



29 January 2010

Resonance Health Ltd (ASX:RHT) Appendix 4C – 2nd Quarter Cash Flow Report

Resonance Health Limited today released its second quarter cash flow report for the period ending 31 December 2009.

Cash at 31 December 2009 was \$2,532,000. This represents a decrease of \$300,000 from September 2009 due largely to the timing of receipts from the Company's largest customer. Payments for four months of sales were received in the September quarter compared to payments for two months of sales received in the December quarter.

Cash outflows have increased as the Company expands its investment in strategic activities to drive revenue in targeted markets. During the December 2009 quarter these included: fees paid to US reimbursement consultants, UK and German marketing activities and conference participation in the US targeting the Thalassaemia market. The Company has recently engaged an experienced VP Business Development Manager, located in the US to drive our US marketing and sales strategy.

Research and development costs in the December quarter were focused on the development of an image analysis software tool for the grading of liver fibrosis. The Company looks forward to updating its shareholder on the progress of this development at the end of the March 2010 quarter.

For further information please contact:

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Appendix 4C

Quarterly report

for entities admitted

on the basis of commitments

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

Name of entity

Resonance Health Limited

ABN

96 006 762 492

Quarter ended ("current quarter")

31 December 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date \$A'000
1.1 Receipts from customers	402	1,096
Other Receipts	-	-
1.2 Payments for		
(a) staff costs	(306)	(551)
(b) advertising and marketing	(67)	(111)
(c) research and development	(123)	(259)
(d) leased assets	-	-
(e) other working capital	(92)	(135)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	18	43
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid)/received	-	-
1.7 Other Payments		
(a) consulting & professional services	(44)	(46)
(b) statutory & compliance	(58)	(89)
(c) travel	(16)	(27)
Net operating cash flows	(286)	(79)

+ See chapter 19 for defined terms.

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Quarterly report for entities
admitted on the basis of commitments

	Current quarter	Year to date
	\$A'000	\$A'000
1.8 Net operating cash flows (carried forward)	(286)	(79)
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	(14)	(34)
(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	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (Cash introduced on acquisition of controlled entity)	-	-
Net investing cash flows	(14)	(34)
1.14 Total operating and investing cash flows	(300)	(113)
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	-	-
1.19 Dividends paid	-	-
1.20 Other (costs of capital raising)	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	(300)	(113)
1.21 Cash at beginning of quarter/year to date	2,832	2,645
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	2,532	2,532

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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	64
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

\$64k – Directors fees

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

Issue of shares to the value of \$10,000 to Managing Director as approved by shareholders at Annual General Meeting dated 25 November 2009.

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	-	-
3.2	Credit standby arrangements	-	-

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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	153	118
4.2 Deposits at call	679	564
4.3 Bank overdraft	-	-
4.4 Other (provide details)		
- 1 month term deposit	-	2,000
- 3 month term deposit	700	-
- 4 month term deposit	-	150
- 7 month term deposit	1,000	-
Total: cash at end of quarter (item 1.22)	2,532	2,832

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	N/A	N/A
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.

Eva O'Malley
Company Secretary

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