

ASX ANNOUNCEMENT

NOTES TO APPENDIX 4C

SYDNEY, Friday, 26 July 2013: Cellmid Limited (ASX: CDY) provides the following comments in relation to the attached Appendix 4C form:

Advangen acquisition

During 4Q2013 the Company completed the acquisition of Advangen Inc., the Japanese owner of the FGF-5 hair growth technology platform, for a consideration of \$1.2 million in cash and the issuing of 55.4 million CDY shares priced at 5 cents each (actual trading price was 2.8 cents at the time of the acquisition). Advangen Inc. (Japan) had a cash balance of \$550,000 at the time of the acquisition and therefore the net equity investment is recorded as \$3.4 million.

Fujikura Kasei payments

Cellmid received \$352,000 during the period, of which \$100,000 was paid by Fujikura Kasei. This was the second half of the consideration for the Option agreement to license the Company's midkine cancer diagnostic assets for Japan. Subsequent to the end of 4Q2013 the Company received \$433,000 from Fujikura Kasei as part of their election to exercise the Option to license Cellmid's diagnostic technology. The total Option to License payment received from Fujikura stands at \$633,000.

Consumer health division (Advangen)

During the reporting period Cellmid recorded receipts of \$127,000 from its consumer health business. Of this amount \$52,000 was received by the Australian operation, which is a 9% increase from the previous quarter. Consistent with the Company's early expectations the total receipts of the Australian operation since the first sale of its évolis® branded hair growth products is now \$386,000. A total amount of \$75,000 was received by the Japanese operation during the five week post-acquisition period (between 24 May and 30 June).

EMDG Grant

The Company received \$115,000 in Export Market Development Grant during the quarter, which is included in the receipts.

End

Contact:

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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")

30 June 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	352	785
1.2 Payments for (a) staff costs	(326)	(960)
(b) advertising and marketing	(77)	(256)
(c) research and development	(96)	(409)
(d) leased assets	0	0
(e) other working capital	(443)	(1,332)
1.3 Dividends received	0	0
1.4 Interest and other items of a similar nature received	15	31
1.5 Interest and other costs of finance paid	0	(1)
1.6 Income taxes refunded	0	786
1.7 Other (provide details if material)	0	0
Net operating cash flows	(577)	(1,356)

+ See chapter 19 for defined terms.

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

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(577)	(1,356)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	0	0
(b) equity investments	(3,440)	(3,440)
(c) intellectual property	0	0
(d) physical non-current assets	(14)	(26)
(e) other non-current assets	0	0
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	0	0
(b) equity investments	0	92
(c) intellectual property	0	0
(d) physical non-current assets	0	0
(e) other non-current assets	0	0
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
Net investing cash flows	(3,454)	(3,374)
1.14 Total operating and investing cash flows	(4,031)	(4,730)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	2,718	5,588
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
Net financing cash flows	2,718	5,588
Net increase (decrease) in cash held	(1,313)	858
1.21 Cash at beginning of quarter/year to date	3,214	1,051
1.22 Exchange rate adjustments to item 1.20	16	8
1.23 Cash at end of quarter	1,917	1,917

+ 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
1.24	Aggregate amount of payments to the parties included in item 1.2	163
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

In the transaction to purchase the shares in Advangen Incorporated, Cellmid issued a total of 55,737,624 shares in consideration to the shareholders of Advangen Incorporated.

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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Appendix 4C
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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	1,917	3,206
4.2 Deposits at call	0	0
4.3 Bank overdraft	0	0
4.4 Other (provide details)	0	8
Total: cash at end of quarter (item 1.23)	1,917	3,214

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	Advangen Inc.	n/a
5.2 Place of incorporation or registration	Tokyo, Japan	n/a
5.3 Consideration for acquisition or disposal	\$4,002,857	n/a
5.4 Total net assets	\$883,625	n/a
5.5 Nature of business	Consumer health	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: 26/07/2013
 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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