

## Appendix 4E

Full year Report

30 June 2010

### AVITA MEDICAL LIMITED

ABN 28 058 466 523

#### Results for announcement to the market

	Movement	June 2010	June 2009
<b>Financial Results</b>		\$	\$
Revenue from ordinary activities	Up 17%	3,881,638	3,267,427
Net Loss before adjusting for fair value of Financial Instrument	Down 47%	(2,708,913)	(5,128,292)
Adjustment for fair value of Financial Instrument (i)	NA	(3,180,450)	-
Net Loss from ordinary activities after tax attributable to members	Up 16%	(5,889,363)	(5,128,292)

Dividends	Amount per Ordinary Security	Franked amount per security
2010 interim dividend	Nil	Nil
2009 interim dividend	Nil	Nil

Record date for determining entitlements to interim dividends	N/A
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Net Tangible Asset Backing	June 2010	June 2009
Net tangible asset backing per ordinary security	\$0.014	\$0.049

#### Other explanatory notes

Avita Medical's underlying business improved during FY 2010 with a reduction in our underlying loss by \$2.419m or 47% when compared to FY 2009.

- (i) Fair value of financial instrument – \$3.18m adjustment is a non-cash adjustment for the Convertible Note Agreement with La Jolla Cove Investors Inc. The La Jolla Cove Investors Inc agreement was announced to the ASX on 7 June 2010 and provides the company with a facility for up to USD\$6m. Under Australian Accounting Standards we are obliged to bring to account the embedded derivative value in the Convertible Note agreement which takes into account the company's share price, money market interest rates, volatility in the company's share price and time to maturity.

AVITA MEDICAL LIMITED  
STATEMENT OF COMPREHEHSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2010

	Notes	Consolidated	
		2010	2009
		\$	\$
<b>Continuing operations</b>			
Sale of goods		2,691,871	2,380,147
Other revenue		1,189,767	887,280
<b>Revenue</b>	2	<u>3,881,638</u>	<u>3,267,427</u>
Cost of sales		(787,707)	(1,021,288)
<b>Gross profit</b>		<u>3,093,931</u>	<u>2,246,139</u>
<b>Other income</b>	2	10,348	51,713
<b>Operating costs</b>			
Administrative expenses	2	(3,996,968)	(4,791,105)
Research and development expenses		(193,898)	(225,323)
Sales and marketing expenses		(1,357,806)	(1,703,449)
Finance costs		(44,301)	(97,267)
Fair value movements in financial derivative		(3,180,450)	-
Amortisation of intellectual property		(609,000)	(609,000)
<b>Loss from continuing operations before income tax</b>		<u>(6,278,144)</u>	<u>(5,128,292)</u>
Income tax benefit		388,781	-
<b>Loss for the period</b>		<u>(5,889,363)</u>	<u>(5,128,292)</u>
<b>Other comprehensive income / (expense)</b>			
Foreign currency translation		(129,731)	(46,997)
Income tax on items of other comprehensive income			
<b>Other comprehensive (expense) / income for the period, net of tax</b>		<u>(129,731)</u>	<u>(46,997)</u>
<b>Total comprehensive expense for the period</b>		<u>(6,019,094)</u>	<u>(5,175,289)</u>
<b>Loss for the period attributable to owners of the parent</b>		<u>(5,889,363)</u>	<u>(5,128,292)</u>
<b>Total comprehensive expense attributable to owners of the parent</b>		<u>(6,019,094)</u>	<u>(5,175,289)</u>
Basic loss per share attributable to ordinary equity holders of the parent	3	\$0.0546	\$0.0549
Diluted loss per share attributable to ordinary equity holders of the parent	3	\$0.0546	\$0.0549

