Innovative BioMedical Devices
bioMD Limited ABN 35 088 221 078

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bioMD LIMITED

ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE

12 February 2008

Company Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Half Yearly Report (Appendix 4D) for the 6 months ended 31 Dec 2007

The Directors of bioMD Limited (the "Company") are pleased to announce the operating results of the Company for the 6 months ended 31 December 2007 comprising:

- Appendix 4D;
- Directors' Report;
- Financial Report;
- Directors' Declaration; and
- Audit Report and Independence Declaration.

Yours faithfully,

C. Bentley

Caroline Bentley
Company Secretary

Appendix 4D

Half Yearly Report

Name of Entity:	bioMD Limited
ABN:	35 088 221 078
Reporting Period:	Half year ended 31 December 2007
Previous corresponding Period:	Half year ended 31 December 2006

Results for Announcement to the Market **$A'000**

Revenues from ordinary activities	down	13.5%	to	52
Loss from ordinary activities after tax	up	2.6%	to	(804)
Loss for the period attributable to members	up	2.6%	to	(703)

Dividends	**Amount per security**	**Franked amount per security**
Interim dividend	NIL¢	NIL¢
Previous corresponding period	NIL¢	NIL¢

Results Commentary

The loss for the period after income tax was $804k compared to $784k for the same period in the prior year. Cash at bank as at 31 December 2007 was $1.88 million for the consolidated entity.

During the period work continued on the following:

- Preparation of CardioCel product for the Phase II Human Clinical Trial to be conducted in South Africa;
- Set up and commissioning of production facility at Royal Perth Hospital's CCTWA unit;
- Completion of a 12 month comparative patch study;
- Commencement of pre-clinical animal trials of bovine peritoneum and kangaroo tendons;
- Implementation of a Quality Assurance System for Celxcel Pty Ltd; and
- Ongoing discussions with Global Medical Device company partners.

Net Tangible assets per security

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	**2.14 cents per share**	1.92 cents per share

Control gained over entities having material effect

N/A

Loss of control of entities having material effect

N/A

Details of aggregate share of profits (losses) of associated and joint venture entities

N/A

This report is based on:

The accounts have been subject to review.

Sign here: C. Bentley (Company Secretary) **Date:** 12 February 2008

Print name: Caroline L. Bentley

(ACN 088 221 078)

CONSOLIDATED HALF-YEAR REPORT 31 DECEMBER 2007

CORPORATE DIRECTORY

Directors

Robert N Scott – Non Executive Chairman
Michael C Bennett – Managing Director
Robert E Towner – Executive Director

Company Secretary

Caroline L Bentley

Company and Registered Office

Level 11, 225 St Georges Terrace
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Auditors

BDO Kendalls Audit and Assurance (WA) Pty Limited
128 Hay Street
Subiaco, Western Australia 6008

Solicitors

Price Sierakowski
Level 24, St Martins Tower,
44 St Georges Terrace
Perth, Western Australia 6000

Bankers

National Australia Bank
1238 Hay Street
West Perth, Western Australia 6005

Stock Exchange Listing

Australian Stock Exchange codes:
BOD (ordinary shares)
BODO (listed options)

DIRECTORS' REPORT

The Directors present the half-yearly financial report on the consolidated entity (referred to hereafter as the 'Consolidated entity' or 'Group') consisting of bioMD Limited and its controlled entity for the half-year ended 31 December 2007.

DIRECTORS

The following persons were Directors of the Company during the half-year and up to the date of this report:
Robert N Scott
Michael C Bennett
Robert E Towner

PRINCIPAL ACTIVITIES

The principal activities of the Group during the half-year consisted of:
- Research and development of the ADAPT process used in the production of biomaterials derived from animal tissue for use as bioimplants for human use;
- CSIRO collaboration; and
- the commercialisation and development of medical therapy products.

REVIEW OF OPERATIONS AND RESULTS

The consolidated operating loss for the half-year:

	31 Dec 2007	31 Dec 2006
	$	$
Loss before income tax	**(803,888)**	(783,646)
Income tax benefit	**-**	-
Loss for the year	**(803,888)**	(783,646)

Revenues of $52,058 were recorded for the half-year (2006: $60,199) from interest income and office lease rental.

