# APPENDIX 4E FOR THE YEAR ENDED 30 JUNE 2014

avita medical

**ABOUT AVITA MEDICAL LTD**

Avita Medical develops and distributes regenerative products for the treatment of a broad range of wounds, scars and skin defects. Avita's patented and proprietary tissue-culture, collection and application technology provides innovative treatment solutions derived from a patient's own skin.

The Company's lead product, ReCell ™ Spray-On Skin™, is used in a wide variety of burns, plastic, reconstructive and cosmetic procedures. ReCell is patented, CE-marked for Europe, TGA-registered in Australia, and SFDA-cleared in China. ReCell is not available for sale in the United States; in the US ReCell is an investigational device limited by federal law to investigational use. A Phase III FDA trial is in process.

www.avitamedical.com

# BUSINESS OVERVIEW 2014

AVITA MEDICAL CONTINUED TO ADVANCE TRIALS, REIMBURSEMENT AND SALES OF OUR REGENERATIVE PRODUCT, RECELL® SPRAY-ON SKIN® THROUGHOUT THE 2014 FINANCIAL YEAR TO FURTHER THE DEVELOPMENT AND COMMERCIALISITION AVITA MEDICAL'S UNIQUE REGENERATIVE TECHNOLOGY.

In particular, the Company continued to pursue clinical trials in broader clinical applications of chronic wounds and aesthetics which have larger demand opportunities, while continuing ongoing efforts in the burns segment. In addition, the Avita's marketing effort was revamped to better monetise the ReCell technology in markets where ReCell has received regulatory approval.

The Company's Respiratory product line remained a significant generator of revenue, providing substantial funds to support the Regenerative (ReCell) business.

In a post financial year event, the Company's Board of Directors committed to increase investment in the Respiratory product line in order to stimulate additional revenue from the Respiratory business, while clinical and commercial acceptance and sales of ReCell continue to build.

Annual revenues from ReCell® Spray-On Skin® for the financial year were 5% higher than the previous financial year. Although sales growth was tracking considerably higher for the nine months to 31 March 2014 (up 21% compared to the prior corresponding period), management determined that as part of a transition to a commercialisation-focused organisation, an overhaul of the marketing and sales strategy and teams was prudent.

This undertaking prompted a short-term reduction in sales in the last quarter but is expected to yield improved results in the medium and long term.

Avita's renewed marketing effort will focus largely on chronic lower limb wounds and aesthetics (including repigmentation).

The commercialisation focus in specific clinical areas will target market awareness and education through development of improved messaging and branding. Further, improved cost analyses and health economic tools highlighting advantages of the use of ReCell will be made available to key stakeholder groups for incorporation into their business plans.

Together with development of complementary partnership initiatives with companies possessing relevant, existing sales channels, the net result is anticipated to be increased generation of sustainable, recurring sales.
To support this strategy the ReCell platform technology is being developed into three brand identities and configurations, to specifically address the varied requirements and opportunities found across the Chronic Wounds, Aesthetics, and Burns indications.

This work builds on the early CY2014 development and release of a new version of ReCell that no longer requires refrigeration. The regulatory approval and commercial launch of the non-refrigerated ReCell is part of Avita's continuing effort to enhance the product's value proposition to the clinical market.

Successful trial results that demonstrate the clinical benefits of ReCell reinforce the commercialisation focus.

Most recently, a clinical study in Germany found ReCell provided clinically superior results for the treatment of hypopigmented scars. The ongoing study by German-based Associate Professor Dr Matthias Aust found that areas treated with ReCell combined with a scar treatment technique called medical needling showed statistically significant repigmentation, while the areas treated by medical needling without ReCell, did not.

