

MEDICAL MONITORS LIMITED AND CONTROLLED ENTITIES

Notes for the Quarterly Report to September 30, 2003

Over the past quarter, the Company has continued to create opportunities for Medical Monitors' products and services in the international market. In particular, legal and financial representatives for the Company are in high level discussions with a number of top tier international pharmaceutical companies in the UK and the USA. Recent ASX releases have provided details of these significant sales opportunities for the Company both in Australia and overseas.

It should be noted that an increase in 'working capital' expenditure, over the quarter, related to one-off costs in retiring of some debt and for new infrastructure required for the monitoring service in the UK and in the USA - in anticipation of the increased demand for the monitoring of patients. This is particularly so for the UK, where a nationwide programme is evolving under Prof Bryan Williams direction, with the support of at least two top tier international pharmaceutical companies. In addition, the Biovail clinical trial in the USA is progressing well, with further updates expected over the quarter.

Revenue from the activities in the UK alone is expected to generate in excess of £1 million (\$2.5 million). Anticipated progressive sales revenue could amount to more than \$5 million from all activities, over the next 12 months, if current opportunities are successfully concluded. Importantly, the Company is looking to other financing opportunities for the anticipated inventory roll out.

A review of the quarterly activities includes:

- US-based pharmaceutical company Biovail Pharmaceuticals continues its hypertension study using the BPfone™ monitor to evaluate their blood pressure drug in the USA.
- The Company's Chicago-based associates, TSI, are in discussion with CorSolutions, a major home healthcare and disease management provider. CorSolutions provides a full complement of disease management programs from prevention and wellness to long-term chronic care for more than 30 common chronic conditions. They are seeking to incorporate the BPfone and PER monitors into their high level programmes.
- E-Medicine Services, a UK subsidiary of Medical Monitors, has commenced operations in collaboration with Professor Bryan Williams, a leading British and international hypertension specialist. E-Medicine Services will conduct the world's largest hypertension (high blood pressure) program in the United Kingdom (UK), based on the BPfone™ and monitoring service.
- The Telesalute Monitoring Service in Italy continues to grow its operations with the BPfone™. The directors of the Service are in discussion with top-tier pharmaceutical companies in Europe, to utilise the blood pressure management programme.

The Directors are very confident of the continuing success for the Company's products and services. The increasing sales revenues, anticipated over the coming months, will provide a sound base for the Company to expand its current sales and marketing programmes in Australia and overseas.

Dr Allan Shell
Managing Director

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

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

Name of entity

Medical Monitors Limited

ABN

68 009 161 522

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 (... months) \$A'000
1.1 Receipts from customers	100	100
1.2 Payments for		
(a) staff costs	(153)	(153)
(b) advertising and marketing	(246)	(246)
(c) research and development	(102)	(102)
(d) leased assets	-	-
(e) other working capital	(326)	(326)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	3
1.5 Interest and other costs of finance paid	(112)	(112)
1.6 Income taxes paid	-	-
1.7 Other (Govt Grants)	-	-
Net operating cash flows	(836)	(836)

	Current quarter \$A'000	Year to date (...3... months) \$A'000
1.8 Net operating cash flows (carried forward)	<i>(836)</i>	<i>(836)</i>
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	-	-
(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	5	5
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
	5	5
Net investing cash flows		
1.14 Total operating and investing cash flows	<i>(831)</i>	<i>(831)</i>
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	1,286	1,286
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	(24)	(24)
1.19 Dividends paid	-	-
1.20 Other (Security Deposit)	-	-
Net financing cash flows	1,262	1,262
Net increase (decrease) in cash held	431	431
1.21 Cash at beginning of quarter/year to date	90	90
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	521	521

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	75
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

Consultancy fees paid to research entities controlled by 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

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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	660	584
3.2	Credit standby arrangements		

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	521	90
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	521	90

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 give a true and fair view of the matters disclosed.

Sign here:



(Director)

Date: 31 October 2003

Print name: Dr Allan Shell

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.