

## QUARTERLY REVIEW

*To be read in conjunction with Appendix 4C*

### FUNDING

During the quarter, the Company generated net operating cash inflows of \$553,000 (including a dividend of \$988,000 from Norwood Immunology Ltd). Cash on hand at the end of the quarter grew to \$403,000.

This has allowed the Company to continue with its restructure strategy and discussions for merger with another company. Timing of a formal arrangement is dependent upon current discussions.

### RESTRUCTURE PROGRESS & PROJECT STATUS

The company has continued its restructuring and debt reduction.

A final arrangement regarding the Needle-free project was completed after the end of the quarter. It provides for the Company to earn 25% of future net proceeds from commercialisation of the needle-free technology by MIT. Norwood has no further funding obligations in relation to the project.

The Company has also, through its US ophthalmic consulting group, progressed discussions with a view to the sale or licensing of the EyeCare project. A final decision on any transaction is expected during the coming quarter.

The company continues to be the largest shareholder in Norwood Immunology Ltd ("NIM"). Potential future returns from this investment will be linked to ability of NIM to monetise its convertible note in Mymetics Inc and prospective milestones arising from the virosome project.

The Company is also continuing to seek agreement on further equity for debt conversions.

The foregoing actions have delayed completion of audited accounts. It is now intended that half-year and annual accounts be completed concurrently, which would then lead to re-quotations of the Company's shares.

As already foreshadowed, the company is exploring a number of alternative merger opportunities, with a decision time-frame targeted for the coming quarter.

To find out more about the Norwood group, visit [www.norwoodabbey.com](http://www.norwoodabbey.com)

**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

NORWOOD ABBEY LIMITED

ABN

20 085 162 456

Quarter ended ("current quarter")

30 June 2009

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	-	85
1.2 Payments for (a) staff costs	(82)	(219)
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(217)	(813)
1.3 Dividends received	988	988
1.4 Interest and other items of a similar nature received	-	1
1.5 Interest and other costs of finance paid	(5)	(7)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
Other Income	-	-
Legal Expenses	(131)	(226)
Travel Expenses	-	-
Professional Fees	-	-
<b>Net operating cash flows</b>	<b>553</b>	<b>(191)</b>

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	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	553	(191)
<b>Cash flows related to investing activities</b>		
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	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	-	-
<b>1.14 Total operating and investing cash flows</b>	553	(191)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	70
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	552
1.18 Repayment of borrowings	(171)	(197)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
<b>Net financing cash flows</b>	(171)	425
<b>Net increase (decrease) in cash held</b>	382	234
1.21 Cash at beginning of quarter/year to date	21	169
1.22 Exchange rate adjustments to item 1.20	-	-
<b>1.23 Cash at end of quarter</b>	403	403

## 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	58
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

(a) Includes Directors fees and fees for consulting services in relation to the investigation sourcing, due diligence and negotiation with third party business acquisitions.

### 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

None

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

None

### 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 - various	350	-

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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	403	21
4.2 Deposits at call	-	-
4.3 Bank overdraft		
4.4 Other (provide details) Borrowings received – subject to shareholder approval at EGM		
<b>Total: cash at end of quarter</b> (item 1.23)	403	21

**Acquisitions and disposals of business entities**

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
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 ~~does not~~\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: ...Jeffrey Bell.....  
 (~~Director~~/Company secretary)

Date: 30 July 2009

Print name: ...Jeffrey Bell

## 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.