

AVITA MEDICAL DECEMBER 2011 QUARTERLY CASHFLOW

Summary of Quarter ending 31 December 2011

- Total revenues for the Quarter were \$1.29 million, a 26% increase over the corresponding Quarter ending 31 December 2010; this increase was attributable to growth in sales of ReCell® Spray-On Skin®. Cash receipts from customers for the Quarter were \$830k.
- ReCell revenues increased by 242% compared to the corresponding December 2010 Quarter and up 56% over the preceding Quarter ending 30 September 2011. The strong 12-month growth and continued quarter-on-quarter increase reflects the growing acceptance and penetration of ReCell in the core European markets. Revenues from the Company's respiratory product line (Breath-A-Tech and Funhaler) were down slightly reflecting historical seasonal trends and the Company's decision to cease sales and marketing efforts for the respiratory line outside of Australia.
- Losses due to Operating cash flows for the Quarter were \$937k, a 20% increase over the corresponding September 2011 Quarter. This increase is due to increased Clinical Studies expenses, expansion of R&D efforts and increased Sales & Marketing expenditure.
- Cash-at-bank at end of Quarter: \$10.8 million.

- ENDS -

FOR FURTHER INFORMATION PLEASE CONTACT:

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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

Name of entity	
Avita Medical Limited	
ABN	Quarter ended ("current quarter")
28 058 466 523	31 December 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter A\$000's	Year to date A\$000's
1.1 Receipts from customers	830	1,648
1.2 Royalties and other income received	331	636
1.3 Interest and other items of a similar nature received	130	277
1.4 Payments for		
(a) administration	(143)	(481)
(b) marketing & sales	(669)	(1,228)
(c) research & clinical	(473)	(765)
(d) production	(149)	(337)
(e) corporate	(506)	(928)
(f) cost of sales	(288)	(540)
1.5 Dividends received	-	-
1.6 Interest and other costs of finance paid	-	-
1.7 Income taxes (paid)/received	-	-
Net operating cash flows	(937)	(1,718)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
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	Current quarter A\$000's	Year to date A\$000's
1.8 Net operating cash flows (carried forward)	(937)	(1,718)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) Net cash acquired on acquisition(item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(12)	(24)
(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	(12)	(24)
1.14 Total operating and investing cash flows	(949)	(1,742)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Other	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Share issue expenses	(26)	(95)
Net financing cash flows	(26)	(95)
Net increase (decrease) in cash held	(975)	(1,837)
1.21 Cash at beginning of quarter/year to date	11,807	12,669
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	10,832	10,832

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+ 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\$000's
1.24	Aggregate amount of payments to the parties included in item 1.2	293
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\$000's	Amount used A\$000's
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\$000's	Previous quarter A\$000's
4.1	Cash on hand and at bank	463	621
4.2	Deposits at call	10,369	11,186
4.3	Bank overdraft	-	-
4.4	Deposits securing guarantees	-	-
Total: cash at end of quarter (item 1.22)		10,832	11,807

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	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.

Gabriel Chiappini
Company Secretary

Date: 31 January 2012

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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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