AVITA MEDICAL LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2010

	Notes	Consolidated	
		2010	2009
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	3,865,802	3,477,104
Other financial assets		200,000	400,000
Trade and other receivables	5	953,153	657,272
Prepayments		144,943	254,316
Inventories	6	772,320	883,327
<b>Total Current Assets</b>		<b>5,936,218</b>	<b>5,672,019</b>
<b>Non-Current Assets</b>			
Other financial assets		-	200,000
Plant & equipment	7	113,299	154,557
Intangible assets	8	3,193,888	3,802,888
<b>Total Non-Current Assets</b>		<b>3,307,187</b>	<b>4,157,445</b>
<b>TOTAL ASSETS</b>		<b>9,243,405</b>	<b>9,829,464</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	1,161,208	1,095,037
Provisions	10	54,143	76,554
<b>Total Current Liabilities</b>		<b>1,215,351</b>	<b>1,171,591</b>
<b>Non-Current Liabilities</b>			
Other term liabilities	11	-	67,992
Derivative financial instrument	12	3,350,000	-
<b>Total Non-Current Liabilities</b>		<b>3,350,000</b>	<b>67,992</b>
<b>TOTAL LIABILITIES</b>		<b>4,565,351</b>	<b>1,239,583</b>
<b>NET ASSETS</b>		<b>4,678,504</b>	<b>8,589,881</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the parent</b>			
Contributed equity		88,877,236	86,824,320
Accumulated losses		(87,289,585)	(81,400,222)
Reserves		3,090,403	3,165,783
<b>TOTAL EQUITY</b>		<b>4,678,054</b>	<b>8,589,881</b>

AVITA MEDICAL LIMITED  
 PRELIMINARY FINAL REPORT  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 30 JUNE 2010

	Consolidated	
	2010	2009
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	2,926,354	2,292,875
Payments to suppliers and employees	(6,005,253)	(8,039,658)
Government grants received	467,039	46,058
Tax refund received	296,810	126,862
Interest received	146,731	334,686
Interest paid	(29,467)	(6,522)
Royalties and other income received	456,839	558,249
<b>Net cash flows used in operating activities</b>	<b>(1,740,947)</b>	<b>(4,687,450)</b>
<b>Cash flows from investing activities</b>		
Purchase of plant & equipment	(83,669)	(88,278)
Proceeds from sale of plant & equipment	-	5,455
<b>Net cash flows provided by (used in) investing activities</b>	<b>(83,669)</b>	<b>(82,823)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares and options	1,977,916	-
Repayment of borrowings	-	(464,289)
Receipts from issue of financial derivative	298,150	-
Payment for term liability	(416,667)	-
Release of secure deposit	400,000	200,000
Capital raising expenses	(50,000)	-
<b>Net cash flows from financing activities</b>	<b>2,209,399</b>	<b>(264,289)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>384,783</b>	<b>(5,034,562)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>3,477,104</b>	<b>8,465,669</b>
Impact of foreign exchange	3,915	46,997
<b>Cash and cash equivalents at end of period</b>	<b>3,865,802</b>	<b>3,477,104</b>

AVITA MEDICAL LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2010

Consolidated	Contributed equity	Accumulated losses	Option premium reserve	Employee equity benefit reserve	Foreign currency translation reserve	Total
	\$	\$	\$	\$	\$	\$
<b>At 1 July 2009</b>	86,824,320	(81,400,222)	2,277,759	912,369	(24,345)	8,589,881
Loss for the period	-	(5,889,363)	-	-	-	(5,889,363)
Other comprehensive income						
- Foreign currency translation	-	-	-	-	(129,731)	(129,731)
Total comprehensive income for the year	-	(5,889,363)	-	-	(129,731)	(6,019,094)
Transactions with owners in their capacity as owners						
Share based payments	-	-	-	54,351	-	54,351
Issue of share capital net of issue cost	2,052,916	-	-	-	-	2,052,916
<b>Balance at 30 June 2010</b>	<b>88,877,236</b>	<b>(87,289,585)</b>	<b>2,277,759</b>	<b>966,720</b>	<b>(154,076)</b>	<b>4,678,054</b>

Consolidated	Contributed Equity	Accumulated Losses	Option premium reserve	Employee equity benefit reserve	Foreign currency translation reserve	Total
	\$	\$	\$	\$	\$	\$
<b>At 1 July 2008</b>	86,824,320	(76,271,930)	2,277,759	785,048	(71,342)	13,543,855
Loss for the period	-	(5,128,292)	-	-	-	(5,128,292)
Other comprehensive income						
- Foreign currency translation	-	-	-	-	46,997	46,997
Total comprehensive income for the half year	-	(5,128,292)	-	-	46,997	(5,081,292)
Transactions with owners in their capacity as owners						
Share based payments	-	-	-	127,321	-	127,321
<b>Balance at 30 June 2009</b>	<b>86,824,320</b>	<b>(81,400,222)</b>	<b>2,277,759</b>	<b>912,369</b>	<b>(24,345)</b>	<b>8,589,881</b>

AVITA MEDICAL LIMITED  
 NOTES TO THE YEAR FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2010

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

**Basis of Preparation**

This general purpose condensed financial report for the year ended 30 June 2010 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that this financial report be read in conjunction with any public announcements made by Avita Medical Limited during the year ended 30 June 2010 in accordance with the continuous disclosure obligations of the *ASX listing rules*.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

**Changes in Accounting Policy**

From 1 July 2009 The Group has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2009. Adoption of these standards and interpretations did not have any effect on the financial position or performance of the Group.

