



29<sup>th</sup> March 2004  
ASX Companies Announcements Office,

Via:- [asx.online.com](http://asx.online.com)

**Appendix 4C – Quarterly cash report**

Dear Sirs,

Following is the above report for the quarter ended 31<sup>st</sup> March 2004.

We advise that since the end of the quarter the company completed a placement of 4,953,886 shares to institutional and sophisticated investors at \$0.16c per share that raised approximately \$800,000 before costs. This placement coupled with the recently announced Rights Issue of 1:6 at 15c, which is expected to be fully underwritten, will raise a total of \$2.9m before costs.

Following completion of the Rights Issue the company will have substantial cash reserves for the foreseeable future. The company is vigorously pursuing its business plan to roll out its new range of probiotics under the brand name proTract™ into pharmacies in Australia and New Zealand and also will be negotiating suitable distribution arrangements in other countries.

The company continues to receive repeat orders for its US branded probiotic - ProBio PCC - which is distributed through Pharmanex to many countries and also for Progastrim through naturopaths in Australia and these along with sales of proTract™ should result in more positive operational cash flows in future reports.

Yours sincerely,

Paul B Magoffin,  
Company Secretary

**VRI BioMedical Limited**  
ABN 97 084 464 193  
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**1 Central Avenue, EVELEIGH NSW 1430**  
**Telephone 02/9209 4268 Fax: 02/9209 4256**

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

VRI BioMedical Limited

ABN

97 084 464 193

Quarter ended ("current quarter")

31 March 2004

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	301	514
1.2 Payments for		
(a) staff costs	(380)	(1,677).
(b) advertising and marketing	(238)	(374)
(c) research and development	(106)	(445)
(d) leased assets	-	-
(e) other working capital	(385)	(2,091)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	27	70
1.5 Interest and other costs of finance paid	(8)	(20)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net operating cash flows</b>	<b>(789)</b>	<b>(4,023)</b>

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+ 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)	(789)	(4,023)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(8)	(20)
(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>	-	-
<b>1.14 Total operating and investing cash flows</b>		
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	3,886
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 - Government grants	158	569
<b>Net financing cash flows</b>	158	4,455
<b>Net increase (decrease) in cash held</b>	(639)	412
1.21 Cash at beginning of quarter/year to date	2,401	1,350
1.22 Exchange rate adjustments to item 1.20	-	-
<b>1.23 Cash at end of quarter</b>	1,762	1,762

+ 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	34
1.25	Aggregate amount of loans to the parties included in item 1.11	-

#### 1.26 Explanation necessary for an understanding of the transactions

The net operational cash spend continues to reduce, as expected, following the move of the head office from Perth to Sydney, and also due to an increase in revenues from sales of the company's probiotic range of products mainly in the USA. The Australian roll-out of a pharmaceutical version of the probiotic – under the brand name proTract™ - is due to commence in May.

Following the end of this quarter the company completed a placement of shares which raised \$792,621 before costs. The company has also announced a 1: 6 non-renounceable Rights Issue to shareholders at an issue price of 15c. The Rights Issue is expected to be fully underwritten and will raise another \$2.1m (before costs).

## **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

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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

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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	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

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+ 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	512	536
4.2	Deposits at call	1,250	1,863
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)		1,762	2,401

## Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
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:   
 Company Secretary)

...Date: 29<sup>th</sup> April 2004

Print name: Paul B Magoffin

## 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

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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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