

AVITA MEDICAL SEPTEMBER 2012 QUARTERLY CASHFLOW

Summary of Quarter ending 30 September 2012:

- Receipts from customers for sale of goods for the Quarter were \$.92 million, an increase of 18% over receipts from customers for the previous Quarter ending 30 June 2012.
- Total cash receipts for the Quarter (including royalties) were \$.955 million, a 15% decrease over cash receipts for the previous Quarter. The decrease in total cash receipts was primarily due to cessation of royalty revenues from Philips Respironics (which generally contributed approximately \$250 thousand per quarter) with expiration of the licensing agreement during 4Q12.
- ReCell revenues continue to drive company growth, reflecting 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 sale of the company's adult spacer, Breath-A-Tech, in Australia were down from the previous Quarter, consistent with seasonal trends and historical performance, but remain strong and represent a reliable, high-margin source of cash for the Company.
- Losses due to Operating cash flows for the Quarter were \$1.3M compared to losses of \$1.1M during the June 2012 Quarter. Losses reflect the increased expenditure on Sales & Marketing efforts, and investment in Clinical Studies and Research & Development.
- Cash-at-bank at end of Quarter was \$10.4 million with no debt. Subsequent to the end-of-quarter the Company completed a capital raising of \$10.4 million; per the Announcement of 12 September 2012, \$3.7 million was recognised during the September 2012 Quarter.

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
28 058 466 523

Quarter ended ("current quarter")
30 September 2012

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	919	919
1.2 Royalties and other income received	36	36
1.3 Interest and other items of a similar nature received	82	82
1.4 Payments for		
(a) administration	(492)	(492)
(b) marketing & sales	(466)	(466)
(c) research & clinical	(611)	(611)
(d) production	(140)	(140)
(e) corporate	(531)	(531)
(f) cost of sales	(212)	(212)
1.5 Dividends received	-	-
1.6 Interest and other costs of finance paid	-	-
1.7 Income taxes (paid)/received	91	91
Net operating cash flows	(1,323)	(1,323)

+ See chapter 19 for defined terms.

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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)	(1,323)	(1,323)
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	(4)	(4)
(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	(4)	(4)
1.14 Total operating and investing cash flows	(1,327)	(1,327)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	3,784	3,784
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	(303)	(303)
Net financing cash flows	3,481	3,481
Net increase (decrease) in cash held	2,154	2,154
1.21 Cash at beginning of quarter/year to date	8,231	8,231
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	10,385	10,385

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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	253
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	890	1,170
4.2 Deposits at call	9,495	7,061
4.3 Bank overdraft	-	-
4.4 Deposits securing guarantees	-	-
Total: cash at end of quarter (item 1.22)	10,385	8,231

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: 25 October 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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