AASB Int 16	Hedges of a Net Investment in a Foreign Operation
AASB 8 and AASB 2007 - 3	Operating segments and consequential amendments to other Australian Accounting Standards
AASB 101 (Revised), AASB 2007 - 8 and AASB 2007 - 10	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards
AASB3 (Revised)	Business Combinations
AASB 127 (Revised)	Consolidated and Separate Financial Statements
AASB 2008 - 5	Amendment to Australian Accounting Standards arising from the Annual Improvements Project
AASB 2008 - 6	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project
AASB 2009 - 2	Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]
AASB 2009 - 4	Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16]

The Group has not early adopted any other standards or amendments that are issued but not yet effective

AVITA MEDICAL LIMITED  
 NOTES TO THE YEAR FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2010

2. REVENUES AND EXPENSES

Revenue and Expenses from Continuing Operations

	Consolidated	
	2010	2009
	\$	\$
<b>(a) Revenue</b>		
Sale of goods	2,691,871	2,380,147
Other revenue	1,189,767	887,280
	<u>3,881,638</u>	<u>3,267,427</u>
<b>Other Revenue</b>		
Bank interest receivable	146,731	334,686
Government grants	467,039	-
Other	575,997	552,594
	<u>1,189,767</u>	<u>887,280</u>
	Consolidated	
	2010	2009
	\$	\$
<b>(b) Other income</b>		
Other revenue	10,348	51,713
	<u>10,348</u>	<u>51,713</u>
	Consolidated	
	2010	2009
	\$	\$
<b>(c) Finance costs</b>		
Bank loans and overdrafts	884	3,244
Other loans	12,879	3,278
Unwinding of discount on secured liabilities	30,538	67,577
Total finance costs	<u>44,301</u>	<u>74,099</u>

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AVITA MEDICAL LIMITED  
 NOTES TO THE PRELIMINARY FINAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2010

2. REVENUES AND EXPENSES (continued)

	Consolidated	
	2010 \$	2009 \$
(d) Depreciation, impairment and amortisation included in income statement		
Depreciation	104,179	317,325
Loss / (profit) on disposal of plant & equipment	5,026	(895)
Amortisation of intangible assets	609,000	609,000

	Consolidated	
	2010 \$	2009 \$
(e) Lease payments and other expenses included in income statement		
Minimum lease payments – operating lease	179,500	223,151

	Consolidated	
	2010 \$	2009 \$
(f) Employee benefits expense		
Wages and salaries	2,380,302	2,899,613
Defined contribution superannuation expense	124,337	184,380
Termination benefits		153,561
Share-based payments expense	54,351	700,000
	2,558,990	3,937,554

3. LOSS PER SHARE

Basic loss per share amounts are calculated by dividing the net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted loss per share computations:

	Consolidated	
	2010 \$	2009 \$
Net loss attributable to ordinary equity holders of the parent	(5,889,363)	(5,128,292)
Weighted average number of ordinary shares for basic loss per share	107,874,631	93,473,913

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

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AVITA MEDICAL LIMITED  
 NOTES TO THE PRELIMINARY FINAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2010

4. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	Consolidated	
	2010 \$	2009 \$
Cash at bank and in hand	706,707	747,034
Short-term deposits	3,159,095	2,730,070
	<u>3,865,802</u>	<u>3,477,104</u>

5. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	Consolidated	
	2010 \$	2009 \$
Trade receivables	357,511	590,209
Allowance for impairment loss	(1,786)	(78,541)
Other receivables	597,428	145,604
Carrying amount of trade and other receivables	<u>953,153</u>	<u>657,272</u>

6. CURRENT ASSETS - INVENTORIES

	Consolidated	
	2010 \$	2009 \$
Raw materials and components (at cost)	539,883	705,026
Finished goods (at cost)	232,437	178,301
Total inventories at the lower of cost and net realisable value	<u>772,320</u>	<u>883,327</u>

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AVITA MEDICAL LIMITED  
 NOTES TO THE PRELIMINARY FINAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2010

