



FOR IMMEDIATE RELEASE

## AVITA MEDICAL REPORTS RECORD FOURTH QUARTER AND YEAR-END FINANCIAL RESULTS

### 4Q 2011 SALES OF RECELL<sup>®</sup> SPRAY-ON SKIN<sup>™</sup> INCREASED 46% COMPARED TO 4Q 2010

**“On the heels of a record year of growth in fiscal 2011, we are bullish about our prospects for establishing Avita and ReCell as a market leader in the field of regenerative medicine.”**

**Dr. William Dolphin, CEO, Avita Medical**

NORTHRIDGE, Calif., and CAMBRIDGE, United Kingdom, 29 July 2011—[Avita Medical Ltd.](#) (ASX: AVH), the regenerative medicine company, announced today unaudited financial results for the fourth quarter and fiscal year ending June 30, 2011.

Revenues for the fourth quarter of fiscal year 2011, ending June 30, were \$1,474,424, an increase of 46% compared to the fourth quarter 2010. Revenues for the fiscal year ending June 30, 2011, were \$4,472,194, an increase of 19% compared to the same period in 2010.

“Sales of our ReCell Spray-On-Skin regenerative product were very strong, not only year-to-year and quarter-over-quarter but also in consecutive quarters,” said **William Dolphin, Ph.D.**, CEO of Avita Medical. “ReCell is a simple-to-use bedside kit that is now available to clinicians in Australia, Belgium, France, Germany, Italy, Portugal, Russia, the Middle East, The Netherlands and the United Kingdom.”

Revenues from the sale of ReCell in 4Q11 increased 92% through June 30, 2011, compared to 4Q10, and rose by 61% in FY11 compared to FY1010. Revenues from sale of ReCell continued to represent an increasing proportion of total sales, from less than 15% of sales revenues in 4Q10 to 22% of sales revenues in 4Q11. Management expects this growth trend to continue, with regenerative products contributing an ever-increasing proportion of total sales revenues.

“We are very proud of our financial results for fiscal 2011, but we strongly believe that we can do even better in fiscal 2012, continuing to grow the top line and improve the bottom line as we establish Avita and ReCell as a market leader in the field of regenerative medicine,” concluded Dr. Dolphin.

More than 3,500 patients have been treated with ReCell for treatment of burns, hypo- and hyper-pigmentation (e.g., Vitiligo, a common skin pigmentation disease), scar revisions (e.g., acne), and aesthetic skin rejuvenation procedures (e.g., wrinkle removal). Use of ReCell has been clinically demonstrated to improve outcomes, reduce morbidity, and reduce length of hospital stay and patient care costs.

#### **ABOUT RECELL<sup>®</sup> SPRAY-ON SKIN<sup>™</sup>**

ReCell allows in-theatre preparation of a spray-on suspension consisting of cells derived from a small (2x2cm), thin (0.15-0.20mm) biopsy of the patient’s own skin that is sufficient to cover an area up to 80 times the size of the biopsy. The ReCell suspension contains undifferentiated basal keratinocytes, melanocytes, fibroblasts and Langerhans cells. The metabolically responsive epithelial cells migrate across the wound surface, leading to regeneration of skin of normal color and texture. ReCell requires only a minimal donor site and is immediately available as a cell-based spray at the patient’s bedside.

ReCell<sup>®</sup> is patented, CE-marked for Europe, TGA-registered in Australia, and SFDA-cleared in China. ReCell<sup>®</sup> is not available for sale in the United States; in the U.S. ReCell<sup>®</sup> is an investigational device limited by federal law to investigational use.

**ABOUT AVITA MEDICAL LTD.**

Avita Medical ([www.avitamedical.com](http://www.avitamedical.com)) is a publicly listed medical technology company that develops and distributes regenerative and tissue-engineered products for the treatment of a broad range of wounds, scars and skin defects. Using patented and proprietary tissue-culture, collection and application technology, the company is able to provide innovative treatment solutions derived from a patient's own skin. The company's lead product, ReCell<sup>®</sup> Spray-On Skin, has been designed for use in a wide variety of burns, plastic, reconstructive and cosmetic procedures.

This news release may include forward-looking statements that involve risks and uncertainties. You can identify these statements by the use of words such as "anticipate", "estimate", "expect", "project", "potential", "intend", "plan", "believe", "target", "may", "assume" or similar expressions. These forward-looking statements speak only as at the date of this release and are based on management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Avita Medical that could cause actual results to differ materially from such statements. Avita Medical makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release. This document is intended to provide background information only and does not purport to make any recommendation upon which you may reasonably rely without taking further and more specific advice.

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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	30 June 2011

### Consolidated statement of cash flows

	Current quarter \$'000	Year to date \$'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from customers	878	2,937
1.2 Royalties and other income received	532	1,339
1.3 Interest and other items of a similar nature received	24	117
1.4 Payments for		
(a) administration	(426)	(1,741)
(b) marketing & sales	(313)	(1,426)
(c) research & clinical	(326)	(1,123)
(d) production	(162)	(471)
(e) corporate	(419)	(1,782)
(f) cost of sales	(278)	(905)
1.5 Dividends received	-	-
1.6 Interest and other costs of finance paid	(4)	(12)
1.7 Income taxes (paid)/received	(9)	84
<b>Net operating cash flows</b>	<b>(503)</b>	<b>(2,983)</b>

+ See chapter 19 for defined terms.

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

	Current quarter \$'000	Year to date \$'000
1.8 Net operating cash flows (carried forward)	<b>(503)</b>	<b>(2,983)</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	-	(90)
(d) physical non-current assets	(11)	(71)
(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>(11)</b>	<b>(161)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(514)</b>	<b>(3,144)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	11,801	12,858
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Other	(189)	(189)
1.18 Repayment of borrowings	(70)	(361)
1.19 Dividends paid	-	-
1.20 Share issue expenses	(563)	(563)
<b>Net financing cash flows</b>	<b>10,979</b>	<b>11,745</b>
<b>Net increase (decrease) in cash held</b>	<b>10,465</b>	<b>8,601</b>
1.21 Cash at beginning of quarter/year to date	2,202	4,066
1.22 Exchange rate adjustments to item 1.20	-	-
<b>1.23 Cash at end of quarter</b>	<b>12,667</b>	<b>12,667</b>

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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 \$'000
1.24	Aggregate amount of payments to the parties included in item 1.2	203
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 \$'000	Amount used \$'000
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 \$'000	Previous quarter \$'000
4.1 Cash on hand and at bank	535	383
4.2 Deposits at call	12,132	1,819
4.3 Bank overdraft	-	-
4.4 Deposits securing guarantees	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>12,667</b>	<b>2,202</b>

**Acquisitions and disposals of business entities**

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
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.



**Gabriel Chiappini**  
Company Secretary

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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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