MEDICAL MONITORS LIMITED AND CONTROLLED ENTITIES

Notes for the Half Year Report to December31, 2003

The Directors look forward to 2004 and anticipate that current projects nearing the completion of their evaluation phase - in the USA, UK and Italy - will convert to significant sales revenues. This revenue stream will be exclusive of other business opportunities in the Australian and Asian markets.

A review of the quarterly activities include:

- Executives of Medical Monitors wholly owned USA subsidiary, Wellness Monitoring, are in discussion with clinical researchers at Johns Hopkins University Hospital, Baltimore, to provide a blood pressure monitoring service for a long term study on US-Asian migrant patients. Johns Hopkins is one of the world's leading health care institutions and one of the most highly rated medical facilities in the USA..

  Medical Monitors' BPfone® blood pressure monitoring program has been chosen as the preferred instrument, in the collection of the blood pressure data for this project. As previously stated, being involved in multi level monitoring programs with established institutions will provide significant sales opportunity for the BPfone® to be used in the expanding USA clinical research and medical data collection market – an estimated market of more than US $5.2 billion in 2001. The BPfone® has already been granted FDA clearance for its sale and marketing in the USA.

- In Italy, the joint venture (JV) with Telesalute Monitoring Service is growing and already provides the BPfone® in the Bergamo / Milan region. The JV partner is in discussion with a number of established research institutions, as well as a top-tier pharmaceutical company, to expand the program Italy-wide. Initial sales have been made, as announced, and it is anticipated that sales will continue from these and other activities in the near future.

- In the UK, the Company's senior medical advisor, Professor Bryan Williams, has been appointed to the UK Department of Health's Executive Committee on Blood Pressure Monitoring in Clinical Practice. Internationally recognised in the area of hypertension and cardiovascular risk management, Prof Williams is a leading British hypertension specialist, the Professor of Medicine, at Leicester Royal Infirmary and University of Leicester and immediate past president of the prestigious British Hypertension Society.

  The BPfone® has been chosen by Prof Williams to be the monitoring device of choice in the largest blood pressure monitoring program to be undertaken in the UK. One of the world's leading international companies, Pfizer Pharmaceutical, has already provided a letter of intent to be one of the sponsors for this significant study.

  Hypertension (high blood pressure) is a major risk factor in cardiovascular disease. It effects more than 10 million people in the UK alone, and has been targeted by the British Government as a key healthcare issue requiring better management. Over time, the project under Prof Williams' supervision is expected to have a significant positive impact on the future management of all patients with hypertension in the national health service of the UK.

- The appointment of two new (non-executive) Directors, Neville Buch and Boris Patkin, who have significant local and international business experience, will be invaluable for the global rollout of Medical Monitor's products and services. Importantly, the Directors have reviewed the Company's cost base and believe that an overall reduction of expenses, of at least 30%, can be achieved over the financial year. A number of initiatives have already been implemented, without impacting on current staff numbers.

The Directors are confident of the continuing success for the Company's products and services in Australia and in the overseas markets.

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

Medical Monitors Limited

ABN	Quarter ended ("current quarter")
68 009 161 522	31 DECEMBER 2003

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	94	194
1.2	Payments for (a) staff costs	(101)	(254)
	(b) advertising and marketing	(230)	(476)
	(c) research and development	(70)	(172)
	(d) leased assets	-	-
	(e) other working capital	(223)	(549)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	5
1.5	Interest and other costs of finance paid	(15)	(127)
1.6	Income taxes paid	-	-
1.7	Other (Govt Grants)	268	268
	Net operating cash flows	(275)	(1.111)

		Current quarter $A'000	Year to date (..6....months) $A'000
1.8	Net operating cash flows (carried forward)	**(275)**	**(1,111)**
	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
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
	Net investing cash flows	-	5
1.14	**Total operating and investing cash flows**	(275)	(1,106)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	162	1,448
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	280	280
1.18	Repayment of borrowings	(330)	(354)
1.19	Dividends paid	-	-
1.20	Other (Security Deposit)	-	-
	Net financing cash flows	112	1,374
	Net increase (decrease) in cash held	(163)	268
1.21	Cash at beginning of quarter/year to date	521	90
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	**Cash at end of quarter**	358	358

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	21
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

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

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	388
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	358	521
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	358	521

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: 30 January 2004

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.