7. NON-CURRENT ASSETS - PLANT & EQUIPMENT

(a) Reconciliation of carrying amounts at the beginning and end of the period

	Consolidated	
	<i>Plant and Equipment</i>	<i>Total</i>
	\$	\$
<b>Year ended 30 June 2010</b>		
At 1 July 2009, net of accumulated depreciation	154,557	154,557
Exchange movements	(15,722)	(20,388)
Additions	83,669	83,669
Disposals	(5,026)	-
Depreciation charge for the year	(104,179)	(104,539)
At 30 June 2010, net of accumulated depreciation	<u>113,299</u>	<u>113,299</u>
<b>At 30 June 2010</b>		
Cost	765,163	765,163
Accumulated depreciation	(651,864)	(651,864)
Net carrying amount	<u>113,299</u>	<u>113,299</u>

	Consolidated	
	<i>Plant and Equipment</i>	<i>Total</i>
	\$	\$
<b>Year ended 30 June 2009</b>		
At 1 July 2008, net of accumulated depreciation	388,164	388,164
Additions	88,277	88,277
Disposals	(4,559)	(4,559)
Depreciation charge for the year	(317,325)	(317,325)
At 30 June 2009, net of accumulated depreciation	<u>154,557</u>	<u>154,557</u>
<b>At 30 June 2009</b>		
Cost	1,597,601	1,597,601
Accumulated depreciation	(1,443,044)	(1,443,044)
Net carrying amount	<u>154,557</u>	<u>154,557</u>

AVITA MEDICAL LIMITED  
 NOTES TO THE PRELIMINARY FINAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2010

8 NON-CURRENT ASSETS - INTANGIBLE ASSETS AND GOODWILL

(a) Reconciliation of carrying amount at the beginning and end of the period

	Consolidated			
	Patents and Trademarks \$	Brands \$	Goodwill \$	Total \$
<b>Year ended 30 June 2010</b>				
At 1 July 2009 net of accumulated amortisation and impairment	3,594,888	208,000	-	3,802,888
Amortisation	(564,000)	(45,000)	-	(609,000)
At 30 June 2010 net of accumulated amortisation and impairment	<u>3,030,888</u>	<u>163,000</u>	<u>-</u>	<u>3,193,888</u>
<b>At 30 June 2010</b>				
Cost (gross carrying amount)	14,426,268	270,000	7,925,297	22,621,565
Accumulated amortisation and impairment	(11,395,380)	(107,000)	(7,925,297)	(19,427,677)
Net carrying amount	<u>3,030,888</u>	<u>163,000</u>	<u>-</u>	<u>3,193,888</u>

	Consolidated			
	Patents and Trademarks \$	Brands \$	Goodwill \$	Total \$
<b>Year ended 30 June 2009</b>				
At 1 July 2008 net of accumulated amortisation and impairment	4,158,888	253,000	-	4,411,888
Amortisation	(564,000)	(45,000)	-	(609,000)
At 30 June 2009 net of accumulated amortisation and impairment	<u>3,594,888</u>	<u>208,000</u>	<u>-</u>	<u>3,802,888</u>
<b>At 30 June 2009</b>				
Cost (gross carrying amount)	14,426,268	270,000	7,925,297	22,621,565
Accumulated amortisation and impairment	(10,831,380)	(62,000)	(7,925,297)	(18,818,677)
Net carrying amount	<u>3,594,888</u>	<u>208,000</u>	<u>-</u>	<u>3,802,888</u>

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AVITA MEDICAL LIMITED  
 NOTES TO THE PRELIMINARY FINAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2010

9. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	Consolidated	
	2010 \$	2009 \$
Trade payables	366,313	315,770
Accruals and other payables	704,521	370,754
Secured liabilities – vendor	90,374	408,513
Carrying amount of trade and other payables	1,161,208	1,095,037

10. CURRENT LIABILITIES - PROVISIONS

	Consolidated	
	Employee benefits \$	Total \$
Current		
At 1 July 2009	76,554	76,554
Utilised	(22,411)	(22,411)
At 30 June 2010	54,143	54,143

11. NON-CURRENT LIABILITIES

	Consolidated	
	2010 \$	2009 \$
Secured liabilities – vendor	-	67,992
Total	-	67,992

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AVITA MEDICAL LIMITED  
 NOTES TO THE PRELIMINARY FINAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2010

12. DERIVATIVE FINANCIAL INSTRUMENT

On 25 May 2010, the company entered into a convertible note arrangement which constitutes a Derivative financial instrument.