In another trial, ReCell was used successfully in place of costly permanent laboratory facilities, which require special licensure, in the treatment of patients with vitiligo or piebaldism. The pilot study was a within-subject randomised controlled trial facilitated by the Netherlands Institute for Pigment Disorders. These important results have been accepted for presentation at the upcoming International Pigment Cell Conference (4-7 September) in Singapore.
Avita is progressing discussions with the United States Food and Drug Administration (US FDA) to modify the US burns trial to resolve an ongoing issue with the strict criteria for patient participation which has been impacting recruitment.

The US FDA granted Avita an Investigational Device Exemption (IDE) for compassionate use of ReCell, allowing the Company to clinically evaluate the use of ReCell in up to 12 patients who have insufficient healthy skin to harvest for the skin grafts needed to conventionally treat their life-threatening wounds from burn, trauma, or congenital skin defects.

This clinical work is in alignment with the Company's effort toward re-focusing the positioning of ReCell in burns by highlighting the benefit to patients resulting from substantial reduction in the requirement for harvesting of patients' skin needed for conventional grafting treatment.

The addition of Cardiff University Hospital of Wales and Bradford Royal Infirmary, both in the UK, in Avita's multi-centre randomised control trial of ReCell for the treatment of venous leg ulcers, immediately improved patient participation. As a result, the Company is now nearly halfway to achieving its nominated 65 participants and on track to meet the Q1 CY2015 milestone for completion of enrolment.

Part of Avita's commercialisation strategy is to secure reimbursement listing to improve the attractiveness of ReCell for clinicians. Obtaining reimbursement is difficult in a healthcare environment that is cost-constrained world-wide; however, there is considerable potential benefit to Avita.

The Company continues to engage the UK National Institute for Health and Care Excellence (NICE) Medical Technologies Advisory Committee to seek guidance along the pathway towards a reimbursement listing.

## CORPORATE

Lou Panaccio commenced as Chairman on July 1, 2014, replacing Ian Macpherson who fulfilled the role in an interim capacity since November 2013. Mr Macpherson remains on the Board in the role of Deputy Chairman.

## FINANCIAL PERFORMANCE

Strong fiscal management and a program to reduce operational costs helped Avita record a 36% financial improvement in the year ended 30 June 2014, with a net loss after tax of $5.1 million compared to $8.1 million at 30 June 2013.

This was achieved despite a reduction in revenue from the Sale of Goods of $2.7m, a decrease of 5% from the prior year of $2.8 million. Total Revenues were $3.3 million compared to $4.1 million for the year ended 30 June 2013.

The decrease was largely due to an 8% drop in Respiratory sales compared to last year. In a post financial year event, the Board has resolved to invest in the marketing of the Company's Respiratory product line, Breath-a-Tec and Funhaler, so that it continues to provide an important revenue stream for the Company while ReCell is developed and commercialised.

Revenues for ReCell were 5% higher than FY2013. ReCell growth was achieved in Australia, China, France, and Turkey. In the UK, Germany, and Italy revenue declined primarily as a result of changes to staffing and sales representation. The Board expects that the marketing overhaul undertaken in the fourth quarter of the financial year will start to yield revenue growth in the first half of FY2015.

Other Income was 52% lower than last year, with Interest Received down 55% as cash deposits have steadily lowered. Grant income was also 56% lower than last year as Armed Forces Institute of Regenerative Medicine (AFIRM) funding came to an end during the year. Discussions with AFIRM and other potential US funding agencies are presently underway, in parallel with the US FDA burns trial negotiations, to progress new funding options.

Operating costs were $9.2 million compared to $11.6 million last year as a result of savings particularly in Research & Development (down 70% compared to last year).

| | |
|---|---|
| **FOR FURTHER INFORMATION:** | |
| Avita Medical Ltd.<br>Lou Panaccio<br>Chairman<br>Phone: +61 (0) 8 9474 7738 | Avita Medical Ltd.<br>Tim Rooney<br>Interim Chief Executive Officer/Chief Financial Officer<br>Phone: + 1 (818) 827-1695<br>Email: trooney@avitamedical.com |

