LBT INNOVATIONS
ACN 107 670 673

The Manager
Company Announcements Office
ASX Limited

DECEMBER QUARTER 2010 APPENDIX 4C

20 January 2011, Adelaide: LBT Innovations Ltd (ASX: LBT) announces its 2nd quarter cash flow report for the year ending 30 June 2011.

Cash at the end of December 2010 $4.16 million (down from $4.59 million at the end of September 2010).

Significant cash flows for the quarter related to normal operating activities.

As previously announced the balance of the 2010 minimum royalty entitlement, being $USD180k, due under LBT's agreement with bioMérieux is expected in the first quarter of 2011. The minimum royalty entitlement will rise to $USD600k for the 2011 calendar year.

--ENDS--

About LBT Innovations

LBT Innovations is an Australian developer of clinical and diagnostic technology. Based in Adelaide, South Australia, the Company was founded in 2004 and listed on the Australian Securities Exchange on 31 July 2006 (ASX: LBT).

In 2007, LBT signed an agreement with French diagnostics giant bioMérieux to commercialise and market its first invention, sold as PREVI Isola, which automates the streaking of agar plates in microbiology laboratories. LBT receives milestone and royalty payments for PREVI Isola, which has been installed in laboratories in the US, UK, Australia, Asia, the Middle East and several European countries.

LBT's strategy is to become a leader in the automation of the international pathology laboratory market with multiple products to take to that market. The company has recently unveiled a further lab automation technology under development for the automated the reading, screening and sorting of agar plates. LBT is now evaluating options for the commercialisation of this latest technology and pursuing a company growth strategy.

For more information, see www.lbtinnovations.com

CONTACTS

LBT Innovations	Media Relations
Lusia Guthrie CEO & MD Tel: +61 (0)8 8227 1555 E: info@lbtinnovations.com	Mike Feehan / Rudi Michelson Monsoon Communications Tel: +61 (0)3 9620 3333 E: mikef@monsoon.com.au

Rule 4.7B

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

LBT Innovations Ltd

ABN	Quarter ended ("current quarter")
95 107 670 673	31 December 2010

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter $A	Year to date (6 months) $A
1.1	Receipts from customers		
1.2	Payments for (a) staff costs	(202,973)	(418,164)
	(b) advertising and marketing	(7,396)	(21,213)
	(c) research and development		(226,662)
	(d) leased assets		
	(e) other working capital	(274,442)	(530,991)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	65,941	125,175
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	Export Grant		27,500
	Royalties		183,995
	Milestone Payment (Medvet Science Pty Ltd)		(22,000)
	Royalty Payment (Medvet Science Pty Ltd)	(8,761)	(8,761)
	Net operating cash flows	(427,631)	(891,121)

+ See chapter 19 for defined terms.

		Current quarter $A	Year to date (.. 6. months) $A
1.8	Net operating cash flows (carried forward)	(427,631)	(891,121)
	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	(86)	(3,361)
	(e) other non-current assets – MicroStreak Development Costs		
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 (provide details if material) Patent Costs / Trade Mark Costs		
	Net investing cash flows	(86)	(3,361)
1.14	**Total operating and investing cash flows**	(427,717)	(894,482)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.		
1.16	Proceeds from sale of forfeited shares		
1.17	Proceeds from borrowings		
1.18	Repayment of borrowings		
1.19	Dividends paid		
1.20	Other (provide details if material) Costs associated with capital raising		
	Net financing cash flows	NIL	NIL
	Net increase (decrease) in cash held	(427,717)	(894,482)
1.21	Cash at beginning of quarter/year to date	4,593,197	5,059,962
1.22	Exchange rate adjustments to item 1.20		
1.23	**Cash at end of quarter**	4,165,480	4,165,480

+ 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
1.24	Aggregate amount of payments to the parties included in item 1.2	128,344
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Directors Fees

Item 1.24 includes remuneration paid to Directors including remuneration paid to the Managing Director.

LeMessurier Solutions Pty Ltd

Item 1.24 also includes amounts paid to LeMessurier Solutions Pty Ltd. This is a company controlled by Hugo LeMessurier. Hugo LeMessurier is the cousin of the Director, Douglas Peter LeMessurier. LeMessurier Solutions Pty Ltd was engaged to provide consultancy services to the company and was paid $6,311 in the December quarter.

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

N/A

Financing facilities available

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

		Amount available $A	Amount used $A
3.1	Loan facilities		
3.2	Credit standby arrangements	35,000	11,142

+ See chapter 19 for defined terms.

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	Previous quarter $A
4.1	Cash on hand and at bank	368,003	558,150
4.2	Deposits at call		
4.3	Bank overdraft		
4.4	Other (Term Deposits)	3,797,477	4,035,047
	Total: cash at end of quarter (item 1.23)	4,165,480	4,593,197

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		
5.3	Consideration for acquisition or disposal		
5.4	Total net assets		
5.5	Nature of business		

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: .... (Company secretary)   Date: 20/1/2011

Print name: .....Jamie Dreckow..

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 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.

   - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
   - 9.2 - itemised disclosure relating to acquisitions
   - 9.4 - itemised disclosure relating to disposals
   - 12.1(a) - policy for classification of cash items
   - 12.3 - disclosure of restrictions on use of cash
   - 13.1 - comparative information

3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting 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.