



ASX Release

APPENDIX 4C – QUARTERLY CASH FLOW REPORT –SEPTEMBER 2009

Melbourne, Australia, 22 October 2009: Avexa Limited (ASX: AVX) lodges the attached Appendix 4C Quarterly Consolidated Statement of Cashflows. Key points are as follows:

- the Company held cash reserves of \$15 million at 30 September 2009;
- the Company also has access to \$1.75m of funding from CSIRO for the Company's HCV program;
- consumption for the September quarter was \$4.1 million, including \$2.5 million relating to research and development activities; and
- the rate of research and development cash consumption has reduced significantly from the prior quarter and will remain lower than the previous comparative periods for future quarters.

As announced to ASX on 2 October 2009, after extensive interaction with the regulatory authorities and potential partners, the apricitabine (ATC) Phase III study will be closed and the data will be subsequently unblinded and analyzed. This is underway and the results of the analysis of the 24 week data are expected in the first quarter of 2010.

About Avexa

Avexa Limited is a Melbourne-based biotechnology company with a focus on research and development of small molecules for the treatment of infectious diseases. Avexa has dedicated resources and funding for key projects including apricitabine (ATC), its HIV integrase program, its HCV polymerase program and an antibiotic program for antibiotic-resistant bacterial infections. The Company's lead program, ATC, is an anti-HIV drug that has successfully completed the 16 week dose determination step of its worldwide Phase III trial.

For more information:

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Appendix 4C

Quarterly report

for entities admitted on the basis of commitments

Name of entity

AVEXA LIMITED

ABN

53 108 150 750

Quarter ended ("current quarter")

30 September 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Cumulative to 30 Sept 2009 - \$A'000
1.1 Receipts from customers	-	-
1.2 Payments for:		
(a) Staff costs	(1,055)	(1,055)
(b) Advertising and marketing	(64)	(64)
(c) Research and development	(2,482)	(2,482)
(d) Leased assets	(70)	(70)
(e) Laboratory consumables	(130)	(130)
(f) Occupancy	(317)	(317)
(g) Consulting	(60)	(60)
(h) Legal and professional	(49)	(49)
(i) Corporate administration	(45)	(45)
(j) Travel and entertainment	(97)	(97)
(k) Insurance	(19)	(19)
(l) Intellectual property	(126)	(126)
(m) Other working capital	(7)	(7)
1.3 Dividends received	-	-
1.4 Interest and other similar items	168	168
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - GST refunds	(22)	(22)
- Property sub-rental proceeds	131	131
- Government grants	177	177
Net operating cash flows	(4,067)	(4,067)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Cumulative to 30 Sept 2009 - \$A'000
1.8 Net operating cash flows (carried forward)	(4,067)	(4,067)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets –	(43)	(43)
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	-	-
Net investing cash flows	(43)	(43)
1.14 Total operating and investing cash flows	(4,110)	(4,110)
Cash flows related to financing activities		
1.15 Net proceeds from issues of shares, options, etc. net of raising costs	(7)	(7)
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from / (repayment of) borrowings	-	-
/1.18 Dividends paid	-	-
1.19 Dividends paid	-	-
1.20 Other: Proceeds from issue of convertible notes	250	250
Net financing cash flows	243	243
Net increase (decrease) in cash held	(3,867)	(3,867)
1.21 Cash at beginning of quarter/year to date	18,827	18,827
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	14,960	14,960

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

		Current qtr to 30 Sept 2009 - \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	160
1.25	Aggregate amount of loans to the parties included in item 1.11	Nil

1.26 Explanation necessary for an understanding of the transactions

Cash payments to directors comprises executive director salary plus non-executive director fees for the quarter.
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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

None.

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

Not applicable

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	None	Not applicable
3.2	Credit standby arrangements	None	Not applicable
3.3	Credit card facility	150	Nil

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	Previous quarter \$A'000
4.1	Cash on hand and at bank	581	244
4.2	Deposits at call	14,379	18,583
4.3	Bank overdraft	-	-
4.4	Other (provide details):	-	-
Total: cash at end of quarter (item 1.22)		14,960	18,827

+ See chapter 19 for defined terms.

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	None	None
5.2 Place of incorporation or registration	Not applicable	Not applicable
5.3 Consideration for acquisition or disposal	Not applicable	Not applicable
5.4 Total net assets	Not applicable	Not applicable
5.5 Nature of business	Not applicable	Not applicable

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.



Director and CEO
Dr Julian Chick

Date: 22 October 2009.