# Appendix 4E

Preliminary Financial Report

30 June 2014

## AVITA MEDICAL LIMITED

ABN 28 058 466 523

### Results for announcement to the market

| | Movement | June 2014 | June 2013 |
|---|---|---|---|
| Financial Results | | $ | $ |
| | | | |
| Sale of goods | Down 5% | 2,683,133 | 2,814,990 |
| Other revenue | Down 52% | 594,581 | 1,237,285 |
| Total comprehensive loss for the period | Down 36% | 5,111,902 | 7,959,436 |
| Net Loss from ordinary activities after tax attributable to members | Down 36% | 5,147,391 | 8,092,939 |

| Dividends | Amount per Ordinary Security | Franked amount per security |
|---|---|---|
| 2014 interim dividend | Nil | Nil |
| 2013 interim dividend | Nil | Nil |

| | |
|---|---|
| Record date for determining entitlements to interim dividends | N/A |

| Net Tangible Asset Backing | June 2014 | June 2013 |
|---|---|---|
| Net tangible asset backing per ordinary security | $0.017 | $0.032 |

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AVITA MEDICAL LIMITED
STATEMENT OF COMPREHEHSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

| | Notes | Consolidated 2014 $ | Consolidated 2013 $ |
|---|---|---|---|
| Continuing operations | | | |
| Sale of goods | 2 | 2,683,133 | 2,814,990 |
| Cost of sales | | (670,893) | (676,502) |
| Gross profit | | 2,012,240 | 2,138,488 |
| Other Revenue | 2 | 594,581 | 1,237,285 |
| Operating costs | | | |
| Administrative expenses | | (5,639,513) | (5,449,632) |
| Share based payments | | (183,214) | (82,338) |
| Research and development expenses | | (784,113) | (2,601,046) |
| Sales and marketing expenses | | (2,633,418) | (3,390,659) |
| Finance costs | | (25,675) | (91) |
| Amortisation of intellectual property | | - | (73,000) |
| Loss from continuing operations before income tax | | (6,659,112) | (8,220,993) |
| Income tax benefit | | 1,511,721 | 128,054 |
| Loss for the period | | (5,147,391) | (8,092,939) |
| Other comprehensive income / (expense) | | | |
| *Items that may be reclassified subsequently to profit and loss:* | | | |
| Foreign currency translation | | 35,489 | 133,503 |
| Other comprehensive (expense) / income for the period, net of tax | | 35,489 | 133,503 |
| Total other comprehensive expense for the period | | (5,111,902) | (7,959,436) |
| Loss for the period is attributable to: | | | |
| Non-controlling interest | | - | - |
| Owners of Avita Medical Limited | | (5,147,391) | (8,092,939) |
| | | (5,147,391) | (8,092,939) |
| Other comprehensive expense for the period is attributable to: | | | |
| Non-controlling interest | | - | - |
| Owners of Avita Medical Limited | | (5,111,902) | (7,959,436) |
| | | (5,111,902) | (7,959,436) |
| Basic loss per share attributable to ordinary equity holders of the parent | 3 | (1.58) cents | (2.69) cents |
| Diluted loss per share attributable to ordinary equity holders of the parent | 3 | (1.58) cents | (2.69) cents |

AVITA MEDICAL LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

| | Notes | Consolidated 2014 $ | Consolidated 2013 $ |
|---|---|---|---|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 4 | 3,648,390 | 10,616,849 |
| Trade and other receivables | 5 | 2,546,939 | 1,215,382 |
| Prepayments | | 195,473 | 187,586 |
| Inventories | 6 | 782,236 | 761,785 |
| Total Current Assets | | 7,173,038 | 12,781,602 |
| Non-Current Assets | | | |
| Plant & equipment | 7 | 139,801 | 127,029 |
| Total Non-Current Assets | | 139,801 | 127,029 |
| TOTAL ASSETS | | 7,312,839 | 12,908,631 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | 9 | 1,689,252 | 2,243,783 |
| Provisions | 10 | 96,965 | 209,538 |
| Total Current Liabilities | | 1,786,217 | 2,453,321 |
| TOTAL LIABILITIES | | 1,786,217 | 2,453,321 |
| NET ASSETS | | 5,526,622 | 10,455,310 |
| EQUITY | | | |
| *Equity attributable to equity holders of the parent* | | | |
| Contributed equity | 12 | 111,441,930 | 111,441,930 |
| Accumulated losses | | (106,602,169) | (101,706,766) |
| Reserves | | 686,861 | 720,146 |
| TOTAL EQUITY | | 5,526,622 | 10,455,310 |

