



28 April 2011

Company Announcements Office
Australian Stock Exchange
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam:

Pulse Health Limited (ASX Code: PHG)

Appendix 4C – March 2011 Quarter

Pulse Health Limited (ASX Code: PHG) announces the release of its Appendix 4C for the quarter ended 31 March 2011.

The Group had a negative net operating cash flow for the quarter of \$224,000 (quarter ended 31 December 2010: cash inflow of \$1,061,000) and a decrease in cash held for the quarter of \$358,000 (down from a net increase of \$929,000 in the prior quarter)

Quarter Ended	31/3/2011 \$000	31/12/2010 \$000	31/3/2010 \$000
Net operating cash flows	(224)	1,061	(1,022)
Businesses	-	40	(50)
Tangible non-current assets	(14)	(52)	(140)
Net investing cash flows	(14)	(12)	(190)
Proceeds from issues of shares, options, etc	-	-	-
Repayment borrowings	(120)	(120)	(419)
Other (Borrowing and Capital Raising Cost)	-	-	-
Net financing cash flows	(120)	(120)	(419)
Net increase (decrease) in cash held	(358)	929	(1,631)

Commentary on movements in Operating Cashflow from:

(a) December 2010 to March 2011

(b) March 2010 compared to March 2011

The March quarter includes the majority of the cash impact from the three seasonally weakest months in the calendar, being December, January and February.

The improvement in the Operating cash flow from (\$1,022,000) to (\$224,000) for the 3 months ended 31 March 2011 compared to the March 2010 quarter is further demonstration of the year on year improvement in the Group's trading and cash flow management from the prior year.

As compared to the March 2010 quarter, variances to March 2011 were as follows:

1. Receipt from customers were up by almost \$1.05m
2. Payments for staff costs increased by less than \$0.1m
3. Payments for working capital increased by less than \$0.2m
4. Interest costs were lower by almost \$0.1m

Net investing and Financing cash flows

The Group incurred minimal capital expenditure during the quarter ended 31 March 2011 as it aggressively managed its cash flow in what has historically been the quietest quarter during the year.

The company continues to reduce its term debt facilities, further reducing these by \$120,000 during the quarter, bringing a total reduction for the nine months ended 31 March 2011 to \$360,000. The company also reduced its outstanding convertible notes by \$137,000 in July 2010.

Confirmation of banking covenants

Pulse confirms that it is not in breach of any of its banking covenants.

March 2011 Monthly results

The Group's un-audited results for the quarter ended 31 March 2011 were significantly in advance of the March 2010 quarter, with EBITDA up by more than 19% and NPBT up by more than 25%.

The Group continues to explore revenue enhancing brownfields developments and continues to tightly manage head office and central costs whilst it pursues acquisition opportunities to increase the scale of operations.

Justin Matthews

Chief Executive Officer

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For more information of **Pulse Health** please visit www.pulsehealth.net.au

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

PULSE HEALTH LTD

ABN

69 104 113 760

("Quarter ending")

31 MARCH 2011

Cash flows related to operating activities		Current Quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from customers	8,740	27,789
1.2	Payments for (a) staff costs	(5,062)	(15,465)
	(b) advertising and marketing	-	-
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(3,286)	(10,256)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	4	9
1.5	Interest and other costs of finance paid	(620)	(1,870)
1.6	Income taxes refunded /(paid)	-	-
1.7	Other (Government Funding)	0	20
Net operating cash flows		(224)	228

+ 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 (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(224)	228
Cash flows related to investing activities		
1.9 Payment for acquisition of:	-	-
(a) businesses (item 5)	-	40
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(14)	(170)
(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 (Sale of Business expenses)	-	-
Net investing cash flows	(14)	(130)
1.14 Total operating and investing cash flows	(238)	97
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	(120)	(497)
1.19 Dividends paid	-	-
1.20 Other (Borrowing and Capital Raising Cost)	-	-
Net financing cash flows	(120)	(497)
Net increase (decrease) in cash held	(358)	(399)
1.21 Cash at beginning of quarter/year to date	1,075	1,116
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	717	717

+ 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	63
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	Salary to Directors	63

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	11,818	11,018
3.2 Credit standby arrangements	800	-

+ See chapter 19 for defined terms.

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	572	926
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (Government Funding Bank Accounts)	145	149
Total: cash at end of quarter (item 1.23)		717	1,075

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	N/A
5.2	Place of incorporation or registration	N/A
5.3	Consideration for acquisition or disposal	N/A
5.4	Total net assets	N/A
5.5	Nature of business	N/A

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.

David Franks

Sign here: Date: 28 April 2011
 (Director/Company secretary)

Print name: David Franks

Notes

+ See chapter 19 for defined terms.

1. The monthly report provides a basis for informing the market how the entity's activities have been financed for the past month 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.

+ See chapter 19 for defined terms.