

QUARTERLY REVIEW

To be read in conjunction with Appendix 4C

FUNDING

During the quarter, the Company drew down further funds under its convertible note facility with Lettered Management Pty Ltd.

While the Company's cash reserves at the end of the quarter were \$21,000, subsequent to the end of the quarter, the Company obtained further short-term funding of \$250,000.

The Company is to receive a further sum following the declaration of a 1 pence per share dividend by Norwood Immunology Ltd, in which Norwood Abbey holds 48.6 million shares, representing a 21% shareholding.

The above cash inflows will allow the Company to continue with its restructure strategy and discussions for merger with another company.

RESTRUCTURE PROGRESS & PROJECT STATUS

The company is continuing its restructuring and debt reduction. A final arrangement regarding the Needle-free project is now close to completion. The Company has also, through its US ophthalmic consulting group, progressed discussions with a view to the sale or licensing of the EyeCare project.

The Company is also seeking agreement on further equity for debt conversions; these will be advised upon completion.

The company continues to be the largest shareholder in Norwood Immunology Ltd ("NIM"). NIM completed the sale of Bestiwil Holdings NV (and Virosome Biologicals NV) during the quarter. NIM received an initial cash sum of 5 million euros, with further returns in the form of convertible notes and options in the acquirer. Conditional milestone payments add to the potential future returns..

With the completion of the NIM asset sale and the declaration of the dividend, Norwood Abbey is now progressing the audit of the half year accounts. Norwood intends that requoteation of the Company's shares will follow the lodgement of the accounts during the later part of May.

As already foreshadowed, the company is exploring a number of alternative merger opportunities, with a decision time-frame targeted for the coming quarter.

To find out more about the Norwood group, visit www.norwoodabbey.com

For further information please contact:

Norwood Abbey Ltd +61-3-9770-0063

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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

NORWOOD ABBEY LIMITED

ABN

20 085 162 456

Quarter ended ("current quarter")

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	24	85
1.2 Payments for (a) staff costs	(31)	(137)
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(72)	(596)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	1
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
Other Income	-	-
Legal Expenses	(25)	(95)
Travel Expenses	-	-
Professional Fees	-	-
Net operating cash flows	(105)	(744)

Appendix 4C
Quarterly report for entities
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	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(105)	(744)
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	-	-
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	-	-
1.14 Total operating and investing cash flows	(105)	(744)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	70
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	105	552
1.18 Repayment of borrowings	(14)	(26)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	91	596
Net increase (decrease) in cash held	(14)	(148)
1.21 Cash at beginning of quarter/year to date	35	169
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	21	21

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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 \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	-
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	(a) Includes Directors fees for the period	

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

None

- 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

None

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	-	-
3.2	Credit standby arrangements - various	350	90

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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'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	21	35
4.2 Deposits at call	-	-
4.3 Bank overdraft		
4.4 Other (provide details) Borrowings received – subject to shareholder approval at EGM		
Total: cash at end of quarter (item 1.23)	21	35

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

Sign here: ...Jeffrey Bell..... Date: 31 March 2009
 (~~Director~~/ Company secretary)

Print name: ...Jeffrey Bell

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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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