During the half-year an agreement was entered into for the manufacture of the CardioCel patches for the Phase II human clinical trial in South Africa, with the Ray & Bill Dobney Cell and Tissue Therapies WA manufacturing unit at Royal Perth Hospital. The trial is expected to commence during the first quarter of calendar year 2008.

Research with pre-clinical animal trials has also continued. The 12-month comparative patch study was completed, with positive results indicating that the ADAPT treated biomaterial patch had less fibrosis or calcification compared to the commercially available patches. Pre-clinical trials commenced to investigate the use of bovine peritoneum and kangaroo rail tendons, treated using the ADAPT process for use in orthopaedic applications.

SHARE CAPITAL

During the period, 1,566,119 ordinary shares and 6,264,476 options were issued and listed on 14 December 2007 under a rights issue prospectus dated 22 August 2007. The funds raised of $311,224 were applied to working capital.

Details of the options issued are as follows:

Grant Date	*No. issued*	*Expiry Date*	*Exercise Price*
14 Dec 2007	6,264,476	30 August 2010	$A0.25

During the period 35,494 ordinary shares were issued upon the exercise of options at 20 cents per option.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes have occurred in the state of affairs of the consolidated entity.

DIVIDENDS

No dividend was paid during the half-year and the Board has not recommended the payment of a dividend.

EVENTS SUBSEQUENT TO BALANCE DATE

No material subsequent events have occurred since 31 December, 2007.

There has not arisen in the interval between the end of the mid-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

AUDITORS INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached.

This report is made in accordance with a resolution of the Directors.

Robert N Scott
Chairman

Dated at Perth, Western Australia this 12th day of February 2008.

bioMD LIMITED (ACN 088 221 078) AND CONTROLLED ENTITIES

CONSOLIDATED INCOME STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

		Half-Year	
	Note	**31 Dec 2007**	31 Dec 2006
		$	$
Revenue from continuing operations	2	**52,058**	60,199
Administrative expenses		**(634,805)**	(644,303)
Employee benefits expense		**(74,212)**	(175,052)
Depreciation expense		**(3,019)**	(7,656)
Asset write downs		**-**	(6,990)
Impairment		**(143,910)**	(9,844)
Loss before income tax		**(803,888)**	(783,646)
Income tax expense		**-**	-
Loss for the half-year		**(803,888)**	(783,646)
Loss attributable to minority interest		**101,025**	62,143
Loss attributable to members of the Company		**(702,863)**	(721,503)
Earnings per share (cents per share)		**Cents**	**Cents**
Basic earnings per share		**(0.83)**	(0.92)
Diluted earnings per share		**(0.80)**	(0.92)

The above consolidated income statements should be read in conjunction with the accompanying notes.

bioMD LIMITED (ACN 088 221 078) AND CONTROLLED ENTITIES

CONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER 2007

	Note	31 Dec 2007	30 June 2007
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		**1,882,977**	2,146,964
Trade and other receivables		**69,384**	191,384
Tax receivable		**-**	219,635
Total current assets		**1,952,361**	2,557,983
Non-current assets			
Property, plant & equipment		**31,732**	25,756
Total non-current assets		**31,732**	25,756
Total assets		**1,984,093**	2,583,739
LIABILITIES			
Current liabilities			
Payables		**76,123**	221,242
Borrowings		**38,772**	20,013
Total current liabilities		**114,895**	241,255
Non-current liabilities			
Provisions		**33,799**	3,800
Total non-current liabilities		**33,799**	3,800
Total liabilities		**148,694**	245,055
NET ASSETS		**1,835,399**	2,338,684
EQUITY			
Contributed equity	8	**8,141,665**	7,848,502
Reserves		**153,010**	145,570
Accumulated losses		**(6,691,480)**	(5,988,617)
Parent entity interest		**1,603,195**	2,005,455
Minority interest		**232,204**	333,229
TOTAL EQUITY		**1,835,399**	2,338,684

