

## **AVITA MEDICAL MARCH 2010 QUARTERLY CASHFLOW**

### **Summary of Quarter ending 31 March 2010:**

- Cash receipts from customers for the Quarter were \$607,074, up 38% over the corresponding March 2009 Quarter receipts of \$441,759, with all product lines showing good growth. The Company holds an additional \$429,124 in trade and other receivables;
- Cash receipts from customers Year-to-Date were \$2,155,557, up 23% over receipts of \$1,755,525 for the same period of previous year; total YTD income (including royalties) were 2,973,544, up 33% over March 2009 YTD receipts of \$2,234,140;
- Losses due to Operating cash flows for the Quarter were \$645,445, a decrease of \$378,682 or 47% reduction over the previous March 2009 Quarter loss of \$1,240,737; ongoing efforts at cost containment continue to positively impact cashflow;
- Gross margins improved with continued recognition of gains in manufacturing efficiencies. Overall gross margins were approximately 78% for the current Quarter up from 62% in the corresponding March 2009 Quarter;
- Cash-at-bank at end of Quarter: \$4.2 million.

The Company's financials are significantly in line with budgeted receipts and expenses.

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

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

Name of entity	
Avita Medical Limited	
ABN	Quarter ended ("current quarter")
28 058 466 523	31 March 2010

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (1 Year) \$A
1.1 Receipts from customers	607,074	2,155,557
1.2 Payments for		
(a) administration	(955,019)	(2,624,436)
(b) marketing & sales	(323,271)	(996,465)
(c) research and development	(46,994)	(139,149)
(d) clinical expenses	(80,238)	(323,567)
(e) cost of sales	(138,200)	(585,175)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	37,627	109,601
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid)/received	-	176,302
1.7 Royalties and other income received	253,576	817,987
<b>Net operating cash flows</b>	<b>(645,445)</b>	<b>(1,409,345)</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
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	Current quarter \$A	Year to date (1 Year) \$A
1.8 Net operating cash flows (carried forward)	<b>(645,445)</b>	<b>(1,409,345)</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) Net cash acquired on acquisition( item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	9,241	(312,179)
(d) physical non-current assets	(24,072)	(81,304)
(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)	-	-
<b>Net investing cash flows</b>	<b>(14,831)</b>	<b>(393,483)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(660,276)</b>	<b>(1,802,828)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	79,927	1,977,916
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Share issue expenses	-	(50,000)
<b>Net financing cash flows</b>	<b>79,927</b>	<b>1,927,916</b>
<b>Net increase (decrease) in cash held</b>	<b>(580,349)</b>	<b>125,088</b>
1.21 Cash at beginning of quarter/year to date	4,782,541	4,077,104
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 <b>Cash at end of quarter</b>	<b>4,202,192</b>	<b>4,202,192</b>

+ 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	199,638
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

**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

Nil

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

Nil

**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	-	-
3.2	Credit standby arrangements	-	-

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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	650,990	467,935
4.2 Deposits at call	3,351,202	3,714,606
4.3 Bank overdraft	-	-
4.4 Deposits securing guarantees	200,000	600,000
<b>Total: cash at end of quarter (item 1.22)</b>	<b>4,202,192</b>	<b>4,782,541</b>

### Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	Nil	Nil
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 give a true and fair view of the matters disclosed.

Sign here:

Company Secretary

Date: 29 April 2010

Print name: Gabriel Chiappini

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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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