AVITA MEDICAL LIMITED
PRELIMINARY FINAL REPORT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

| | Consolidated | |
|---|---|---|
| | 2014 | 2013 |
| | $ | $ |
| **Cash flows from operating activities** | | |
| Receipts from customers | 2,925,693 | 2,990,444 |
| Payments to suppliers and employees | (10,548,853) | (11,567,164) |
| Government grants received | 343,278 | 787,578 |
| Tax refund received | 129,315 | 90,123 |
| Interest received | 186,002 | 412,354 |
| Interest paid | (25,675) | (91) |
| Royalties and other income received | 65,301 | 37,353 |
| **Net cash flows used in operating activities** | (6,924,939) | (7,249,403) |
| **Cash flows from investing activities** | | |
| Purchase of plant & equipment | (75,541) | (83,596) |
| Gain on disposal of plant & equipment | 5,000 | - |
| **Net cash flows used in investing activities** | (70,541) | (83,596) |
| **Cash flows from financing activities** | | |
| Proceeds from issue of shares and options | - | 10,401,081 |
| Capital raising expenses | - | (673,650) |
| **Net cash flows provided by (used in) financing activities** | - | 9,727,431 |
| **Net increase / (decrease) in cash and cash equivalents** | (6,995,480) | 2,394,432 |
| **Cash and cash equivalents at beginning of period** | 10,616,849 | 8,230,593 |
| Impact of foreign exchange | 27,021 | (8,176) |
| **Cash and cash equivalents at end of period** | 3,648,390 | 10,616,849 |

AVITA MEDICAL LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

| Consolidated | Contributed equity | Accumulated losses | Employee equity benefit reserve | Foreign currency translation reserve | Total |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| At 1 July 2013 | 111,441,930 | (101,706,766) | 962,277 | (242,131) | 10,455,310 |
| Loss for the period | - | (5,147,391) | - | - | (5,147,391) |
| Other comprehensive income | | | | | |
| - Foreign currency translation | - | - | - | 35,489 | 35,489 |
| Total comprehensive income for the year | - | (5,147,391) | - | 35,489 | (5,111,902) |
| *Transactions with owners in their capacity as owners:* | | | | | |
| Expired options | - | 251,988 | (251,988) | - | - |
| Share based payments | - | - | 182,214 | - | 182,214 |
| Balance at 30 June 2014 | 111,441,930 | (106,602,169) | 893,503 | (206,642) | 5,526,622 |

| Consolidated | Contributed equity | Accumulated losses | Option premium reserve | Employee equity benefit reserve | Foreign currency translatio n reserve | Total |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ |
| At 1 July 2012 | 101,663,499 | (96,676,634) | 2,277,759 | 1,664,987 | (375,634) | 8,553,977 |
| Loss for the period | - | (8,092,939) | - | - | - | (8,092,939) |
| Other comprehensive income | | | | | | |
| - Foreign currency translation | - | - | - | - | 133,503 | 133,503 |
| Total comprehensive income for the year | - | (8,092,939) | - | - | 133,503 | (7,959,436) |
| *Transactions with owners in their capacity as owners:* | | | | | | |
| Expired options | - | 3,062,807 | (2,277,759) | (785,048) | - | - |
| New shares | 10,452,080 | - | - | - | - | 10,452,080 |
| Share based payments | - | - | - | 82,338 | - | 82,338 |
| Costs of share placements | (673,649) | - | - | - | - | (673,649) |
| Balance at 30 June 2013 | 111,441,930 | (101,706,766) | - | 962,277 | (242,131) | 10,455,310 |