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

bioMD LIMITED (ACN 088 221 078) AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

	CONSOLIDATED					
	Share Capital $	Reserves $	Retained Earnings $	Total $	Minority Interest $	Total Equity $
Balance at 1 July 2006	**6,663,270**	**24,090**	**(3,899,430)**	**2,787,930**	**584,388**	**3,372,318**
Net loss for the half-year	-	-	(721,503)	(721,503)	(62,143)	(783,646)
Shares issued (net of transaction costs)	161,815	-	-	161,815	-	161,815
Staff options	-	121,480	-	121,480	-	121,480
Minority interest on acquisition of subsidiary	-	-	-	-	(240,000)	(240,000)
Balance at 31 Dec 2006	**6,825,085**	**145,570**	**(4,620,933)**	**2,349,722**	**281,745**	**2,631,467**
Balance at 1 July 2007	**7,848,502**	**145,570**	**(5,988,617)**	**2,005,455**	**333,229**	**2,338,684**
Net loss for the half-year	-	-	(702,863)	(702,863)	(101,025)	(803,888)
Shares issued (net of transaction costs)	293,163	-	-	293,163	-	293,163
Staff options	-	7,440	-	7,440	-	7,440
Balance at 31 Dec 2007	**8,141,665**	**153,010**	**(6,691,480)**	**1,603,195**	**232,204**	**1,835,399**

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

bioMD LIMITED (ACN 088 221 078) AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

	Note	Half-Year **31 Dec 2007** **$**	 31 Dec 2006 $
Cash flows from operating activities			
Receipts from customers		**6,000**	3,569
Payments to suppliers		**(450,207)**	(872,610)
		(444,207)	(869,041)
Interest received		**39,962**	55,945
Net cash outflow from operating activities		**(404,245)**	(813,096)
Cash flows from investing activities			
Payments for property, plant & equipment		**(8,995)**	(6,458)
Payments for intangible assets		**(143,910)**	(16,444)
Payments for purchase of subsidiary, net of cash acquired		**-**	(147,150)
Net cash outflow from investing activities		**(152,905)**	(170,052)
Cash flows from financing activities			
Repayment of borrowings		**-**	(10,671)
Proceeds from share issues		320,203	-
Share issue transaction costs		(27,040)	-
Net cash inflow/(outflow) from financing activities		**293,163**	(10,671)
Net decrease in cash held		**(263,987)**	(993,819)
Cash at the beginning of the half-year		**2,146,964**	2,745,262
Cash at end of the half-year		**1,882,977**	1,751,443

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

bioMD LIMITED (ACN 088 221 078) AND CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the *Corporations Act 2001,* applicable Accounting Standards including Accounting Standard AASB 134 *Interim Financial Reporting* and other mandatory professional reporting requirements. The half-year financial report has been prepared in accordance with the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value though profit and loss.

This half-year financial report does not include all the notes of the type normally included within the annual financial report and accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2007 and any public announcements made by bioMD Limited during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2. REVENUE FROM CONTINUING OPERATIONS

	2007	2006
	$	$
Revenue from continuing operations		
Interest from other parties	**46,058**	54,199
Sub-lease rental income	**6,000**	6,000
Total revenue	**52,058**	60,199

3. EXPENSES

Loss for the half-year before income tax includes the following specific expenses:		
Consultancy costs	**380,489**	260,945
Rental expense relating to operating leases	**13,285**	12,805
Depreciation – Plant and equipment	**3,019**	7,656
Impairment of assets		
Intangibles – Patents	**143,910**	9,884
Employee benefits expense		
Salary and wages	**25,930**	26,039
Leave provisions	**26,432**	(7,109)
Other benefits	**21,849**	34,642
Share based payments – equity settled	**7,440**	121,480

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

4. SUBSEQUENT EVENTS

No material subsequent events have occurred since 31 December 2007.

