



# CERAMIC FUEL CELLS LIMITED

*Clean power for your home*

29 October 2007

## Quarterly Cash Flow Report

Ceramic Fuel Cells Limited, (AIM / ASX: CFU) a leading manufacturer of solid oxide fuel cells and provider of enabling technology for micro-combined heat and power (m-CHP) units and distributed generation, has released its cash flow report for the quarter ended 30 September 2007. This is available on the company's website: [www.cfcl.com.au](http://www.cfcl.com.au) and also as set out below.

## Shareholder Open Day

The Company is holding a Shareholder Open Day at its head office and factory at 170 Browns Road, Noble Park, Melbourne, from 10.00 – 11.30 am on **Wednesday 12 December 2007**.

To register, shareholders should phone +613 9554 2300 or email [receptionist@cfcl.com.au](mailto:receptionist@cfcl.com.au). Numbers are limited. Please have your shareholder SRN or HIN handy when registering.

## Webcast

Managing Director Mr Brendan Dow discusses the Company's progress and outlook in a webcast interview on Boardroomradio. To listen, simply click [here](#).

ENDS

**For further information please contact:**

**Ceramic Fuel Cells**  
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## About CFCL

Ceramic Fuel Cells Limited is a leader in developing solid oxide fuel cell (SOFC) technology which can provide reliable, energy efficient, high-quality, and low-emission electricity from widely available natural gas and renewable fuels. CFCL is developing SOFC products for small-scale on-site micro combined heat and power (m-CHP) and distributed generation units that co-generate electricity and heat for domestic use. CFCL is listed on the London Stock Exchange AIM market and the Australian Securities Exchange (code CFU).

[www.cfcl.com.au](http://www.cfcl.com.au)

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

**CERAMIC FUEL CELLS LIMITED**

ABN

**82 055 736 671**

Quarter ended ("current quarter")

**30 SEPTEMBER 2007**

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from customers	4	4
1.2 Payments for		
(a) staff costs <sup>1</sup>	(2,668)	(2,668)
(b) advertising and marketing <sup>2</sup>	(283)	(283)
(c) research and product development <sup>3</sup>	(962)	(962)
(d) leased assets	-	-
(e) other working capital	(1,635)	(1,635)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	615	615
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other		
- Net GST Received/(Paid)	343	343
- Export Market Development Grant received	-	-
- Sundry income received	1	1
<b>Net operating cash flows</b>	<b>(4,585)</b>	<b>(4,585)</b>

#### Notes

1. 'Staff costs' includes all company labour and associated headcount costs, and therefore incorporates all Research & Product Development (R&PD) staff, Sales & Marketing (S&M) staff and General & Administrative (G&A) staff.
2. 'Advertising and marketing' excludes all S&M staff costs (as per note 1 above).
3. 'Research and product development' costs includes all R&PD costs as defined in Note 1(e) to the Financial Statements for the year ended 30 June 2006, but excludes all R&PD staff costs (as per note 1 above).

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

		Current quarter \$A'000	Year to date (3 months) \$A'000
1.8	Net operating cash flows (carried forward)	(4,585)	(4,585)
<b>Cash flows related to investing activities</b>			
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	(2,414)	(2,414)
	(e) other non-current assets	-	-
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	-	-
	<b>Net investing cash flows</b>	<b>(2,414)</b>	<b>(2,414)</b>
<b>1.14</b>	<b>Total operating and investing cash flows</b>	<b>(6,999)</b>	<b>(6,999)</b>
<b>Cash flows related to financing activities</b>			
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 - Financial assets: Net proceeds/(Net payments) <sup>1</sup>	6,957	6,957
	Other - Share issue costs	-	-
	<b>Net financing cash flows</b>	<b>6,957</b>	<b>6,957</b>
	<b>Net increase (decrease) in cash held</b>	<b>(42)</b>	<b>(42)</b>
1.21	Cash at beginning of quarter/year to date	3,658	3,658
	Reclassification of security deposits <sup>2</sup>	(174)	(174)
1.22	Exchange rate adjustments on foreign currency cash balances	(117)	(117)
1.23	<b>Cash at end of quarter</b>	<b>3,325</b>	<b>3,325</b>
	Funds held in Financial Assets	49,379	49,379
	<b>Total Cash and Financial Assets</b>	<b>52,704</b>	<b>52,704</b>

1. The net proceeds from/(payments for) the disposal and purchase of the company's investments are at item 1.20.
2. Under AIFRS cash deposits held as security do not meet the definition of cash and cash equivalents.

**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	90
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.	

**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

NIL
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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
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**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	-	-
3.2	Credit standby arrangements	-	-

## 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	3,325	3,484
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other		
- Security deposits <sup>1</sup>	-	174
<b>Total: cash at end of quarter (item 1.23)</b>	<b>3,325</b>	<b>3,658</b>
Financial Assets	49,379	56,709
<b>Total Cash and Financial Assets at end of quarter</b>	<b>52,704</b>	<b>60,367</b>

1. Under AIFRS cash deposits held as security do not meet the definition of cash and cash equivalents.

## 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	Not applicable	Not applicable
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: 25 October 2007

Print name: David Carruthers  
 Director

## 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.