

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

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

Name of entity

MEDAIRE, INC.

ARBN

103 340 227

Quarter ended ("current quarter")

31 DECEMBER 2003

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter US\$'000	Year to date (12 months) US\$'000
1.1 Receipts from customers	5,486	19,456
1.2 Payments for (a) staff costs	(2,262)	(8,027)
(b) advertising & marketing	(86)	(274)
(c) research & development	-	-
(d) leased assets	(176)	(431)
(e) other working capital	(3,609)	(11,328)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	15
1.5 Interest and other costs of finance paid	(11)	(72)
1.6 Income taxes paid	(13)	(76)
1.7 Other (provide details if material)	-	6
Net operating cash flows	(668)	(731)

+ See chapter 19 for defined terms.

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	Current quarter U\$'000	Year to date (12 months) U\$'000
1.8 Net operating cash flows (carried forward)	(668)	(731)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	(45)
(b) equity investments	-	-
(c) intellectual property	-	(2)
(d) physical non-current assets	(261)	(508)
(e) other non-current assets	-	(30)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	129
(c) intellectual property	-	-
(d) physical non-current assets	9	12
(e) other non-current assets	-	(2)
1.11 Loan payments to other entities	(202)	(202)
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	6
Net investing cash flows	(454)	(642)
1.14 Total operating and investing cash flows	(1,122)	(1,373)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	3,049	3,049
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	590	2,423
1.18 Repayment of borrowings	(147)	(1,287)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	3,492	4,185
Net increase (decrease) in cash held	2,370	2,812
1.21 Cash at beginning of quarter/year to date	1,636	1,144
1.22 Exchange rate adjustments to item 1.21	(55)	(5)
1.23 Cash at end of quarter	3,951	3,951

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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 U\$'000
1.24	Aggregate amount of payments to the parties included in item 1.2	313
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 aggregate payment comprises consultancy fees, directors' fees and remuneration paid to directors of MedAire and management fees, rent, and payments for goods and services made to related entities and associates of related entities.

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

MedAire entered into a capital lease for the purchase of phone equipment totalling US\$34,000. MedAire acquired the remaining 54% interest in MedSpace for US\$1,102,000 to be paid in Q1 2004.

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 U\$'000	Amount used U\$'000
3.1 Loan facilities		
▪ Convertible Note	375	375
▪ Loan payable – short term	246	246
▪ Loan payable – long term	-	-
▪ Line of credit	1,000	-
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 U\$'000	Previous quarter U\$'000
4.1 Cash on hand and at bank	3,951	1,636
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,951	1,636

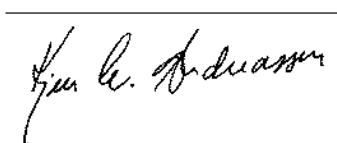
Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	MedSpace, Inc.	N/A
5.2 Place of incorporation or registration	Arizona, USA	N/A
5.3 Consideration for acquisition or disposal	US\$ 1,102,000	N/A
5.4 Total net assets	US\$ 453,136	N/A
5.5 Nature of business	Medical kit manufacture	N/A

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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~~es not~~* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:
(Director/~~Company secretary~~)

Date: 30 January 2004

Print name: Kjell C. Andreassen

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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