There has not arisen in the interval between the end of the mid-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

5. EARNINGS PER SHARE

	2007 Number	2006 Number
Weighted average number of ordinary shares used in the calculation of basic earnings per share	**84,510,053**	73,648,459

6. SEGMENT INFORMATION

Business Segments

The Company operates in two primary business segments:

- the development and commercialisation of medical therapy products; and
- the development of bioimplants.

Geographical Segments

The Company's operations are based primarily in Australia.

Primary reporting format – Business Segments

Half-year 2007	Medical therapy products $	Bioimplants $	Eliminations $	Consolidated $
Total segment revenue	187,292	20,766	(156,000)	52,058
Segment loss after income tax	(377,262)	(426,626)	-	(803,888)
Segment assets	2,338,969	581,752	(936,628)	1,984,093
Segment liabilities	76,944	71,749	-	148,693
Acquisition of non-current assets	8,995	-	-	8,995
Depreciation	1,498	1,521	-	3,019
Impairment of intangibles	8,195	135,715	-	143,910

6. SEGMENT INFORMATION (continued)

Half-year 2006	Medical therapy products $	Bioimplants $	Eliminations $	Consolidated $
Total segment revenue	171,407	10,792	(122,000)	60,199
Segment loss after income tax	(565,600)	(218,046)	-	(783,646)
Segment assets	2,589,049	324,010	109,176	3,022,235
Segment liabilities	17,811	52,527	320,430	390,768
Acquisition of non-current assets	5,835	623	-	6,458
Depreciation	5,989	1,667	-	7,656
Asset write-down	6,990	-	-	6,990
Impairment of intangibles	9,844	-	-	9,844

7. DIVIDENDS

No dividends have been declared or paid during the period.

8. CONTRIBUTED EQUITY

	2007 Shares	2006 Shares	**2007 $**	2006 $
(a) Share capital				
Issued and ordinary shares	85,909,969	73,808,355	8,141,665	6,825,085
(b) Movements in ordinary share capital				
Opening balance	**84,308,356**	70,866,251	**7,848,502**	6,663,270
Issued pursuant to rights issue	**1,566,119**	-	**313,224**	-
Issued on exercise of options	**35,494**	-	**6,979**	-
Issued on purchase of CXC	-	2,942,108	-	161,815
Share issue costs	-	-	**(27,040)**	**-**
Closing balance at the end of half- year	**85,909,969**	73,808,355	**8,141,665**	6,825,085

9. CONTINGENT LIABILITIES

There have been no changes in contingent liabilities or contingent assets since the last annual reporting date, 30 June 2007.

bioMD LIMITED (ACN 088 221 078) AND CONTROLLED ENTITIES

DIRECTORS' DECLARATION

In the Directors' opinion:

(a) the financial statements of the consolidated entity are in accordance with the Corporations Act 2001; including:

   (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

   (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance, as represented by the results of its operations, changes in equity and cash flows, for the half-year ended on that date; and

(b) there are reasonable grounds to believe that bioMD Limited will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations by the managing director and the chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Directors.

ROBERT N SCOTT
Chairman

Perth, Western Australia

Dated this 12th day of February 2008

BDO Kendalls

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF bioMD LIMITED

We have reviewed the accompanying half-year financial report of bioMD Limited, which comprises the condensed balance sheet as at 31 December 2007, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year in order for the disclosing entity to lodge the half-year financial report with the Australian Securities and Investments Commission.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of bioMD Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's review report was made.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of bioMD Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

BDO Kendalls Audit & Assurance (WA) Pty Ltd

BDO Kendalls

Peter Toll

Peter Toll
Director

Perth, Western Australia
Dated this 12th day of February 2008

BDO Kendalls

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ABN 79 112 284 787

12 February 2008

The Directors
bioMD Limited
Level 11, 225 St Georges Terrace
PERTH WA 6000

Dear Sirs

DECLARATION OF INDEPENDENCE BY BDO KENDALLS TO THE DIRECTORS OF bioMD LIMITED

To the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

- no contraventions of any applicable code of professional conduct in relation to the review.

Yours faithfully
BDO Kendalls Audit & Assurance (WA) Pty Ltd

BDO Kendalls
Peter Toll

Peter Toll
Director