



End of Quarter Update

Melbourne, January 30 2009 - The Board of Medic Vision Limited (the "Board") ("Medic Vision" or the "Company") (AIM: MVH), is pleased to update the market on our achievements over the last quarter.

The Board believes that the last three months has seen rapid development of the Company's plan to deploy medical and surgical education through a global network of training centers.

India

In India, the Company has signed a binding heads of terms agreement, with Apollo Hospital Enterprise Ltd, to establish a joint venture company (the "JV") to develop and deploy training centres throughout India and other parts of the world. Significant work has taken place on the Chennai site with the building works well underway, due for completion in mid 2009. In the interim, training courses, staffing, equipment and marketing processes are being planned, sourced and deployed. A Medic Vision representative will be placed onsite in India over the coming weeks to oversee the finalization of the building works and the completion and execution of the JV agreement. The Board is pleased with the progress to date and is confident that management will be successful in establishing, during the course of 2009, the generation of continuous revenue through the running of medical and surgical training courses in India.

China

As reported last year, the Ministry of Health of the People's Republic of China (the "PRC") announced a plan, estimated by the PRC's State Council to have a cost of 850 million yuan (US\$123 million), to reform the health care system and provide a national level of healthcare to all of its 1.3 billion citizens by 2011, meaning that in excess of 1.2 million doctors will need to be trained to a national level of competency similar to other western countries.

Medic Vision is strategically well placed to play a key role in training these doctors as part of this reform program. In preparation for this opportunity, the Company has signed a memorandum of understanding with the Chinese Medical Doctors Association in December 2008 to provide western clinical and surgical skills training and to develop a competency based evaluation system throughout the PRC. Medic Vision will deploy training courses to western standards in the PRC to align itself to the opportunity presented by these

reforms, which the Board expects to commence in Q2 2009, initially at the Macau University of Science and Technology. The Board is targeting rolling out further training courses in Guangzhou, Chongqing and Beijing over the remainder of 2009 and 2010.

The Board anticipates that the initial PRC rollout will utilize existing fully equipped training centres, which, in most cases will have been fitted out by Medic Vision, and the Company will then continue to roll out training centres across the PRC and other areas in Asia.

Red Paragon

In January 2009, Medic Vision announced the acquisition of a controlling interest (87.5 per cent.) of Red Paragon Pty Ltd (“Red Paragon”) (the “Acquisition”) an Australian incorporated private company specializing in the manufacture of low cost, lightweight, building panels for construction of modular buildings. The Board views the acquisition as a strategic development for Medic Vision, as Red Paragon brings an essential building product skill set that is well suited for the planned large volume rapid roll out of skills training centres in India, the PRC and other parts of the world. The Board believes that the Red Paragon product is highly suited to this project because of its affordability and capacity to be environmentally friendly, recyclable and rapidly assembled structurally high quality, whilst only requiring limited relatively unskilled labour.

UK

Activity in the UK has seen the completion of Torbay Skills Centre - CITEC (The Centre of Innovation and Training in Elective Care), which will officially open later this year. Further progress has been made with the marketing of Medic Vision as a total service provider in the management of skills centres in the UK with a strong number of prospective clients in negotiation for the Company to manage their centres. The Board expects to make further announcements, regarding developments in the UK, later this year.

Simulators

In addition to the planned rollout of training courses, significant simulator sales were made in Australia to the Royal Australasian College of Surgeons for an assessment study on the use of simulators for basic surgical skills training surgical simulators and to the University of Armidale. The value of the combined sales equates to A\$472,000. In addition, a number of simulator sales were made in the UK with a value of c. £133,000 (A\$289,000), including the first Temporal Bone Simulator sale in the northern hemisphere.

Corporate

The Company is also pleased to have appointed Strand Partners Limited and St Helens Capital plc in the UK to represent Medic Vision as its Nomad and corporate advisor and Broker respectively. The Board believes that this will give the Company greater exposure to potential investors and strategic partners in both the UK and Europe.

Within the quarter the Company decided to outsource its Company Secretarial duties to Mertons Corporate Services, thus reducing corporate costs.

The Board expects to announce its audited interim results, covering the six months to 31 December 2008, in late February 2009.

Conclusion

The Board believes the next six months will be a critical time in the development of the Company in its strategic plan of deploying and operating skills training centres globally. The Board and staff are highly motivated to position the Company as a complete service provider in medical skills training and education market throughout the world and the Board believes that further progress has been made by the Company in the last three months towards this goal.

The Board and staff would like to take this opportunity thank our shareholders for maintaining their long term vision, strong support and continued loyalty, particularly during these globally difficult economic times.

We look forward to updating the market on our progress in the coming months.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'R Horley', with a long horizontal flourish extending to the right.

Ross Horley
Managing Director
Medic Vision Limited

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Background on Medic Vision Limited

Medic Vision is a technology based company specialising in the application of technology for surgical and medical skills training. Medic Vision provides consulting services in the development of skills training centres as well as developing and deploying computer-based surgical and medical high fidelity simulators.

See www.medicvision.com.au for more details

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

Medic Vision Limited

ABN

Quarter ended ("current quarter")

67 099 084 143

31 December 2008

Consolidated statement of cash flows

	Current quarter	Year to date (6 months)
	\$A'000	\$A'000
Cash flows related to operating activities		
1.1 Receipts from customers	858	948
1.2 Payments for		
(a) staff costs	(322)	(637)
(b) advertising and marketing	(8)	(30)
(c) research and development	(75)	(172)
(d) leased assets	-	-
(e) other working capital	(634)	(976)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	10
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	(173)	(856)

	Current quarter	Year to date (6 months)
	\$A'000	\$A'000
1.8	Net operating cash flows (carried forward)	
	Cash flows related to investing activities	
1.9	Payment for acquisition of:	
	(a) businesses (item 5)	-
	(b) equity investments	170
	(c) intellectual property	-
	(d) physical non-current assets	8
	(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)	
	Net investing cash flows	178
1.14	Total operating and investing cash flows	
	5	(205)
	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 (Return of Capital)	
1.17a	Proceeds from borrowings	
1.18	Repayment of borrowings	
1.19	Dividends paid	
1.20	Other (provide details if material)	
	Capital Raising Costs	(17)
	Net financing cash flows	84
	Net increase (decrease) in cash held	
	89	(121)
1.21	Cash at beginning of quarter/year to date	
1.22	Exchange rate adjustments to item 1.20	
1.23	Cash at end of quarter	
	345	345

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	126
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Salaries and Directors' fees

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

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

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	345	256
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	345	256

Acquisitions and disposals of business entities

	Acquisitions	Disposals
5.1 Name of entity	None	None
5.2 Place of incorporation or registration	None	None
5.3 Consideration for acquisition or disposal	None	None
5.4 Total net assets	None	None
5.5 Nature of business	None	None

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: 

Director
Ross Horley

Date: 31 December 2008