

Appendix 4E

Preliminary Financial Report
30 June 2015

AVITA MEDICAL LIMITED

ABN 28 058 466 523

Results for announcement to the market

	Movement	June 2015	June 2014
Financial Results		\$	\$
Sale of Goods	Up 2.50%	2,750,176	2,683,133
Other revenue	Down 61%	228,988	594,581
Total comprehensive loss for the period	Up 35%	6,908,326	5,111,902
Net Loss from ordinary activities after tax attributable to members	Up 38%	7,107,496	5,147,391

Dividends	Amount per Ordinary Security	Franked amount per security
2015 interim dividend	Nil	Nil
2014 interim dividend	Nil	Nil

Record date for determining entitlements to interim dividends	N/A
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Net Tangible Asset Backing	June 2015	June 2014
Net tangible asset backing per ordinary security	\$0.010	\$0.017

AVITA MEDICAL LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHEHSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Consolidated	
		2015 \$	2014 \$
Continuing operations			
Sale of goods	2	2,750,176	2,683,133
Cost of sales		(755,291)	(670,893)
Gross profit		1,994,885	2,012,240
Other revenue	2	228,988	594,581
Operating costs			
Administrative expenses		(4,429,170)	(4,272,036)
Share based payments		(13,338)	(183,214)
Clinical and research & development expenses		(2,330,596)	(2,151,590)
Sales and marketing expenses		(3,211,920)	(2,633,418)
Finance costs		(13)	(25,675)
Loss from continuing operations before income tax		(7,761,164)	(6,659,112)
Income tax benefit		653,668	1,511,721
Loss for the period		(7,107,496)	(5,147,391)
Other comprehensive income / (expense)			
<i>Items that may be reclassified subsequently to profit and loss:</i>			
Foreign currency translation		199,170	35,489
Other comprehensive (expense) / income for the period, net of tax		199,170	35,489
Total other comprehensive expense for the period		(6,908,326)	(5,111,902)
Loss for the period is attributable to:			
Owners of Avita Medical Limited		(7,107,496)	(5,147,391)
		(7,107,496)	(5,147,391)
Other comprehensive expense for the period is attributable to:			
Owners of Avita Medical Limited		(6,908,326)	(5,111,902)
		(6,908,326)	(5,111,902)
Basic loss per share attributable to ordinary equity holders of the parent	3	(2.01) cents	(1.58) cents
Diluted loss per share attributable to ordinary equity holders of the parent	3	(2.01) cents	(1.58) cents

AVITA MEDICAL LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Notes	Consolidated	
		2015	2014
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	4	2,966,555	3,648,390
Trade and other receivables	5	1,505,442	2,546,939
Prepayments		243,161	195,473
Inventories	6	594,517	782,236
Total Current Assets		5,309,676	7,173,038
Non-Current Assets			
Plant & equipment	7	133,490	139,801
Total Non-Current Assets		133,490	139,801
TOTAL ASSETS		5,443,166	7,312,839
LIABILITIES			
Current Liabilities			
Trade and other payables	8	1,047,578	1,689,252
Provisions	9	178,704	96,965
Total Current Liabilities		1,226,282	1,786,217
TOTAL LIABILITIES		1,226,282	1,786,217
NET ASSETS		4,216,884	5,526,622
EQUITY			
<i>Equity attributable to equity holders of the parent</i>			
Contributed equity	11	117,044,332	111,441,930
Accumulated losses		(113,457,640)	(106,602,169)
Reserves		630,192	686,861
TOTAL EQUITY		4,216,884	5,526,622

AVITA MEDICAL LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Consolidated	
	2015	2014
	\$	\$
Cash flows from operating activities		
Receipts from customers	3,000,930	2,925,693
Payments to suppliers and employees	(10,976,850)	(10,548,853)
Government grants received	5,730	343,278
Tax refund received	1,517,058	129,315
Interest received	45,431	186,002
Interest paid	(13)	(25,675)
Royalties and other income received	277	65,301
Net cash flows used in operating activities	(6,407,437)	(6,924,939)
Cash flows from investing activities		
Purchase of plant & equipment	(38,643)	(75,541)
Gain on disposal of plant & equipment	481	5,000
Net cash flows used in investing activities	(38,162)	(70,541)
Cash flows from financing activities		
Proceeds from issue of shares and options	6,177,780	-
Capital raising expenses	(575,378)	-
Net cash flows provided by (used in) financing activities	5,602,402	-
Net increase / (decrease) in cash and cash equivalents	(843,197)	(6,995,480)
Cash and cash equivalents at beginning of period	3,648,390	10,616,849
Impact of foreign exchange	161,362	27,021
Cash and cash equivalents at end of period	2,966,555	3,648,390