The derivative financial instrument is initially recognised in the balance sheet at fair value, and re-measured to its current fair value at the year end with the changes in the fair value recognised immediately in the income statement.

The derivative financial instrument, recorded at fair value in the consolidated financial statements, was valued based upon the various levels of judgment associated with the inputs. The IFRS 7 hierarchical levels, from lowest to highest based on the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities are as follows:

Level 1 – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. These inputs are derived principally from or corroborated by observable market data by correlation or other means at the measurement date and for the duration of the instruments' anticipated life.

Level 3 – Inputs that are unobservable for the asset or liability.

The convertible note is a level 2 instrument.

The convertible note has a maximum face value of US\$6 million, issuable in 4 tranches over the term of two years from 25 May 2010. The holder has the option to convert the US\$ note into Ordinary Shares at a discount to an AUS\$ trading price (subject to a ceiling and floor) during the term. Unconverted amounts accrue interest at 4.75%.

The following assumptions were used to estimate the fair values:

- Monte Carlo simulation applied to valuations calculated using the Black-Scholes framework to incorporate key features of the financial derivative
- Share price of \$0.11
- Dividend yield of nil percent
- AUS/US\$ foreign exchange forward rate of 0.76
- Volatility of 80%,
- Australian/United States risk free interest rates equal to government bonds/treasury notes with similar maturities to the cash flows of the financial derivative.

13. CONTRIBUTED EQUITY

	Consolidated	
	2010	2009
	\$	\$
<i>Ordinary shares</i>		
Issued and fully paid	88,877,236	86,824,320

	Movement in ordinary shares on issue	
	Number	\$
At 1 July 2009	93,473,913	86,824,320
Issue of shares	14,400,718	2,052,916
At 30 June 2010	107,874,631	88,877,236

AVITA MEDICAL LIMITED  
 NOTES TO THE PRELIMINARY FINAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2010

14. SEGMENT INFORMATION

The Group has adopted AASB 8 "Operating Segments" with effect from 1 July 2009.

AASB 8 replaces AASB114 "Segment Reporting". The new standard requires a "management approach", under which operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker to allocate resources to the segment and to assess its performance.

The Group's chief operating decision maker has been identified as the Chief Executive Officer.

The Chief Executive Officer reviews the financial and operating performance of the business primarily from a geographic perspective. On this basis management have identified three reportable segments being the Asia Pacific region, the Americas including Canada, the EMEA region (Europe, Middle East and Africa). The Chief Executive Officer monitors the performance of all these segments separately. The Group does not operate in any other geographic segment.

The Chief Executive Officer assesses the performance of the operating segments based on a measure of gross margin and net profit before tax.

Unallocated

The following items of income and expense and associated assets are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Corporate revenue
- Corporate charges
- Amortisation of intellectual property

The segment information provided to the Chief Executive Officer for the reportable segments for the year ended 30 June 2010 is as follows:

	<i>Continuing Operations</i>			
	<i>Asia Pacific</i>	<i>Europe</i>	<i>Americas</i>	<i>Total</i>
	\$	\$	\$	\$
<b>Year ended 30 June 2010</b>				
<b>Revenue</b>				
Sales to external customers	2,315,387	366,285	10,199	2,691,871
Other revenues from external customers	575,997	2,467	464,572	1,043,036
Interest received	21,177	7,570	1,527	30,274
Total segment Revenue	<u>2,912,561</u>	<u>376,322</u>	<u>476,297</u>	<u>3,765,181</u>
Unallocated				116,457
Total revenue per statement of comprehensive income				<u>3,881,638</u>
Segment net profit / (loss) before tax	<u>1,195,098</u>	<u>(1,276,970)</u>	<u>(944,843)</u>	<u>(1,026,715)</u>
<b>Reconciliation of segment net result before tax to loss before income tax</b>				
Corporate charges				(1,073,198)
Amortisation of intellectual property				(609,000)
Fair value movement in financial derivative				<u>(3,180,450)</u>
Loss before income tax				<u>(5,889,363)</u>

