

**A V E X A**

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## ASX Release

### APPENDIX 4C – QUARTERLY CASH FLOW REPORT – SEPTEMBER 2010

**Melbourne, Australia, Friday 29 October 2010: Avexa Limited (ASX: AVX)** lodges the attached Appendix 4C Quarterly Consolidated Statement of Cash Flows for the period ending 30 September 2010.

Commentary is provided as follows:

- The Company held cash reserves of \$22.5 million at 30 September 2010.
- Consumption for the September quarter was \$1.8 million.
- Consumption for the quarter was impacted by one-off legal, professional and consulting fees.
- Consulting payments and payments for Legal and Professional services were abnormally high for the quarter principally due to the following activities :
  - The holding of shareholder-requisitioned General Meetings of Shareholders in both July 2010 and September 2010.
  - The Company's new board reviewing and preserving Company assets, programs and intellectual property.
  - The Company assessing external opportunities.
  - The Company pursuing its plan to conduct an independent review of its assets and programs.
  - Re-establishment of processes required to achieve a meeting with major regulatory bodies with regard to its lead asset apricitabine (ATC).
  - Further business dealings with the Shanghai Institute of Organic Chemistry (SIOC) with regard to the HIV Integrase program, as announced in July 2010.
  - Other commercialisation activities.
- The Directors expect the rate of cash consumption on consulting and legal and professional fees to reduce significantly over the next quarter.

As a result of the activities to Sept 2010 the Company is progressing on its undertakings to:

- Commission an independent review of Avexa and its assets; and
- Explore possible options available for ATC, including meeting with major regulatory authorities.

#### For more information:

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# Appendix 4C

## Quarterly report

### for entities admitted on the basis of commitments

Name of entity

AVEXA LIMITED

ABN

53 108 150 750

Quarter ended ("current quarter")

30 September 2010

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Cumulative to 30 Sept 2010 - \$A'000
1.1 Receipts from customers	-	-
1.2 Payments for:		
(a) Staff costs	(404)	(404)
(b) Advertising and marketing	(23)	(23)
(c) Research and development	(143)	(143)
(d) Leased assets	(24)	(24)
(e) Laboratory consumables	(6)	(6)
(f) Occupancy	(340)	(340)
(g) Consulting	(340)	(340)
(h) Legal and professional	(560)	(560)
(i) Corporate administration	(99)	(99)
(j) Travel and entertainment	(125)	(125)
(k) Insurance	(72)	(72)
(l) Intellectual property	(113)	(113)
(m) Other working capital	(42)	(42)
1.3 Dividends received	-	-
1.4 Interest and other similar items	338	338
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - GST refunds/payments	29	29
- Property sub-rental proceeds	82	82
- Government grants		
<b>Net operating cash flows</b>	<b>(1,842)</b>	<b>(1,842)</b>

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

	<b>Current quarter \$A'000</b>	<b>Cumulative to 30 Sept 2010 - \$A'000</b>
<b>1.8 Net operating cash flows (carried forward)</b>	<b>(1,842)</b>	<b>(1,842)</b>
<b>Cash flows related to investing activities</b>		
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)	(1)
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	-	-
<b>Net investing cash flows</b>	<b>(1)</b>	<b>(1)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(1,843)</b>	<b>(1,843)</b>
<b>Cash flows related to financing activities</b>		
1.15 Net proceeds from issues of shares, options, etc. net of raising costs	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from / (repayment of) borrowings	-	-
/1.18		
1.19 Dividends paid	-	-
1.20 Other:	-	-
<b>Net financing cash flows</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>	<b>(1,843)</b>	<b>(1,843)</b>
1.21 Cash at beginning of quarter/year to date	24,305	24,305
1.22 Exchange rate adjustments to item 1.20	-	-
<b>1.23 Cash at end of quarter</b>	<b>22,462</b>	<b>22,462</b>

+ See chapter 19 for defined terms.

### Payments to directors of the entity and associates of the directors

		<b>Current qtr to 30 Sept 2010 - \$A'000</b>
1.24	Aggregate amount of payments to the parties included in item 1.2	80
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

Cash payments to directors comprise non-executive director fees for the quarter.

### 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

Not applicable

### 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	None	Not applicable
3.2 Credit standby arrangements	None	Not applicable
3.3 Credit card facility	150	Nil

### 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.	<b>Current quarter \$A'000</b>	Previous quarter \$A'000
4.1 Cash on hand and at bank	<b>323</b>	373
4.2 Deposits at call / Term Deposits	<b>22,139</b>	23,932
4.3 Bank overdraft	-	-
4.4 Other (provide details):	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>22,462</b>	24,305

+ 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	None	None
5.2 Place of incorporation or registration	Not applicable	Not applicable
5.3 Consideration for acquisition or disposal	Not applicable	Not applicable
5.4 Total net assets	Not applicable	Not applicable
5.5 Nature of business	Not applicable	Not applicable

### 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.



Director  
Mr Joe Baini

Date: 29 October 2010