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

## Basis of Preparation

This general purpose condensed financial report for the year ended 30 June 2014 has been prepared in accordance Australian Accounting Standards (including Australian Accounting Interpretations) and other authoritative pronouncements of the Australian Accounting Standards Board, 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 2014 in accordance with the continuous disclosure obligations of the *ASX listing rules*.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

## Commentary on the results for the period

Revenue from the sale of goods, other revenue and other income was $3,277,714, a decrease of 19% over last year (2013: 4,052,478). Revenue from sale of goods was $2,683,133, down 5% over the previous year (2013: $2,814,990). Cost of sales were $670,893 (2013: $676,502) up 8% due to manufacturing cost gains while gross profits at $2,012,240 (2013: $2,138,488) decreased by only 6%. Normal operating costs were $9,265,933 (2013: $11,596,766) a decrease of 20% compared to last year. This reflects management's initiative to reduce operating costs primarily in Research & Development expenditure (down 70%) compared to last year. The net loss before tax was $6,659,112 down 19% on last year (2013: $8,220,993).

## 2. REVENUES AND EXPENSES

### Revenue and Expenses from Continuing Operations

| | Consolidated 2014 $ | Consolidated 2013 $ |
|---|---|---|
| **(a) Revenue** | | |
| Sale of goods | 2,683,133 | 2,814,990 |
| **(b) Other revenue** | | |
| Bank interest receivable | 186,002 | 412,354 |
| Contracts received | 343,278 | 787,578 |
| Other income | 65,301 | 37,353 |
| Total Other Revenue | 594,581 | 1,237,285 |
| Total Revenue | 3,277,714 | 4,052,275 |

| | Consolidated 2014 $ | Consolidated 2013 $ |
|---|---|---|
| **(c) Finance costs** | | |
| Other loans | 25,675 | 91 |
| | 25,675 | 91 |

| | Consolidated 2014 $ | Consolidated 2013 $ |
|---|---|---|
| **(d) Depreciation, impairment and amortization included in income statement** | | |
| Depreciation | 63,711 | 48,924 |
| Loss on disposal of plant & equipment | (3,656) | 2,870 |
| Amortisation of intangible property | - | 73,000 |

| | Consolidated 2014 $ | Consolidated 2013 $ |
|---|---|---|
| **(e) Lease payments and other expenses included in income statement** | | |
| Minimum lease payments – operating lease | 179,595 | 179,595 |

## 2. REVENUES AND EXPENSES (continued)

| | Consolidated 2014 $ | Consolidated 2013 $ |
|---|---|---|
| (f) Employee benefits expense included in income statement | | |
| Wages and salaries | 3,003,424 | 3,239,424 |
| Defined contribution superannuation expense | 241,418 | 163,838 |
| Share-based payments expense | 183,214 | 82,338 |
| | 3,428,056 | 3,485,600 |

## 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 2014 $ | Consolidated 2013 $ |
|---|---|---|
| Net loss attributable to ordinary equity holders of the parent | (5,147,391) | (8,092,939) |
| Weighted average number of ordinary shares for basic loss per share | 325,308,404 | 300,507,224 |

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.

