LBT INNOVATIONS
ACN 107 670 673

The Manager
Company Announcements Office
ASX Limited

DECEMBER QUARTER 2013 APPENDIX 4C

31 January 2014, ADELAIDE: LBT Innovations Ltd (ASX: LBT) announces its second quarter cash flow report for the year ending 30 June 2014.

Highlights:

- Cash at the end of December 2013 $2.08 million (an increase of $0.3 million at the end of September 2013).

  Receipt of $1,000,000 milestone due to LBT Innovations Ltd under the joint venture agreement with Hettich AG Switzerland.

- Receipt of royalty income under the agreement with bioMérieux. The receipt of $158,999 represents the third quarter of the minimum royalty payment due for the 2013 calendar year. Minimum royalties for the full 2013 calendar year will total $US600,000.

- Receipt of $826,942 from the ATO under the R & D tax concession.

Other cash flows for the quarter related to normal operating activities and were largely directed towards continued development of LBT's APAS technology.

In January 2014, LBT received its second milestone receipt of $1,000,000 due under the joint venture agreement with Hettich AG Switzerland.

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

LBT has an agreement with French diagnostics company bioMérieux to manufacture and market LBT's MicroStreak® technology for the automated streaking of culture plates in routine microbiology testing (now sold as PREVI® Isola). LBT receives ongoing royalty payments for PREVI Isola, which has been installed in clinical laboratories in the US, Australia, China, Japan, Korea, the Middle East, UK and multiple European countries.

LBT has a second breakthrough technology, APAS® (Automated Plate Assessment System) is nearing market. Based on LBT's innovative intelligent image interpretative platform, APAS specifically addresses the automated imaging, analysis and interpretation of culture plates following incubation. LBT has entered into a Joint Venture with Hettich AG Switzerland to drive the commercial development and global distribution of APAS instrumentation and software products.

For more information, see www.lbtinnovations.com

CONTACTS

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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 2013

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	(284,164)	(636,921)
		(b) advertising and marketing	(17,712)	(31,888)
		(c) research and development	(1,214,433)	(1,917,293)
		(d) leased assets		
		(e) other working capital	(181,561)	(346,163)
1.3	Dividends received			
1.4	Interest and other items of a similar nature received		16,139	23,693
1.5	Interest and other costs of finance paid			
1.6	Income taxes paid			
	Income tax received (R & D Tax Concession)		826,942	826,942
1.7	Other (provide details if material)			
	Signing Fee (Joint Venture Agreement)		0	2,000,000
	Milestone Payment (Joint Venture Agreement)		1,000,000	1,000,000
	Royalties		158,999	321,636
	Royalty Payment		(12,243)	(36,479)
	Net operating cash flows		291,967	1,203,527

+ See chapter 19 for defined terms.

		Current quarter $A	Year to date (6 months) $A
1.8	Net operating cash flows (carried forward)	291,967	1,203,527
	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	(34,815)	(37,435)
	(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 (MicroStreak Parts)		
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	(34,815)	(37,435)
1.14	**Total operating and investing cash flows**	257,152	1,166,092
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	16,800	16,800
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)		
	Net financing cash flows	16,800	16,800
	Net increase (decrease) in cash held	273,952	1,182,892
1.21	Cash at beginning of quarter/year to date	1,781,972	875,864
1.22	Exchange rate adjustments	24,448	21,616
1.23	**Cash at end of quarter**	2,080,372	2,080,372

+ 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	135,969
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 the Directors including remuneration paid to the Managing Director.

Item 1.24 also includes amounts paid to Popper & Co. This is a company controlled by Caroline Popper, Director of LBT Innovations Ltd. Popper & Co was engaged to provide consultancy services to the company and was paid $11,273 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

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

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	40,000	28,632

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	715,372	766,972
4.2	Deposits at call		
4.3	Bank overdraft		
4.4	Other (Term Deposits)	1,365,000	1,015,000
	Total: cash at end of quarter (item 1.23)	2,080,372	1,781,972

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: .... Date: ...31/1/14...
(Company Secretary)

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.

+ See chapter 19 for defined terms.