



Fermiscan Holdings Limited
(Administrator Appointed)
ABN 51 000 689 725

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ASX ANNOUNCEMENT

29 January 2010

FERMISCAN HOLDINGS LIMITED (ADMINISTRATOR APPOINTED)

A.C.N.: 000 689 725

ASX Appendix 4C

Quarterly Cash Flow Report for the Quarter to 31 December 2009

Attached is the ASX Appendix 4C quarterly consolidated statement of cash flows to 31 December 2009 for Fermiscan Holdings Limited.

The net operating cash outgoings for the quarter to 31 December 2009 were \$640k. The net operating cash outgoings for the quarter to 30 September 2009 were \$2.4 million.

The overall net cash position in the December 2009 quarter increased by \$148k from \$716k at 30 September 2009 to \$864k at 31 December 2009. The overall net cash position in the September 2009 quarter decreased by \$2.5 million.

On 1 October 2009 the business of Sydney Breast Clinic was sold in a management buyout for gross proceeds in the amount of \$1.0 million (refer to Note 2 on page 4 of Appendix 4C attached). The Fermiscan group cash flows include the receipts and costs for the Sydney Breast Clinic to the date of disposal.

Information Update on the Administration

As previously advised to ASX, I was appointed Administrator of the abovementioned company in terms of Part 5.3A of the Corporations Act on 18 November 2009. The appointment was made by the company pursuant to a resolution passed at a meeting of the directors.

I have provided ASX with information updates on the administration previously and on 14 January 2010 I advised that certain interested parties were provided with memoranda of information for the purchase of the intellectual property, plant, equipment and business undertaking of Fermiscan Holdings Limited, Fermiscan Pty Limited, Fermiscan Australia Pty. Limited and Fiberscan Pty Ltd (all Administrator Appointed). I also noted that the closing date for offers to purchase the assets was Wednesday, 6 January 2010.

I have received a number of offers to purchase the assets or invest in the company and I am assessing their merits.

Should you have any queries, please contact Mr Richard Rowley or Mr Ned Talic, of my office. Information on the administration is available from www.woodgateco.com.au.

G G Woodgate
Administrator

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Fermiscan Holdings Limited

ABN

51 000 689 725

Quarter ended ("current quarter")

31 December 2009

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter | Year to date (twelve months) |
|---|-----------------|---------------------------------|
| | \$A'000 | \$A'000 |
| 1.1 Receipts from customers - <i>refer to note 1</i> | - | 3,648 |
| 1.2 Payments for | | |
| (a) staff costs | (1,136) | (6,052) |
| (b) advertising and marketing | (16) | (175) |
| (c) research and development, including scientific and synchrotron operations in the USA | (125) | (1,093) |
| (d) leased assets | - | - |
| (e) other working capital | 74 | (4,079) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | (8) | 115 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Research & development grants received | 556 | 556 |
| 1.7 Income taxes paid | - | - |
| 1.8 Other (provide details if material) | 15 | 90 |
| Net operating cash flows | (640) | (6,990) |

Note 1 The business of Sydney Breast Clinic was sold on 1 October 2009 for gross proceeds of \$1.0 million in a management buyout (refer to **Note 2** on page 4). Fermiscan group cash flows include the receipts and costs for Sydney Breast Clinic to the date of disposal. All receipts from customers relate to Sydney Breast Clinic.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

| | Current quarter | Year to date (twelve months) |
|---|-----------------|---------------------------------|
| | \$A'000 | \$A'000 |
| 1.8 Net operating cash flows (carried forward) | (640) | (6,990) |
| Cash flows related to investing activities | | |
| 1.9 Payment for acquisition of: | | |
| (a) businesses (item 5) | - | - |
| (b) equity investments | - | - |
| (c) intellectual property | (44) | (216) |
| (d) physical non-current assets | - | (277) |
| (e) other non-current assets | - | - |
| 1.10 Proceeds from disposal of: | | |
| (a) businesses (item 5) | - | - |
| Gross proceeds on sale of Sydney Breast Clinic Pty Limited | 1,000 | 1,000 |
| Settlement adjustments on sale of Sydney Breast Clinic Pty Limited | (230) | (230) |
| (b) equity investments | - | - |
| (c) intellectual property | - | - |
| (d) physical non-current assets | 76 | 76 |
| (e) other non-current assets | - | - |
| 1.11 Loans to other entities/persons | -14 | -14 |
| 1.12 Loans repaid by other entities | - | - |
| 1.13 Other (provide details if material) | - | - |
| Net investing cash flows | 788 | 339 |
| 1.14 Total operating and investing cash flows | 148 | (6,651) |
| Cash flows related to financing activities | | |
| 1.15 Proceeds from issues of shares | - | - |
| 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 (provide details if material) | - | - |
| Proceeds from repayment of loans and interest and debt recovery | | |
| Net financing cash flows | - | - |
| Net increase (decrease) in cash held | 148 | (6,651) |
| 1.21 Cash at beginning of quarter/year to date | 716 | 7,515 |
| 1.22 Exchange rate adjustments to item 1.20 | - | - |
| 1.23 Cash at end of quarter | 864 | 864 |

+ See chapter 19 for defined terms.

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 | 31 |
| 1.25 | Aggregate amount of loans to the parties included in item 1.11 | nil |

1.26 Explanation necessary for an understanding of the transactions

Fees paid to Directors and Directors salaries

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

Nil

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

Nil

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 | Nil | Nil |
| 3.2 | Credit standby arrangements | Nil | Nil |

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

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 | 773 | 314 |
| 4.2 Deposits at call | 91 | 402 |
| 4.3 Bank overdraft | Not applicable | Not applicable |
| 4.4 Other (provide details) | | |
| Term deposit | - | - |
| Total: cash at end of quarter (item 1.23) | 864 | 716 |

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 | Not applicable | The business of Sydney Breast Clinic was sold on 1 October 2009 (refer Note 2 below) |
| 5.2 Place of incorporation or registration | Not applicable | Not applicable |
| 5.3 Consideration for acquisition or disposal | Not applicable | \$1,000,000 gross proceeds |
| 5.4 Total net assets (deficiency) | Not applicable | Not applicable |
| 5.5 Nature of business | Not applicable | Not applicable |

Note 2: Sale of the business of Sydney Breast Clinic

As noted in an announcement to ASX dated 1 October 2009 and in the half yearly financial statements, the directors were approached to consider an offer to sell Sydney Breast Clinic Pty Limited. The directors advised in the half yearly report that they anticipated that the sale proceeds would realise significantly less than the carrying value of the goodwill. The business of Sydney Breast Clinic was sold on 1 October 2009 for gross proceeds of \$1.0 million in a management buyout.

In the half-year financial statements, the carrying value of the goodwill relating to the business Sydney Breast Clinic was \$4.7 million and, in addition, Fermiscan had advanced \$2.7 million to Sydney Breast Clinic Pty Limited to retire liabilities and cover operating expenses. The directors expect these amounts will be written off.

+ See chapter 19 for defined terms.