## 4. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

| | Consolidated 2014 $ | Consolidated 2013 $ |
|---|---|---|
| Cash at bank and in hand | 765,692 | 1,316,283 |
| Short-term deposits | 2,882,698 | 9,300,566 |
| | 3,648,390 | 10,616,849 |

## 5. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

| | Consolidated | |
|---|---|---|
| | 2014<br>$ | 2013<br>$ |
| Trade receivables | 507,020 | 947,406 |
| Allowance for doubtful debts | (9,837) | (174,287) |
| | 497,123 | 773,119 |
| Other receivables | 2,049,756 | 442,263 |
| Carrying amount of trade and other receivables | 2,546,939 | 1,215,382 |

## 6. CURRENT ASSETS - INVENTORIES

| | Consolidated | |
|---|---|---|
| | 2014<br>$ | 2013<br>$ |
| Raw materials and components (at cost) | 312,407 | 312,037 |
| Finished goods (at cost) | 469,829 | 449,748 |
| Total inventories at cost | 782,236 | 761,785 |

## 7. NON-CURRENT ASSETS - PLANT & EQUIPMENT

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

| | Consolidated |
|---|---|
| | *Plant and Equipment* $ |
| Year ended 30 June 2014 | |
| At 1 July 2013, net of accumulated depreciation | 127,029 |
| Exchange movements | 3,468 |
| Additions | 75,541 |
| Disposals | (2,526) |
| Depreciation charge for the year | (63,711) |
| At 30 June 2014, net of accumulated depreciation | 139,801 |
| | |
| At 30 June 2014 | |
| Cost | 740,405 |
| Accumulated depreciation | (600,604) |
| Net carrying amount | 139,801 |

| | Consolidated |
|---|---|
| | *Plant and Equipment* $ |
| Year ended 30 June 2013 | |
| At 1 July 2012, net of accumulated depreciation | 87,051 |
| Exchange movements | 8,176 |
| Additions | 83,596 |
| Disposals | (2,870) |
| Depreciation charge for the year | (48,924) |
| At 30 June 2013, net of accumulated depreciation | 127,029 |
| | |
| At 30 June 2013 | |
| Cost | 741,326 |
| Accumulated depreciation | (614,297) |
| Net carrying amount | 127,029 |

## 8. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

| | Consolidated 2014 $ | Consolidated 2013 $ |
|---|---|---|
| Trade payables | 440,936 | 971,719 |
| Accruals and other payables | 1,248,316 | 1,272,064 |
| | 1,689,252 | 2,243,783 |

## 9. CURRENT LIABILITIES - PROVISIONS

| | Consolidated | | | |
|---|---|---|---|---|
| | Employee benefits $ | Provision for annual leave $ | Provision for long service leave $ | Total $ |
| **Current** | | | | |
| At 1 July 2013 | 30,242 | 150,231 | 29,065 | 209,538 |
| Additional provisions | (30,242) | | 2,623 | (27,619) |
| Amount Utilised | - | (84,954) | - | (84,954) |
| At 30 June 2014 | - | 65,277 | 31,688 | 96,965 |

## 10. SEGMENT INFORMATION

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); and
- 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 2014 is as follows:

| | *Asia Pacific* | *EMEA* | *Americas* | *Total* |
|---|---|---|---|---|
| | *$* | *$* | *$* | *$* |
| Year ended 30 June 2014 | | | | |
| Revenue | | | | |
| Sale of goods | 2,188,489 | 494,644 | - | 2,683,133 |
| Other revenues from external customers | 53,507 | 1,677 | 353,395 | 408,579 |
| Interest received | 182,720 | 2,450 | 832 | 186,002 |
| Total revenue and other income per consolidated statement of profit or loss and other comprehensive income | 2,424,716 | 498,771 | 354,227 | 3,277,714 |
| Segment net operating profit / (loss) before tax | 332,909 | (2,264,792) | (3,206,295) | (5,138,178) |
| Reconciliation of segment net result before tax to loss before income tax: | | | | |
| Corporate charges | | | | (1,520,934) |
| Loss before income tax | | | | (6,659,112) |

| | | *Continuing Operations* | | |
|---|---|---|---|---|
| | *Asia Pacific* | *EMEA* | *Americas* | *Total* |
| | *$* | *$* | *$* | *$* |
| Year ended 30 June 2014 | | | | |
| Segment assets | | | | |
| Segment operating assets | 2,605,975 | 1,025,979 | 1,054,709 | 4,686,663 |
| Unallocated assets | | | | 2,626,176 |
| Total Assets per the statement of financial position | | | | 7,312,839 |