AVITA MEDICAL LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

Consolidated	Contributed equity	Accumulated losses	Employee equity benefit reserve	Foreign currency translation reserve	Total
	\$	\$	\$	\$	\$
At 1 July 2014	111,441,930	(106,602,169)	893,503	(206,642)	5,526,622
Loss for the period	-	(7,107,496)	-	-	(7,107,496)
Other comprehensive income					
- Foreign currency translation	-	-	-	182,018	182,018
Total comprehensive income / (loss) for the year	-	(7,107,496)	-	182,018	(6,925,478)
<i>Transactions with owners in their capacity as owners:</i>					
Expired options	-	252,025	(252,025)	-	-
Share based payments	-	-	13,338	-	13,338
New shares	6,177,780	-	-	-	6,177,780
Cost of share placement	(575,378)	-	-	-	(575,378)
Balance at 30 June 2015	117,044,332	(113,457,640)	654,816	(24,624)	4,216,884

Consolidated	Contributed equity	Accumulated losses	Employee equity benefit reserve	Foreign currency translation reserve	Total
	\$	\$	\$	\$	\$
At 1 July 2013	111,441,930	(101,706,766)	962,277	(242,131)	10,455,310
Loss for the period	-	(5,147,391)	-	-	(5,147,391)
Other comprehensive income					
- Foreign currency translation	-	-	-	35,489	35,489
Total comprehensive income / (loss) for the year	-	(5,147,391)	-	35,489	(5,111,902)
<i>Transactions with owners in their capacity as owners:</i>					
Expired options	-	251,988	(251,988)	-	-
Share based payments	-	-	182,214	-	182,214
Balance at 30 June 2014	111,441,930	(106,602,169)	893,503	(206,642)	5,526,622

AVITA MEDICAL LIMITED
NOTES TO THE YEAR FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of Preparation

This general purpose condensed financial report for the year ended 30 June 2015 has been prepared in accordance Australian Accounting Standards (including Australian Accounting Interpretations) and other authoritative pronouncements of the Australian Accounting Standards Board, and the *Corporations Act 2001*.

This financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that this financial report be read in conjunction with any public announcements made by Avita Medical Limited during the year ended 30 June 2015 in accordance with the continuous disclosure obligations of the *ASX listing rules*.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Commentary on the results for the period

Revenue from sale of goods was \$2,750,176, up 2.5% over the previous year (2014: \$2,683,133). Revenue from the sale of goods, other revenue and other income was \$2,979,154, a decrease of 9% over last year (2014: 3,277,714).

Cost of sales were \$755,291 (2014: \$670,893) up 13% due to manufacturing cost gains while gross profits at \$1,994,885 (2014: \$2,012,240) decreased by only 9%. Normal operating costs were \$9,985,037 (2014: \$9,265,933) an increase of 8% compared to last year. This reflects management's plans to focus on global sales & marketing efforts and to complete clinical trials in Europe and China. The net loss before tax was \$7,761,164 up 17% on last year (2014: \$6,659,112).

AVITA MEDICAL LIMITED
 NOTES TO THE YEAR FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2015

2. REVENUES AND EXPENSES

Revenue and Expenses from Continuing Operations

	Consolidated	
	2015	2014
	\$	\$
(a) Revenue		
Sale of goods	2,750,176	2,683,133
(b) Other revenue		
Bank interest receivable	45,431	186,002
Contracts received	5,730	343,278
Gain on disposal of Avita Medical Italia Srl	177,550	-
Other income	277	65,301
Total other revenue	228,988	594,581
Total revenue	2,801,614	3,277,714

	Consolidated	
	2015	2014
	\$	\$
(c) Finance costs		
Other loans	13	25,675
	13	25,675

	Consolidated	
	2015	2014
	\$	\$
(d) Depreciation, impairment and amortization included in income statement		
Depreciation	62,624	63,711
Loss on disposal of plant & equipment	364	(3,656)

	Consolidated	
	2015	2014
	\$	\$
(e) Lease payments and other expenses included in income statement		
Minimum lease payments – operating lease	209,708	179,595

AVITA MEDICAL LIMITED
 NOTES TO THE PRELIMINARY FINAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2015

2. REVENUES AND EXPENSES (continued)

	Consolidated	
	2015	2014
	\$	\$
(f) Employee benefits expense included in income statement		
Wages and salaries	3,565,496	3,003,424
Defined contribution superannuation expense	254,925	241,418
Share-based payments expense	13,338	183,214
	3,833,759	3,428,056

