



30 April 2009

Avastra Sleep Centres Limited ("Avastra" or "the Company")

APPENDIX 4C – QUARTERLY REPORT ENDING 31 MARCH 2009

Avastra's receipts from customers of \$14.2 million in the third fiscal quarter ended 31 March 2009 increased by 51% from \$9.4 million in the third fiscal quarter of the prior year ended 31 March 2008, primarily due to sleep centers opened after March 2008 and favorable currency translation rates, partially offset by reduced research clinical trial revenue.

Receipts from customers of \$39.4 million in the 9 months ended 31 March 2009 increased by 41% from \$27.8 million in the 9 months of the prior year ended 31 March 2008, primarily due to the same factors noted above.

Net operating cash flows of \$695,000 in the third fiscal quarter ended 31 March 2009, increased by \$1,923,000 from \$(1,228,000) in the third fiscal quarter of the prior year ended 31 March 2008, primarily due to increased receipts from customers.

Net operating cash flows of \$1,054,000 in the 9 months ended 31 March 2009, increased by \$1,985,000 from \$(931,000) in the 9 months of the prior year ended 31 March 2008, primarily due to increased receipts from customers.

During the third quarter of fiscal year 2009, Avastra invested \$291,000 in acquired businesses through earn-out payments. The investment in the businesses was financed primarily by proceeds of borrowings of \$498,000, including the issuance of convertible notes.

Avastra's cash balance as at 31 March 2009 was \$879,000 compared to \$1,239,000 as at 30 June 2008, the end of the prior fiscal year.

ABOUT AVASTRA

Avastra Sleep Centres is one of the largest sleep services companies in the United States. Avastra's operations span over 25% of the U.S. and can be found from coast-to-coast and throughout the Midwest. Currently, AVS has 30 centres and over 300 beds owned or under management contract.

Since November 2006, Avastra has acquired seven sleep diagnostic companies, including Pacific Sleep Medicine Services and California Sleep Solutions in the West, the somniSleep Group in the Midwest, Sleep Medicine Centers in the East, and Sleep Medicine Institute Management in Seattle, Washington. Avastra also operates sleep centers in Oregon and Utah.

By order of the Board

Charles King
Company Secretary

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Avastra Sleep Centres Ltd

ABN

Quarter ended ("current quarter")

47 094 446 803

31 March 2009

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	14,182	39,376
1.2 Payments for		
(a) staff costs	(8,861)	(24,740)
(b) advertising and marketing	(175)	(393)
(c) research and development		
(d) leased assets	(77)	(209)
(e) other working capital	(2,689)	(8,135)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	5	31
1.5 Interest and other costs of finance paid	(240)	(582)
1.6 Income taxes paid	-	(269)
1.7 Other (provide details if material)	(1,450)	(4,025)
Net operating cash flows	695	1,054

+ See chapter 19 for defined terms

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

	Current quarter	Year to date (9 months) \$A ' 000
1.8 Net operating cash flows (carried forward)	695	1,054
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	(291)	(3,882)
(b) equity investments	-	-
(c) intellectual property		
(d) physical non-current assets	(79)	(333)
(e) other non-current assets	(5)	(37)
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)		
Net investing cash flows	(375)	(4,252)
1.14 Total operating and investing cash flows	320	(3,198)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	202
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings	498	4,759
1.18 Repayment of borrowings	(870)	(2,075)
1.19 Dividends paid		
1.20 Cost of raising funds	(34)	(48)
Net financing cash flows	(406)	2,838
Net increase (decrease) in cash held	(86)	(360)
1.21 Cash at beginning of quarter/year to date	965	1,239
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	879	879

+ See chapter 19 for defined terms

Payments to directors of the entity and associates of the directors
Payments to related 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	50
1.25 Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

Directors fees and superannuation \$41,025
Travel cost \$8,754

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	3,014	2,496
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 \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	879	965
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: Cash at the end of quarter (item1.23)	879	965


+ See chapter 19 for defined terms

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(A))
5.1 Name of entity	somniTech, Inc. and somniCare, Inc.	
5.2 Place of incorporation or registration	Kansas, USA	
5.3 Consideration for acquisition or disposal	US\$200,000 in earn-out payments	
5.4 Total net assets	US\$1,531,000	
5.5 Nature of business	To operate sleep diagnostic laboratories and supplier of sleep therapeutic equipment	

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: 30-Apr-09
 (Company secretary)

Print name Charles King

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.