10. SEGMENT INFORMATION (continued)

| | *Asia Pacific* | *EMEA* | *Americas* | *Total* |
|---|---|---|---|---|
| | *Continuing Operations* | | | |
| | *$* | *$* | *$* | *$* |
| Year ended 30 June 2013 | | | | |
| Revenue | | | | |
| Sales to external customers | 2,256,248 | 550,647 | 8,095 | 2,814,990 |
| Other revenues from external customers | 100,604 | 13 | 724,314 | 824,931 |
| Interest received | 410,249 | 1,163 | 942 | 412,354 |
| Total revenue per statement of comprehensive income | 2,767,101 | 551,823 | 733,351 | 4,052,275 |
| | | | | |
| Segment net profit / (loss) before tax | 527,063 | (2,744,469) | (4,392,849) | (6,610,483) |
| Reconciliation of segment net result before tax to loss before income tax | | | | |
| Corporate charges | | | | (1,537,510) |
| Amortisation of intellectual property | | | | (73,000) |
| Loss before income tax per statement of comprehensive income | | | | (8,220,993) |

| | *Asia Pacific* | *EMEA* | *Americas* | *Total* |
|---|---|---|---|---|
| | *Continuing Operations* | | | |
| | *$* | *$* | *$* | *$* |
| Year ended 30 June 2013 | | | | |
| Segment assets | | | | |
| Segment operating assets | 1,145,385 | 1,800,391 | 1,313,781 | 4,259,557 |
| Unallocated assets | | | | 8,649,074 |
| Total Assets per the statement of financial position | | | | 12,908,631 |

There was no material difference between the basis of segmentation and the measurement of segment result as compared to that in the 30 June 2013 annual report.

## 11. CONTRIBUTED EQUITY

| | CONSOLIDATED | |
|---|---|---|
| | 2014 | 2013 |
| | $ | $ |
| *Ordinary shares* | | |
| Issued and fully paid | 111,441,930 | 111,441,930 |
| | 111,441,930 | 111,441,930 |

| *Movement in ordinary shares on issue* | Number of shares | $ |
|---|---|---|
| At 1 July 2013 | 325,308,404 | 111,441,930 |
| Shares issued | - | - |
| Capital issue costs | - | - |
| At 30 June 2014 | 325,308,404 | 111,441,930 |

## 12. RELATED PARTY DISCLOSURES

The total amount of transactions entered into with key management personnel for the year ended 30 June 2014 are as follows:

(i) During the period fees of $43,000 (2013: $nil) were paid, under normal terms and conditions, to the F.A.T.S Pty Ltd of which I Macpherson is a director.

(ii) During the period fees of $45,646 (2013: $90,030) were paid, under normal terms and conditions, to Gooding Partners Chartered Accountants, of which D Gooding is a partner.

## 13. COMMITMENTS AND CONTINGENCIES

There are no commitments and contingencies which require disclosure in this report.

## 14. EVENTS SUBSEQUENT TO BALANCE DATE

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

## Annual meeting

The annual meeting will be held as follows:

| | |
|---|---|
| Place | TBA |
| Date | Provisionally set as 21 November 2014 |
| Time | 2pm (EST) |
| Approximate date the +annual report will be available | 1 October 2014 |

## Compliance statement

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and IFRS.

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)*

| | | | |
|---|---|---|---|
| ☐ | The +accounts have been audited. | ☐ | The +accounts have been subject to review. |
| ✓ | The +accounts are in the process of being audited or subject to review. | ☐ | The +accounts have *not* yet been audited or reviewed. |

5 The entity has a formally constituted audit committee.

Sign here:

Date: 28 August 2014

*Gabriel Chiappini*
*Company Secretary*