

# health corporation Limited

ACN 116 800 269

28 October 2010

ASX Release

ASX Code: HEA

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## SEPTEMBER 2010 QUARTERLY ACTIVITY REPORT

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### Highlights

- Acquisition of Intramedics Pty Ltd, a new business investment in the bioscience industry with potential applications in the cosmetics, plastic surgery and therapeutic drugs markets.
- Evaluation of new investment and acquisition opportunities for the Company.
- Completion of the entitlement issue of 2 new shares for every 3 shares held at an issue price of 0.75 cents each, which raised \$266,334 in new working capital before costs.
- Continuing review of existing operations and business units, with the view to focus on value creation for shareholders through new complementary investments in companies or projects with world class assets and management teams in the medical/biotechnology sector.

### Acquisition of Intramedics

On 17 August 2010 the Company announced the acquisition of a new complementary business opportunity in the bioscience industry. This acquisition fits with the Board's strategic objectives of looking to acquire new assets that may add to the Company's existing business model.

Intramedics Pty Ltd (Intramedics) is an Australian company developing Hyper-HA, a bioscience project involved in the development of a biologically stable form of Hyaluronic Acid ("HA"). HA is a key ingredient used in cosmetics, plastic surgery, therapeutic drugs, advanced wound care and drug delivery markets.

Consideration for the acquisition of Intramedics is 6 million fully paid ordinary shares in the Company to the vendors, following this the Company will have 94,778,045 ordinary shares on issue. Issue of this share consideration will require approval by shareholders at the Company's annual general meeting to be held on 30 November 2010.

### Review of New Investment Opportunities/Existing Business Operations

The Company has continued the review commenced last quarter on the existing business units and new investment opportunities in the medical/biotechnology sector. The Company is looking forward to an exciting future in 2011, following the changes made to the Board, management and business focus in 2010. The Company's new strategic vision is to focus on value creation for shareholders through new complementary investments in companies or projects with world class assets and management teams in the medical/biotechnology sector.

*For and on behalf of the Board*

**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

Health Corporation Ltd

ABN

30 116 800 269

Quarter ended

30 September 2010

**Consolidated statement of cash flows**

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date \$A'000
1.1 Receipts from customers	208	208
1.2 Payments for (a) staff costs	(206)	(206)
(b) advertising and marketing	(26)	(26)
(c) research and development	-	-
(d) leased assets	(7)	(7)
(e) other working capital	(339)	(339)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 TAX rebate for research and development	117	117
1.7 Other - Rebates	62	62
<b>Net operating cash flows</b>	<b>(192)</b>	<b>(192)</b>

+ See chapter 19 for defined terms.

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

	Current quarter \$A'000	Year to date \$A'000
1.8 Net operating cash flows (carried forward)	(192)	(192)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	(5)	(5)
(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>	(5)	(5)
<b>1.14 Total operating and investing cash flows</b>	(197)	(197)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	266	266
1.16 Cost of share issue	(39)	(39)
1.17 Proceeds from borrowings	69	69
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
<b>Net financing cash flows</b>	296	296
<b>Net increase (decrease) in cash held</b>	99	99
1.21 Cash at beginning of quarter/year to date	59	59
1.22 Exchange rate adjustments to item 1.20		
1.23 <b>Cash at end of quarter</b>	158	158

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the director**

**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	66
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Consulting fees, salary and superannuation paid to or on behalf of directors.
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**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

N\A
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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
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**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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**Appendix 4C**  
**Quarterly report for entities**  
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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	158	59
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.23)</b>	<b>158</b>	<b>59</b>

**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 give a true and fair view of the matters disclosed.

Sign here:



Print name:

Rachel Jelleff  
 Company Secretary

Date: 28 October 2010

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+ See chapter 19 for defined terms.

**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.

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