



MEDIGARD LIMITED

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ABN 49 090 003 044

25 January, 2010

Manager of Company Announcements
Australian Stock Exchange Limited
Level 6, 20 Bridge Street
SYDNEY NSW 2000

By e-lodgement

No of pages: 7 inclusive

Appendix 4C – Quarterly Report

Please find attached the Company's Quarterly Report for the period ending 31 December 2009.

Company Update

Syringe

By way of update Medigard is pleased to advise that it has made solid progress in advancing the application to the FDA in the USA for regulatory approval of the vacuum retractable syringe. Such application has as its foundation three fundamental requirements. These are biocompatibility, conformance with international standards and simulated clinical trials. On each the Medigard syringe product has more than passed the test. Not only has the syringe met the requirements for biocompatibility but has also achieved a 100% pass mark in relevant standards. Even more encouraging have been the comments of the clinician users in the USA who tested 500 samples of the syringe. As with the earlier results from our trials with the Medigard blood collection device, the vast majority of users had high praise for the product and indicated a preference over the products currently used by them.

Completion of the above now means that the application to the FDA can be submitted and this will occur shortly. Assuming a normal path and no unusual delays or queries then the application should be approved by June 2010.

Blood Collection Device (BCD)

Further to the Company's announcement of 11 December 2009 with regard to the product evaluations of that product, Medigard has now received final evaluations and the final report.

The independent US marketing organisation who undertook the product evaluation on behalf of Medigard worked with a spectrum of institutions that included the very large institutions, the community hospitals and the very busy Urgent Care (Walk-in) facilities. The BCD was presented to a range of departments from Core Labs to nursing floors and emergency care. The US marketing organisation also compared Medigard's BCD with a number of well known competitive products.

The results contained in the report are highly supportive of Medigard's product. On average, 84% of respondents would purchase Medigard's BCD in preference to their current product as long as the price was the same. Overwhelmingly, Medigard's product was viewed as being very safe to use (>94%) on all issues to do with safety, and some 96% of respondents said that Medigard's BCD offered a better alternative to traditional recapping.

Medigard is confident that this product will be highly competitive in the market place.

Agreements

The negotiation and documentation of agreements both with a manufacturer and a distributor in the USA are progressing and are on track. It is hoped that both agreements can be formalised and signed in the coming weeks. That will provide a clear path as to getting the products to market, capitalising on the strong interest shown so far by those who have viewed them.

Peter Emery
Chief Executive Officer

For further information contact:
Peter Emery, Telephone (07) 5528 0370

+ See chapter 19 for defined terms.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

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

Name of entity

MEDIGARD LIMITED

ABN

49 090 003 044

Quarter ended ("current quarter")

31 DECEMBER 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6months) \$A'000
1.1 Receipts from customers		
1.2 Payments for (a) staff costs	(50)	(136)
(b) advertising and marketing		
(c) research and development	(25)	(87)
(d) leased assets		
(e) other working capital	(62)	(190)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	9	20
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material) Research & Development Tax Offset		98
Net operating cash flows	(128)	(295)

+ 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 (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(128)	(295)
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	(3)	(23)
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) Disposal of Floating Rate Notes	180	180
Net investing cash flows	177	157
1.14 Total operating and investing cash flows	49	(138)
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		
1.19 Dividends paid		
1.20 Other (provide details if material) Costs re share issue		3
Net financing cash flows		3
Net increase (decrease) in cash held	49	(135)
1.21 Cash at beginning of quarter/year to date	91	276
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	140	141

+ 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	37
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

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

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

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	100	100
3.2	Credit standby arrangements		

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

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	128	79
4.2 Deposits at call	12	12
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	140	91

Note: Whilst not strictly a cash item, the company, as at 31 December, 2009 held approximately \$320,000 in floating rate securities which in a normal market are readily convertible to cash.

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: Date: 25 January, 2010
 (Company Secretary)

Print name: Peter M Emery

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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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