3. LOSS PER SHARE

Basic loss per share amounts are calculated by dividing the net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted loss per share computations:

	Consolidated	
	2015	2014
	\$	\$
Net loss attributable to ordinary equity holders of the parent	(7,107,496)	(5,147,391)
Weighted average number of ordinary shares for basic loss per share	353,085,392	325,308,404

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

4. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	Consolidated	
	2015	2014
	\$	\$
Cash at bank and in hand	247,640	765,692
Short-term deposits	2,718,915	2,882,698
	2,966,555	3,648,390

AVITA MEDICAL LIMITED
 NOTES TO THE PRELIMINARY FINAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2015

5. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	Consolidated	
	2015	2014
	\$	\$
Trade receivables	650,502	507,020
Allowance for doubtful debts	-	(9,837)
	650,502	497,123
Other receivables	854,940	2,049,756
Carrying amount of trade and other receivables	1,505,442	2,546,939

6. CURRENT ASSETS - INVENTORIES

	Consolidated	
	2015	2014
	\$	\$
Raw materials and components (at cost)	293,084	312,407
Finished goods (at cost)	301,433	469,829
Total inventories at cost	594,517	782,236

AVITA MEDICAL LIMITED
 NOTES TO THE PRELIMINARY FINAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2015

7. NON-CURRENT ASSETS - PLANT & EQUIPMENT

(a) Reconciliation of carrying amounts at the beginning and end of the period

	<u>Consolidated</u>
	<i>Plant and Equipment</i>
	<u>\$</u>
Year ended 30 June 2015	
At 1 July 2014, net of accumulated depreciation	139,801
Exchange movements	20,645
Additions	38,643
Disposals	(2,975)
Depreciation charge for the year	(62,624)
At 30 June 2015, net of accumulated depreciation	<u>133,490</u>
At 30 June 2015	
Cost	856,172
Accumulated depreciation	(722,682)
Net carrying amount	<u>133,490</u>
	<u>Consolidated</u>
	<i>Plant and Equipment</i>
	<u>\$</u>
Year ended 30 June 2014	
At 1 July 2013, net of accumulated depreciation	127,029
Exchange movements	3,468
Additions	75,541
Disposals	(2,526)
Depreciation charge for the year	(63,711)
At 30 June 2014, net of accumulated depreciation	<u>139,801</u>
At 30 June 2014	
Cost	740,405
Accumulated depreciation	(600,604)
Net carrying amount	<u>139,801</u>

AVITA MEDICAL LIMITED
 NOTES TO THE PRELIMINARY FINAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2015

8. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	Consolidated	
	2015	2014
	\$	\$
Trade payables	611,433	440,936
Accruals and other payables	436,146	1,248,316
	<u>1,047,579</u>	<u>1,689,252</u>

9. CURRENT LIABILITIES - PROVISIONS

	Consolidated			Total
	Employee benefits	Provision for annual leave	Provision for long service leave	
	\$	\$	\$	\$
Current				
At 1 July 2014	-	65,277	31,688	96,965
Additional provisions	-	73,970	7,769	81,739
Amount Utilised	-	-	-	-
At 30 June 2015	-	<u>139,247</u>	<u>39,457</u>	<u>178,704</u>

AVITA MEDICAL LIMITED
 NOTES TO THE PRELIMINARY FINAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2015

10. SEGMENT INFORMATION

The Group's chief operating decision maker has been identified as the Chief Executive Officer.

The Chief Executive Officer reviews the financial and operating performance of the business primarily from a geographic perspective. On this basis management have identified three reportable segments being:

- the Asia Pacific region;
- the Americas (including Canada); and
- the EMEA region (Europe, Middle East and Africa).

The Chief Executive Officer monitors the performance of all these segments separately. The Group does not operate in any other geographic segment. The Chief Executive Officer assesses the performance of the operating segments based on a measure of gross margin and net profit before tax.

