



Q3 CASH STATEMENT

Highlights from 4C Cash Statement, Quarter ending 31 March 2006:

- Cash consumed \$379,053
- Cash receipts from customers \$339,130
- Cash held at 31 March \$7,839,432

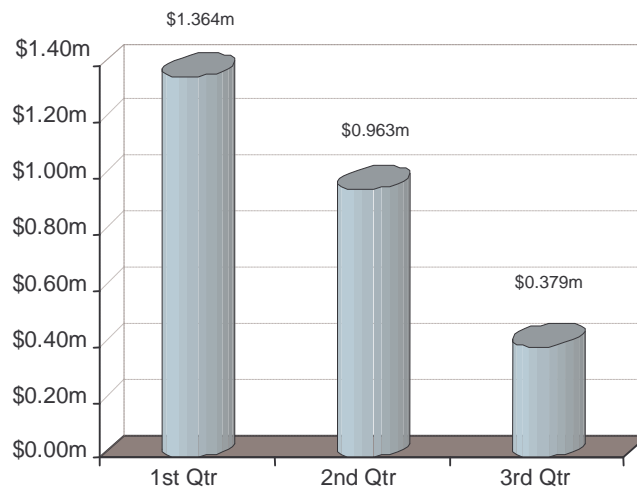
Thursday 20 April, 2006: USCOM Limited (ASX Code: UCM) today released its 4C Quarterly Cash Flow Statement for the quarter ending 31 March (Q3), revealing a consistent downward trend in the company's quarterly cash consumption.

For Q3, the company consumed \$379,053 in cash, with \$7, 839,432 cash in hand at the end of March.

Today's result reflects in part escalating cash receipts from customers amounting to \$339,130 for the quarter, 37% above the collections for the 1st and 2nd quarters combined. At the same time, costs remain stable and predictable, even as the company continued its aggressive marketing effort in all major territories worldwide, especially in North America. The Q3 result included interest income of \$282,904.

Quarterly Trend in Cash Consumption: 1 July 2005 to 31 March 2006:

The third quarter shows a 61% reduction in cash consumption (\$583,598) over Q2. USCOM reached a peak in its net quarterly cash consumption during the first quarter of the financial year, when \$1,364,082 was outlaid. This was largely due to a significant commitment to marketing launch activities in North America. In the second quarter the cash consumption rate dropped below one million dollars, an improvement of 30%.



Commenting on the announcement today, the Chief Executive of USCOM, Mr Gary Davey said, "We are extremely pleased with the trend in USCOM's cash consumption rate. Our preliminary outlook for the 4th quarter is a result similar to Q3, a sign that the company is now through the most cash intensive phase of its development. We believe this should reassure investors that USCOM has no foreseeable need to return to the market for further capital."



USCOM

ABN: 35 091 028 090



About **USCOM**

USCOM is an Australian medical devices company that specializes in sophisticated non-invasive monitoring of heart function based on proven ultrasound. Its first instrument to be commercialized is the USCOM monitor, a patent protected, custom-designed patient management tool for the optimization of cardiac blood flow. With its real-time beat-to-beat information across 14 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. 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). The Company is targeting sales of 100+ monitors in the current financial year.

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 March 2006

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Year to date (...9... months)
	\$A	\$A
1.1 Receipts from customers	339,130	587,042
1.2 Payments for (a) staff costs	(424,123)	(1,485,452)
(b) advertising and marketing	(271,229)	(1,066,184)
(c) research and development	(121,310)	(522,272)
(d) leased assets	-	-
(e) other working capital	(166,491)	(636,010)
1.4 Interest and other items of a similar nature received	282,904	426,826
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes refund	-	-
1.7 Other – Government grants	16,551	94,256
Other	-	1,250
Net operating cash flows	(344,568)	(2,600,544)

+ See chapter 19 for defined terms.

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

	Current quarter \$A	Year to date (...9... months) \$A
1.8 Net operating cash flows (carried forward)	(344,568)	(2,600,544)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	(22,084)	(48,553)
(d) physical non-current assets	(12,401)	(66,689)
(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 Dividends received	-	10,000
Net investing cash flows	(34,485)	(105,242)
1.14 Total operating and investing cash flows	(379,053)	(2,705,786)
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	(379,053)	(2,705,786)
1.21 Cash at beginning of quarter/year to date	8,218,485	10,545,218
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	7,839,432	7,839,432

+ 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	105,612
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

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Appendix 4C
Quarterly report for entities
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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	312,963	692,016
4.2 Deposits at call	4,000,000	
4.3 Bank overdraft		
4.4 Other (provide details) Term Deposits	3,526,469	7,526,469
Total: cash at end of quarter (item 1.23)	7,839,432	8,218,485

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: 20 April 2006

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.

+ See chapter 19 for defined terms.