



Eastland Medical
Systems LTD

28 January, 2004

The Manager,
The Company Announcements Platform,
Australian Stock Exchange Limited,
Level 4,
20 Bridge Street,
Sydney. N.S.W. 2000.

By E-Lodgement of 5 pages

Dear Sir,

Appendix 4C: Quarterly Activities Report-Second Quarter Report.

In term of Listing Rule 4.7B, we enclose the Appendix 4C for the Quarter ending 31 December 2004.

Yours sincerely,

.....
T.P. Strahan.
Company Secretary.

Unit 6
680 Murray Street
West Perth
Western Australia
6005

PO Box 898
West Perth
Western Australia
6872

t 61 8 9481 1844
f 61 8 9486 4998

ACN 090 987 250

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

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

Name of entity

EASTLAND MEDICAL SYSTEMS LTD

ABN

35 090 987 250

Quarter ended ("current quarter")

31 December, 2004.

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	1,853	3,882
1.2 Payments for		
(a) staff costs	(646)	(1,106)
(b) advertising and marketing	(7)	(27)
(c) research and development	(23)	(72)
(d) leased assets	(4)	(5)
(e) other working capital	(1,634)	(3,536)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	29	56
1.5 Interest and other costs of finance paid	(7)	(16)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	(439)	(824)

+ 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 (.....6.. months) \$A'000
1.8 Net operating cash flows (carried forward)	(439)	(824)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	(10)
(d) physical non-current assets	(49)	(361)
(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	(101)	(101)
1.12 Loans to/ repaid by other subsidiaries	(108)	(4)
1.13 Other	-	-
Net investing cash flows	(258)	(476)
1.14 Total operating and investing cash flows	(697)	(1,300)
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	(6)	(19)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
-Capital raising costs		
Net financing cash flows	(6)	(19)
Net increase (decrease) in cash held	(703)	(1,319)
1.21 Cash at beginning of quarter/year to date	3,151	3,767
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	2,448	2,448

+ 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	\$31
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 Payment of Directors fees for quarter to 31 December, 2004.	

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

N/a

- 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

N/a

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	\$300	\$275
3.2	Credit standby arrangements	\$2,000	\$1,705

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Appendix 4C
Quarterly report for entities
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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	572	753
4.2	Deposits at call	1,916	2,443
4.3	Bank overdraft	(40)	(45)
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		2,448	3,151

Acquisitions and disposals of business entities

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

Note:

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: 28 January 2005.
 (Company Secretary)

Print name: Trevor Strahan.

+ See chapter 19 for defined terms.