



HealthLinx Limited

December 2011 Appendix 4C Commentary

25 January 2012, Melbourne: HealthLinx Limited (ASX:HTX) finished the year in a strong position as a result of a new funding agreement with a US based investment group, of a value to the company of \$9m over the next 3 years. Cash flow from this agreement will be received on a regular basis in the future.

Further strengthening the Company's position at this time is the impending receipt of the Income Tax Refund of \$350,000, which will bolster the company's cash position in the immediate future. This amount is expected in January.

With these resources, Healthlinx is able to solidify its position and activity levels in relation to its R&D and commercialisation activities, particularly in relation to OvPlex™ and the increasing sales activity in the United Kingdom.

Enquiries

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About HealthLinx Limited (ASX:HTX)

HealthLinx uses biomarkers to develop best practice diagnostics that detect and monitor diseases. First commercial targets are:

- Ovarian cancer diagnostic (OvPlex) targeting US\$270m pa market
- Prostate Cancer targeting US\$350m pa market

A biomarker is a specific biochemical in the body that measures disease or the effects of treatment.

www.healthlinx.com.au

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www.healthlinx.com.au

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

HealthLinx Limited

ABN

88 098 640 352

Quarter ended ("current quarter")

31st December 2011

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		
1.2 Payments for		
(a) staff costs	(78)	(149)
(b) advertising and marketing	0	0
(c) research and development	(255)	(513)
(d) leased assets	0	0
(e) other working capital	(465)	(800)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other	170	172
	(628)	(1,290)
Net operating cash flows		

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	Current quarter \$A'000	Year to date (12 Months) \$A'000
1.8 Net operating cash flows (carried forward)	(628)	(1,290)
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		
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) VSA Grant Funding	75	75
Net investing cash flows		
1.14 Total operating and investing cash flows	75	75
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	419	1,167
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)		
Net financing cash flows	419	1,167
Net increase (decrease) in cash held	(134)	(48)
1.21 Cash at beginning of quarter/year to date	196	110
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	62	62

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	78
1.25	Aggregate amount of loans to the parties included in item 1.11	
1.26	Explanation necessary for an understanding of the transactions	
	Payments made to non-executive 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

N/A

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	(a) 8,839	161
3.2	Credit standby arrangements	0	0

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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	53	187
4.2 Deposits at call	9	9
4.3 Bank overdraft	0	0
4.4 Other (Credit cards)	0	0
Total: cash at end of quarter (item 1.23)	62	196

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:

Date:25th January 2012.....
(Director/Company secretary)
Print name: Nick Gatsios

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.
4. Financing Facilities Available – a funding agreement with Dutchess Capital was entered into in June 2011; however no funds had been drawn down from this source as at 30 June. The SpringTree Global Investors LLC Facility was terminated on 13 July 2011. Further funding opportunities in the USA are also being investigated.