



ASX ANNOUNCEMENT

Q2 CASH STATEMENT

(Appendix 4C)

- **\$5,582,593 cash in hand**
- **\$550k cash outflow for the quarter**
- **Improving cash flow from device lease and rental**
- **Progress on strategic alliances**

Tuesday, 30 January, 2007: Uscom Limited (ASX Code: UCM) today released its 4C Quarterly Cash Flow Statement for the quarter ending 31 December 2006 (Q2).

At the end of the period, the company reported cash in hand of \$5,582,593 after a net decrease in cash for the quarter of \$550,078.

CASH RESOURCES

Commenting on the result today, the Chief Executive Officer of Uscom, Mr Paul Butler said, “*We are maintaining good cash control whilst continuing to build our sales and marketing activity. Uscom is increasing the level of recurring revenue from device lease and rental activity and we remain confident the company is positioned to reach consistent positive cash flows.*”

POSITIVE OUTLOOK FOR 2007

This year is off to a promising start, with new sales already being recorded in Asia and Australia. Our USA and European sectors are showing strong prospects for both the third and fourth financial quarters. As highlighted at the AGM we are committed to engaging in strategic alliances to assist in the global adoption of the Uscom technology. We have initiated several discussions with potential partners and strategic advisors and these are progressing well.

About Uscom

Uscom Limited is an Australian medical device company, listed on the Australian Stock Exchange since December 2003. Uscom has developed a device for the safe and accurate measurement of cardiac output, a non-invasive alternative to the current invasive methods. Uscom offers a completely safe, painless and quick method of accurately measuring how well the heart is pumping. With its real-time beat-to-beat information across multiple parameters of cardiac function and advanced serial measurement capabilities, clinicians can accurately quantify the impact of therapy. The device is ideally suited to the Emergency Care setting where it is critical to monitor changes in cardiac output as fluids are applied.



The Company has secured regulatory approval for sale of the Uscom Monitor in Australia, Europe and a number of Asian markets, including Japan, China and Taiwan. Uscom also has a CE Mark certification for Europe and a license from the State Food & Drug Administration for China. The Company received the necessary regulatory clearance for the United States market in February 2005 with the receipt of a 510K Pre Market Notification from the US Food & Drug Administration (FDA).

Uscom CONTACTS

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

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

Name of entity

USCOM LIMITED

ABN

35 091 028 090

Quarter ended ("current quarter")

31 December 2006

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (...6... months) \$A
1.1 Receipts from customers	197,913	456,509
1.2 Payments for (a) staff costs	(455,184)	(1,040,661)
(b) advertising and marketing	(463,609)	(848,043)
(c) research and development	(122,519)	(234,043)
(d) leased assets	-	-
(e) other working capital	(232,062)	(761,312)
1.4 Interest and other items of a similar nature received	86,133	205,942
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes refund	-	-
1.7 Other – Government grants	74,875	76,589
Net operating cash flows	(914,453)	(2,145,019)

+ See chapter 19 for defined terms.

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

	Current quarter \$A	Year to date (...6... months) \$A
1.8 Net operating cash flows (carried forward)	(914,453)	(2,145,019)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	(8,947)	(24,404)
(d) physical non-current assets	(2,078)	(21,877)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	378,315	554,202
(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 Exchange rate adjustment	(2,915)	(2,631)
Net investing cash flows	364,375	505,290
1.14 Total operating and investing cash flows	(550,078)	(1,639,729)
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) Payments relating to share issue	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	(550,078)	(1,639,729)
1.21 Cash at beginning of quarter/year to date	6,132,671	7,222,322
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	5,582,593	5,582,593

+ 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
1.24	Aggregate amount of payments to the parties included in item 1.2	89,717
1.25	Aggregate amount of loans to the parties included in item 1.11	NIL

1.26 Explanation necessary for an understanding of the transactions

N/A

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	Amount used \$A
3.1	Loan facilities	NIL	NIL
3.2	Credit standby arrangements	NIL	NIL

+ See chapter 19 for defined terms.

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

Reconciliation of cash

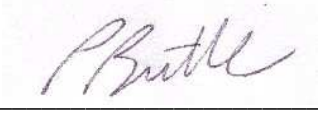
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A	Previous quarter \$A
4.1 Cash on hand and at bank	419,589	499,217
4.2 Deposits at call	1,636,535	2,106,985
4.3 Bank overdraft	-	-
4.4 Other (provide details) Term Deposits	3,526,469	3,526,469
Total: cash at end of quarter (item 1.23)	5,582,593	6,132,671

Acquisitions and disposals of business entities

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

Sign here: 

 (Company Secretary)

Date: 30 January 07

Print name: Paul Butler

+ See chapter 19 for defined terms.

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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