

ASX ANNOUNCEMENT

NOTES TO APPENDIX 4C

SYDNEY, Monday, 28 April 2014: Cellmid Limited (ASX: CDY) provides the following comments in relation to the attached Appendix 4C form:

Continued increase in sales in the consumer health division

Since the beginning of the 2014 financial year sales in the consumer health division continued to increase significantly for the third consecutive quarter as per Table 1 below. The cash receipts from customers do not reflect this increase as distributors have various trading terms from COD to 90 day accounts.

A critical component of increasing sales is expansion of the distribution within the existing territories as well as opening up new markets. The cycle from signing up a new distributor/territory to receiving the first order is between 9-12 months including a four to five months manufacturing period. Accordingly, our new distribution arrangements signed between September 2013 and February 2014 are expected to result in increased sales activity from mid-2014 onwards.

Table 1 Sales for the 2014 financial year

Period	Sales	% Increase
1Q 2014	\$ 184,490	
2Q 2014	\$ 247,474	34%
3Q 2014	\$ 390,936	58%

Research and development costs


A significant increase in research and development cash outflows of \$365,000 (\$170K in 2Q 2014) is reflective of Cellmid's intensifying anti-midkine antibody program. The company has made strong progress in this business and the associated cash requirements continue to account for the majority of the spending as the program is getting closer to clinical studies.

End

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Cellmid Limited

ABN

69 111 304 119

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	318	1,212
1.2 Payments for (a) staff costs	(439)	(1,202)
(b) advertising and marketing	(48)	(203)
(c) research and development	(365)	(661)
(d) leased assets	0	0
(e) other working capital	(323)	(1,429)
1.3 Dividends received	0	0
1.4 Interest and other items of a similar nature received	20	38
1.5 Interest and other costs of finance paid	(1)	(3)
1.6 Income taxes refunded	40	752
1.7 Other (provide details if material)	0	0
Net operating cash flows	(798)	(1,496)

+ See chapter 19 for defined terms.

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	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(798)	(1,495)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	0	0
(b) equity investments	0	(90)
(c) intellectual property	0	0
(d) physical non-current assets	(10)	(11)
(e) other non-current assets	0	0
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	0	0
(b) equity investments	0	0
(c) intellectual property	0	0
(d) physical non-current assets	0	0
(e) other non-current assets	(1)	959
1.11 Loans to other entities	0	0
1.12 Loans repaid by other entities	0	0
1.13 Other (provide details if material)	0	0
	(11)	858
Net investing cash flows		
1.14 Total operating and investing cash flows	(809)	(638)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	0	2,090
1.16 Proceeds from sale of forfeited shares	0	0
1.17 Proceeds from borrowings	0	0
1.18 Repayment of borrowings	0	0
1.19 Dividends paid	0	0
1.20 Other (provide details if material)	0	0
	0	2,090
Net financing cash flows		
	(809)	1,452
Net increase (decrease) in cash held		
1.21 Cash at beginning of quarter/year to date	4,197	1,917
1.22 Exchange rate adjustments to all items up to 1.20	(9)	10
1.23 Cash at end of quarter	3,379	3,379

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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
1.24	Aggregate amount of payments to the parties included in item 1.2	140
1.25	Aggregate amount of loans to the parties included in item 1.11	0

1.26 Explanation necessary for an understanding of the transactions

The amount disclosed is all payments made to directors and related parties in the quarter. The full amount is included in the total at 1.2(a).

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

n/a

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.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	n/a	n/a
3.2	Credit standby arrangements	n/a	n/a

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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	Previous quarter \$A'000
4.1 Cash on hand and at bank	3,379	4,197
4.2 Deposits at call	0	0
4.3 Bank overdraft	0	0
4.4 Other (provide details)	0	0
Total: cash at end of quarter (item 1.23)	3,379	4,197

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	n/a	n/a
5.2 Place of incorporation or registration	n/a	n/a
5.3 Consideration for acquisition or disposal	n/a	n/a
5.4 Total net assets	n/a	n/a
5.5 Nature of business	n/a	n/a

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: Date: 10/04/2014
 Company secretary

Print name: Nicholas Falzon

+ 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 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting 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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