

AVITA MEDICAL MARCH 2012 QUARTERLY CASHFLOW

Highlights

- **March Quarterly Revenues \$1.0m**
- **23% increase in FY12 YTD Q3 Revenues compared to FY11 YTD Q3**
- **104% increase in ReCell Revenues FY12 Q3 compared to FY11 Q3**
- **Cash Reserves \$9.4m**

Summary of Quarter ending 31 March 2012

- Total revenues for the Quarter (including royalties and interest) were \$1 million, an 11% increase over the corresponding March 2011 Quarter. Cash receipts for the Quarter were \$961k. March Quarter revenues are historically the lowest of the year due to reduced demand for respiratory products during the Australian summer and relatively fewer aesthetic and other elective procedures during January in Europe.
- Total revenues for the Year-to-Date 31 March 2012 were \$3.7 million, a 23% increase over the corresponding YTD March 2011 Quarter.
- ReCell revenues continue to drive company growth, increasing 104% over the corresponding 2011 period. This increase reflects the continued increase in usage and growing acceptance of ReCell in the core European markets among key ReCell users and clinical centres.
- Revenues from the Company's respiratory product line (Breath-A-Tech and Funhaler) were down approximately 13% compared to the previous March 2011 Quarter; this decrease is in large part due to the Company's decision to cease sales and marketing efforts for the respiratory line outside of Australia.
- Overall Gross Margins remain above 73% for the Quarter.
- Losses due to Operating cash flows for the Quarter were \$1.4M, compared to losses of \$1.2M during the corresponding March 2011 Quarter. Losses reflect the increased expenditure on Sales & Marketing efforts (up 66%) and Research and Clinical Studies (up 69%).
- Cash-at-bank at end of Quarter: \$9.4 million.

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FOR FURTHER INFORMATION CONTACT:

Stella Sung, PhD.
Business Development Officer
ssung@avitamedical.com
+1 818.352.9400

Gabriel Chiappini
Company Secretary
info@avitamedical.com
+61 8 9327 1777

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 2012 |

Consolidated statement of cash flows

| | Current quarter A\$000's | Year to date A\$000's |
|---|-----------------------------|--------------------------|
| Cash flows related to operating activities | | |
| 1.1 Receipts from customers | 507 | 2,156 |
| 1.2 Royalties and other income received | 334 | 970 |
| 1.3 Interest and other items of a similar nature received | 120 | 397 |
| 1.4 Payments for | | |
| (a) administration | (441) | (922) |
| (b) marketing & sales | (748) | (1,976) |
| (c) research & clinical | (462) | (1,228) |
| (d) production | (69) | (406) |
| (e) corporate | (513) | (1,441) |
| (f) cost of sales | (155) | (695) |
| 1.5 Dividends received | - | - |
| 1.6 Interest and other costs of finance paid | - | - |
| 1.7 Income taxes (paid)/received | - | - |
| Net operating cash flows | (1,427) | (3,145) |

+ See chapter 19 for defined terms.

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| | Current quarter A\$000's | Year to date A\$000's |
|--|-----------------------------|--------------------------|
| 1.8 Net operating cash flows (carried forward) | (1,427) | (3,145) |
| 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 | (23) | (47) |
| (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 | (23) | (47) |
| 1.14 Total operating and investing cash flows | (1,450) | (3,192) |
| 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 | - | (95) |
| Net financing cash flows | - | (95) |
| Net increase (decrease) in cash held | (1,450) | (3,287) |
| 1.21 Cash at beginning of quarter/year to date | 10,832 | 12,669 |
| 1.22 Exchange rate adjustments to item 1.20 | - | - |
| 1.23 Cash at end of quarter | 9,382 | 9,382 |

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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 | 233 |
| 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 | 635 |
| 4.2 Deposits at call | 10,369 | 8,747 |
| 4.3 Bank overdraft | - | - |
| 4.4 Deposits securing guarantees | - | - |
| Total: cash at end of quarter (item 1.22) | 10,832 | 9,382 |

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.

Sign here:



Company Secretary

Date: 27 April 2012

Print name: Gabriel Chiappini

+ See chapter 19 for defined terms.

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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