Unallocated:

The following items of income and expense and associated assets are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Corporate revenue
- Corporate charges
- Amortisation of intellectual property

The segment information provided to the Chief Executive Officer for the reportable segments for the year ended 30 June 2014 is as follows:

	<i>Asia Pacific</i>	<i>EMEA</i>	<i>Americas</i>	<i>Total</i>
	\$	\$	\$	\$
Year ended 30 June 2015				
Revenue				
Sale of goods	2,140,678	609,498	-	2,750,176
Other revenues from external customers		277	5,730	6,007
Interest received	44,043	1,239	149	45,431
Total revenue and other income per consolidated statement of profit or loss and other comprehensive income	2,184,721	611,014	5,879	2,801,614
Segment net operating profit / (loss) before tax	(368,329)	(2,492,150)	(3,472,412)	(6,332,891)
Reconciliation of segment net result before tax to loss before income tax:				
Corporate charges				(1,428,273)
Loss before income tax				(7,761,164)
<i>Continuing Operations</i>				
	<i>Asia Pacific</i>	<i>EMEA</i>	<i>Americas</i>	<i>Total</i>
	\$	\$	\$	\$
Year ended 30 June 2015				
Segment assets				
Segment operating assets	922,874	565,804	625,368	2,114,046
Unallocated assets				3,329,120
Total Assets per the statement of financial position				5,443,166

AVITA MEDICAL LIMITED
 NOTES TO THE PRELIMINARY FINAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2015

10. SEGMENT INFORMATION (continued)

	<i>Asia Pacific</i>	<i>EMEA</i>	<i>Americas</i>	<i>Total</i>
	\$	\$	\$	\$
Year ended 30 June 2014				
Revenue				
Sale of goods	2,188,489	494,644	-	2,683,133
Other revenues from external customers	53,507	1,677	353,395	408,579
Interest received	182,720	2,450	832	186,002
Total revenue and other income per consolidated statement of profit or loss and other comprehensive income	2,424,716	498,771	354,227	3,277,714
Segment net operating profit / (loss) before tax	332,909	(2,264,792)	(3,206,295)	(5,138,178)
Reconciliation of segment net result before tax to loss before income tax:				
Corporate charges				(1,520,934)
Loss before income tax				(6,659,112)

	<i>Continuing Operations</i>			
	<i>Asia Pacific</i>	<i>EMEA</i>	<i>Americas</i>	<i>Total</i>
	\$	\$	\$	\$
Year ended 30 June 2014				
Segment assets				
Segment operating assets	2,605,975	1,025,979	1,054,709	4,686,663
Unallocated assets				2,626,176
Total Assets per the statement of financial position				7,312,839

There was no material difference between the basis of segmentation and the measurement of segment result as compared to that in the 30 June 2014 annual report.

AVITA MEDICAL LIMITED
 NOTES TO THE PRELIMINARY FINAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2015

11. CONTRIBUTED EQUITY

	CONSOLIDATED	
	2015	2014
	\$	\$
<i>Ordinary shares</i>		
Issued and fully paid	117,044,332	111,441,930
	117,044,332	111,441,930

<i>Movement in ordinary shares on issue</i>	Number of shares	\$
At 1 July 2014	325,308,404	111,441,930
Shares issued	99,641,609	6,177,780
Capital issue costs	-	(575,378)
At 30 June 2015	424,950,013	117,044,332

12. RELATED PARTY DISCLOSURES

The total amount of transactions entered into with key management personnel for the year ended 30 June 2015 are as follows:

- (i) During the period fees of \$nil (2014: \$43,000) were paid, under normal terms and conditions, to the F.A.T.S Pty Ltd of which I Macpherson is a director.
- (ii) Former director Mr Dalton Gooding resigned on 30 June 2014, therefore Gooding Partners Chartered Accountants of which Mr Gooding is a partner, is no longer considered to be a related party. During the previous financial year 2014 a total of \$45,646 was paid, under normal terms and conditions, to Gooding Partners.

13. COMMITMENTS AND CONTINGENCIES

There are no commitments and contingencies which require disclosure in this report.

14. EVENTS SUBSEQUENT TO BALANCE DATE

No subsequent events have occurred since the Balance Sheet Date which require disclosure in this report.

Annual meeting

The annual meeting will be held as follows:

Place

TBA

Date

Provisionally set as 21 November 2015

Time

2pm (EST)

Approximate date the +annual report will be available

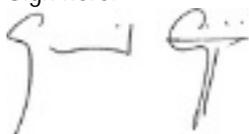
15 September 2015

Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and IFRS.
- 2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed
- 4 This report is based on +accounts to which one of the following applies.
(Tick one)

<input type="checkbox"/> The +accounts have been audited.	<input type="checkbox"/> The +accounts have been subject to review.
<input checked="" type="checkbox"/> The +accounts are in the process of being audited or subject to review.	<input type="checkbox"/> The +accounts have <i>not</i> yet been audited or reviewed.
- 5 The entity has a formally constituted audit committee.

Sign here:



Date: 27 August 2015

Gabriel Chiappini
Company Secretary