ltd of which Messrs M Stang, B Stang and S Kritzler are directors, for raw material purchases and R&D wages. An amount of $5,000 was paid for office rent to Nanosonics Pty Ltd, of which Messrs M Stang, B Stang and S Kritzler are directors.

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

None

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

Not applicable

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	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

+ See chapter 19 for defined terms.

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	123	65
4.2	Deposits at call	660	952
4.3	Bank overdraft	-	-
4.4	Other – bank accepted bills of exchange	-	-
	Total: cash at end of quarter (item 1.23)	783	1,017

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

Robert Waring

Sign here: .... Date: 31 October 2003
(~~Director~~/Company Secretary)

Print name: Robert J Waring

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.