

AVITA MEDICAL SEPTEMBER 2013 QUARTERLY CASHFLOW

Summary of Quarter ending 30 September 2013:

- The cash balance at 30 September 2013 was A\$8.69 million with no debt.
- Cash receipts from customers for the Quarter were \$1.036M, a 13% increase over both the previous quarter ending 30 June 2013 and the corresponding quarter of 30 September 2012. Total Cash Receipts (including other income and interest) were \$1.265M, a 25% increase over total cash receipts for the June 2013 Quarter and a 22% increase from the September 2012 Quarter.
- Cash receipts have benefited from the steady increase in usage and sales of ReCell® Spray-on Skin® in our core European markets.
- Net operating cash outflows for the Quarter were \$1.89M compared to net operating cash outflows of \$1.678M during the June 2013 Quarter, an increase of 13%.
- Increased cash outflows were attributable to increased investment in Clinical Studies, Research & Development, and Reimbursement efforts in key markets.
 - Chronic wounds. Enrolment has commenced in the RESTORE trial, a multi-centre, randomized European clinical trial evaluating the use of ReCell in the management of patients with venous leg ulcers.
 - Burns. A Phase III (pivotal) US FDA study on the use of ReCell in the treatment of burn injuries is on-going. The protocol as required by the FDA is complex and inclusion criteria strict, hence enrolment has been significantly lower than anticipated.
 - Dyspigmentation. Three randomized, within-patient controlled studies are underway on the use of ReCell in re-pigmentation: *i)* treatment of hypopigmented burn scars (Germany); *ii)* the treatment of vitiligo (Netherlands); and *iii)* treatment of dyspigmented scars (US FDA Phase II). These studies have completed or are close to completing enrolment and results will be released in the coming months.
 - Aesthetics. A number of investigations are taking place around the world for a range of indications in plastics and aesthetics (United Kingdom, Germany, France, and China).
 - Research & Development. Expenditures for R &D were primarily directed toward development of the next-generation ReCell device which will better address the needs of our current users as well as providing a more flexible device for supporting the growth of ReCell into expanded markets.

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FOR FURTHER INFORMATION:

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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 September 2013

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	1,036	1,036
1.2 Royalties and other income	156	156
1.3 Interest and other items of a similar nature received	73	73
1.4 Payments for		
(a) administration	(291)	(291)
(b) marketing & sales	(961)	(961)
(c) research & clinical	(1,209)	(1,209)
(d) operations	(329)	(329)
(e) corporate	(494)	(494)
1.5 Dividends received	-	-
1.6 Interest and other costs of finance paid	-	-
1.7 Income taxes (paid)/received	129	129
Net operating cash flows	(1,890)	(1,890)

+ 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)	(1,890)	(1,890)
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	(36)	(36)
(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	(36)	(36)
1.14 Total operating and investing cash flows	(1,926)	(1,926)
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	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	(1,926)	(1,926)
1.21 Cash at beginning of quarter/year to date	10,617	10,617
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	8,691	8,691

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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	255
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	735	1,316
4.2	Deposits at call	7,956	9,301
4.3	Bank overdraft	-	-
4.4	Deposits securing guarantees	-	-
Total: cash at end of quarter (item 1.22)		8,691	10,617

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.



Mr Gabriel Chiappini
 Company Secretary

Date: 30 October 2013

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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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