AVITA MEDICAL LIMITED  
NOTES TO THE PRELIMINARY FINAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2010

14. SEGMENT INFORMATION (continued)

	<i>Continuing Operations</i>			<i>Total</i>
	<i>Asia Pacific</i>	<i>Europe</i>	<i>Americas</i>	
	\$	\$	\$	\$
<b>Year ended 30 June 2010</b>				
<b>Segment assets</b>				
Segment operating assets	5,530,082	(4,609,533)	(2,963,999)	(2,043,450)
Unallocated assets				11,286,855
Total Assets per the statement of financial position				<u>9,243,405</u>

	<i>Continuing Operations</i>			<i>Total</i>
	<i>Asia Pacific</i>	<i>Europe</i>	<i>Americas</i>	
	\$	\$	\$	\$
<b>Year ended 30 June 2009</b>				
<b>Revenue</b>				
Sales to external customers	1,997,467	329,891	52,789	2,380,147
Other revenues from external customers	546,939	1	-	546,940
Interest received	44,516	690	419	45,625
Total segment Revenue	<u>2,588,922</u>	<u>330,582</u>	<u>53,208</u>	<u>2,972,712</u>
Unallocated				294,715
Total revenue per statement of comprehensive income				<u>3,267,427</u>
Segment net profit / (loss) before tax	<u>300,960</u>	<u>(1,858,235)</u>	<u>(1,651,510)</u>	<u>(3,208,785)</u>
<b>Reconciliation of segment net result before tax to loss before income tax</b>				
Corporate charges				(1,310,507)
Amortisation of intellectual property				(609,000)
Loss before income tax				<u>(5,128,292)</u>

	<i>Continuing Operations</i>			<i>Total</i>
	<i>Asia Pacific</i>	<i>Europe</i>	<i>Americas</i>	
	\$	\$	\$	\$
<b>Year ended 30 June 2009</b>				
<b>Segment assets</b>				
Segment operating assets	4,867,113	(1,655,613)	(3,919,196)	(707,696)
Unallocated assets				10,537,160
Total assets per the statement of financial position				<u>9,829,464</u>

There was no material difference between the basis of segmentation and the measurement of segment result as compared to that in the 30 June 2009 annual report

AVITA MEDICAL LIMITED  
 NOTES TO THE PRELIMINARY FINAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2010

15. CONTRIBUTED EQUITY

	CONSOLIDATED	
	30/06/10	30/06/09
	\$	\$
<i>Ordinary shares</i>		
Issued and fully paid	88,877,236	86,824,320
	Number	\$
<i>Movement in ordinary shares on issue</i>		
At 1 July 2009	93,473,913	86,824,320
Shares issued	14,400,718	2,102,916
Capital issue costs	-	(50,000)
At 30 June 2010	107,874,631	88,877,236

16. RELATED PARTY DISCLOSURES

The total amount of transactions entered into with key management personnel for the year ended 30 June 2010 are as follows:

- During the period research & development fees of \$169,020 (2009: \$16,483) were paid to the McComb Foundation, which has one director, F Wood, in common with the Company.
- During the period fees of \$119,906 (2009: \$66,705) were paid under normal terms and conditions to Gooding Pervan, chartered accountants, of which D Gooding is a partner.
- During the period fees of \$1,115 (2009: \$14,090) were paid under normal terms and conditions to Ord Nexia, chartered accountants, of which I Macpherson is a partner.
- Included in Receivables as at 30 June 2010 is an amount for \$141,765 owing by W Dolphin to the Company. The amount relates to tax payments made by the Company on behalf of W Dolphin that will be refunded.

17. EVENTS SUBSEQUENT TO BALANCE DATE

No subsequent events have occurred since the Balance Sheet Date which require disclosure in this report.

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## Annual meeting

The annual meeting will be held as follows:

Place	University Club of WA Hackett Drive Nedlands
Date	Provisionally set as 17 November 2010
Time	2pm (WST)
Approximate date the +annual report will be available	17 October 2010

### Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

Identify other standards used

- 2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.

- 3 This report does give a true and fair view of the matters disclosed

- 4 This report is based on +accounts to which one of the following applies.

*(Tick one)*

- |   |  |
|---|--|
| <input type="checkbox"/> The +accounts have been audited.   | <input type="checkbox"/> The +accounts have been subject to review.                  |
| <input checked="" type="checkbox"/> The +accounts are in the process of being audited or subject to review. | <input type="checkbox"/> The +accounts have <i>not</i> yet been audited or reviewed. |

- 5 The entity has a formally constituted audit committee.

Sign here:

Date: 31 August 2010

**Gabriel Chiappini**  
Company Secretary

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