



# CERAMIC FUEL CELLS LIMITED

*Clean power for your home*

24 October 2008

## Ceramic Fuel Cells Limited

### Quarterly Cash Flow Report

Ceramic Fuel Cells Limited, (AIM / ASX: CFU) a leading developer of high efficiency and low emission microgeneration products for homes, today releases its quarterly cash flow report for the period ended 30 September 2008.

**Managing Director Mr Brendan Dow discusses the quarterly review in a webcast on [Boardroomradio](#) – [click here](#) or go to [www.brr.com.au/cfu](http://www.brr.com.au/cfu).**

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#### **About CFCL**

**Ceramic Fuel Cells Limited** is a world leader in developing solid oxide fuel cell (SOFC) technology to provide reliable, highly efficient and low-emission electricity from widely available natural gas and renewable fuels. CFCL is developing SOFC products for micro combined heat and power (m-CHP) and distributed generation units that generate electricity and heat for homes.

CFCL is developing m-CHP products with leading appliance partners and utility customers in Germany (EWE and Bruns Heiztechnik), France (Gaz de France and De Dietrich Thermique), the United Kingdom (E.On UK Ltd and Gledhill Water Storage Ltd), Holland (Nuon and Remeha), and Japan (Paloma). 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 2008**

### 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	214	214
1.2 Payments for		
(a) staff costs <sup>1</sup>	(2,827)	(2,827)
(b) advertising and marketing <sup>2</sup>	(168)	(168)
(c) research and product development <sup>3</sup>	(460)	(460)
(d) leased assets	-	-
(e) other working capital	(56)	(56)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	837	837
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other		
- Net GST/VAT Received/(Paid)	310	310
- Export Market Development Grant received	-	-
- Sundry income received	24	24
<b>Net operating cash flows</b>	<b>(2,126)</b>	<b>(2,126)</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 2008, 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)	(2,126)	(2,126)
<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	(2,620)	(2,620)
	(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 – Security deposits decreased (increased)	(1)	(1)
	<b>Net investing cash flows</b>	<b>(2,621)</b>	<b>(2,621)</b>
<b>1.14</b>	<b>Total operating and investing cash flows</b>	<b>(4,747)</b>	<b>(4,747)</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>	-	-
	Other - Share issue costs	-	-
	<b>Net financing cash flows</b>	<b>-</b>	<b>-</b>
	<b>Net increase (decrease) in cash held</b>	<b>(4,747)</b>	<b>(4,747)</b>
1.21	Cash at beginning of quarter/year to date	12,651	12,651
1.22	Exchange rate adjustments on foreign currency cash balances	514	514
1.23	<b>Cash at end of quarter</b>	<b>8,418</b>	<b>8,418</b>
	Funds held in Financial Assets <sup>2</sup>	22,086	22,086
	<b>Total Cash and Financial Assets</b>	<b>30,504</b>	<b>30,504</b>

- The net proceeds from/(payments for) the disposal and purchase of the company's investments are at item 1.20
- Funds held in Financial Assets excludes the Group's investment in credit linked notes. It was announced on 17 October 2008 that this investment is likely to be subject to an impairment charge in the accounts for the half-year to 31 December 2008.

**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	60
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

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. (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	5,452	3,101
4.2 Cash equivalents	2,966	9,550
4.3 Bank overdraft	-	-
4.4 Other	-	-
<b>Total: cash at end of quarter (item 1.23)</b>	<b>8,418</b>	<b>12,651</b>
Financial Assets <sup>1</sup>	22,086	30,649
<b>Total Cash and Financial Assets at end of quarter</b>	<b>30,504</b>	<b>43,300</b>

1. Financial Assets excludes the Group's investment in credit linked notes. It was announced on 17 October 2008 that this investment is likely to be subject to an impairment charge in the accounts for the half-year to 31 December 2008.

## Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
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

- 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.
- This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 24 October 2008

Print name: Jeff Harding  
 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.