Notes for the fourth Quarter App4C to June 30, 2004

MEDICAL MONITORS LIMITED AND CONTROLLED ENTITIES (ASX:MDM)

Over the past year the Company has progressed a number of significant business opportunities in the overseas market. More recently, this has culminated in the signing of agreements with an American business group, Gallery Investments, Inc., who have been granted exclusive licensing rights for the Americas and the European Union (including the UK), for MDM's ECG and Blood Pressure monitoring technologies.

As part of the agreement, an ECG monitoring service will be established in the USA within the coming quarter, with device and service promotion to commence at the same time. In addition, the UK Blood Pressure monitoring programme is expected to grow over the coming months.

The agreement with the Gallery group provides for the payment of USD $690,000 (AUD $970,000) to MDM, with a first tranche payment for BPfone® monitors (from existing inventory) and for new ECG monitors already received (see below subsequent events). It is anticipated that further and ongoing sales to the Gallery group will continue through the year.

As part of its commitment to establish a new service for the USA venture, together with the expansion of the UK project, the Company incurred a number of expected 'one-off' payments for new infrastructure and set-up. As part of the transaction, the USA group will also be taking over a number of these high cost items and ongoing business expenses. MDM also incurred various legal, travel and advisory costs in the course of negotiating and signing these agreements. MDM's monthly expense outflow will therefore be markedly reduced over the next two quarters 2004.

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

Subsequent events

The Company has received a first tranche payment of USD $280,000 (AUD $400,000) of the USD $690,000 (AUD $970,000) payment from Gallery Investments, Inc. The funds will be used as working capital for the anticipated production growth of inventory, and to consolidate the Company's position as a leading provider of remote monitoring products and services in the diagnostic monitoring market.

Dr Allan Shell
Managing Director

Medical Monitors Limited
Suite 407 Office Tower
Westfield Eastgardens
Eastgardens NSW 2036 Australia
Tel 02 9344 8100 Fax 02 9344 8200

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	30 JUNE 2004

Consolidated statement of cash flows

			Current quarter $A'000	Year to date (..12....months) $A'000
Cash flows related to operating activities				
1.1	Receipts from customers		61	372
1.2	Payments for	(a) staff costs	(208)	(635)
		(b) advertising and marketing	(129)	(730)
		(c) research and development	(45)	(285)
		(d) leased assets	-	-
		(e) other working capital	(411)	(1,123)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		5	11
1.5	Interest and other costs of finance paid		(90)	(270)
1.6	Income taxes paid		-	-
1.7	Other (Govt Grants)		103	371
	Net operating cash flows		(714)	(2,289)

+ See chapter 19 for defined terms.

		Current quarter $A'000	Year to date (..12.months) $A'000
1.8	Net operating cash flows (carried forward)	**(714)**	**(2,289)**
	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	(48)	(67)
		-	-
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	(123)	(123)
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
	Net investing cash flows	(171)	(185)
1.14	**Total operating and investing cash flows**	(885)	(2,474)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	873	2,731
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	300	580
1.18	Repayment of borrowings	(180)	(588)
1.19	Dividends paid	-	-
1.20	Other (Security Deposit)	-	-
	Net financing cash flows	993	2,723
	Net increase (decrease) in cash held	108	249
1.21	Cash at beginning of quarter/year to date	231	90
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	**Cash at end of quarter**	339	339

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	125
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	284	284
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	339	231
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	339	231

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: Date: 30 July 2004

Print name: Dr Allan Shell
(Director)

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.

+ See chapter 19 for defined terms.