

28 February 2014

The Companies Announcements Office
The Australian Stock Exchange Limited
Sydney NSW

Appendix 4D – Half Year Report

1. Name of Entity **Bioxyne Limited**
ABN 97 084 464 193

Half year ended 31 December 2013

Reporting period 1 July 2013 to 31 December 2013

Previous period 1 July 2012 to 31 December 2012

2. Results for announcement to the market

	31 December 2013 \$	31 December 2012 \$	% Change
2.1 Revenues from continuing operations	1,043,312	398,926	162%
2.2 Profit (loss) from continuing operations after tax attributable to members	169,644	(1,045,029)	N/M
2.3 Net profit (loss) attributable to members	169,644	(1,045,029)	N/M
2.4 Proposed dividends	Nil	Nil	N/M
2.5 Not applicable			

2.6 Through renewed efforts in marketing and development, the Company experienced strong sales from the probiotics business (PCC®), with revenue above expectations. This impacted positively on the company's working capital.

The Company has also maintained a strict cost management strategy in the period, substantially reducing the ongoing operating costs from the same period last year. In the period to 31 December 2013, the Company did not incur R&D expenses (2012: \$406,850) as it reviewed and sought to divest the HI 164 asset.

The Research and Development tax incentive claim for wholly owned subsidiary Hunter Immunology Pty Ltd was lodged with the Australian Taxation Office and the claim of \$370,785 was received on 3 October 2013, further bolstering the working capital position of the Company.

3. Net tangible asset (liability) per security 0.21 cents 3.1 cents

4. The company did not gain or lose control over any other entity during the reporting period. It had signed a non-binding agreement to divest its wholly-owned subsidiary, Hunter Immunology Pty Ltd but this transaction was not completed in the period.
5. There were no payments of dividends during the reporting period.
6. There is no dividend reinvestment plan in operation.
7. There are no associates or joint venture entities.
8. The company is not a foreign entity.
9. The accounts are not subject to any audit dispute or qualification.

The company's half year report follows.

Yours sincerely,



Jarrod T White
Company Secretary
28 February 2014



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BIOXYNE LIMITED

ABN 97 084 464 193

**Interim Financial Report
For the Half-Year ended 31 December 2013**



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**Bioxyne Limited Half-Year Report
31 December 2013**

Corporate Information

This half-year report covers Bioxyne Limited and its wholly owned subsidiary (the "Group"). The Company's functional and presentation currency is AUD.

A description of the Company's operation and of its principal activities is included in the review of operations and activities in the Directors' report on page 3. The Directors' report has not been reviewed by the auditors and does not form part of the financial report.

Directors

Mr A. P Ho
Mr J. C Cook
Mr. P. Ford

Company Secretary

Mr J. T White

Auditors

RSM Bird Cameron Partners
Level 12, 60 Castlereagh Street,
SYDNEY NSW 2000

Banker

National Australia Bank Limited

Share Register

Computershare Financial Services Pty Limited
Level 12, 565 Bourke Street,
MELBOURNE VIC 3001

Principal Solicitors

Addisons Lawyers
Level 12, 60 Carrington Street
Sydney, NSW 2000

Internet Address

www.bioxyne.com



Bioxyne Limited Directors' Report

Your directors present their report of Bioxyne Limited (ASX: BXN) and its wholly owned subsidiary (the "Group") for the half -year ended 31 December 2013.

Directors

The following persons were directors of Bioxyne Limited during the half year and up to the date of this report:

Anthony Ho	Non-executive chairman
Jeremy Curnock Cook	Non-executive director
Patrick Douglas Ford	Non-executive director

Chief Executive Officer

Dr Phillip Comans (Resigned 2 December 2013)

Company Secretary

Mr Jarrod White

Review of operations

During the period to 31 December 2013 the focus of management was on continued cash flow management through generating sales and minimising operating costs.

Through renewed efforts in marketing and development, the Company experiences strong sales from the probiotics business (PCC®), with revenue above expectations. This impacted positively on the company's working capital.

The Research and Development tax incentive claim for wholly owned subsidiary Hunter Immunology Pty Ltd was lodged with the Australian Taxation Office and the claim of \$370,785 was received on 3 October 2013, further bolstering the working capital position of the Company.

Your Board continues to evaluate projects that may be appropriate for the Company. The Company had signed a non binding heads of agreement for the divestment of the Company's Hi 164 project during the period but the divestment had not been completed by balance date.



Bioxyne Limited
Directors' Report (Cont.)

Events Occurring After the Balance Sheet Date

The Company's sale of its subsidiary, Hunter Immunology Pty Limited, was completed on 24 February 2014.

Total consideration of the Company's divestment of Hunter, including the COPD related HI-164 intellectual property, was:

- Cash on completion of \$157,500;
- Assumption of \$60,000 debt by the acquirer, Mariposa Health Limited;
- Shares in the acquirer to the value of \$325,000;
- Deferred consideration of \$1 million on commercialisation of HI-164, subject to agreed milestones in the next 5 years;
- Ongoing royalty of 2% to 6.5% subject to successful commercialisation of HI-164 and the prospective structure of such commercialisation.

There were no other significant subsequent events that have occurred since balance date.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 5 of the half-year report.

Signed in accordance with a resolution of directors made pursuant to s306 (3) of the Corporations Act 2001.

On behalf of the Directors,

A handwritten signature in black ink, appearing to read "Anthony Ho".

Anthony Ho
Chairman

28 February 2014

RSM Bird Cameron Partners
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GPO Box 5138 Sydney NSW 2001
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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Bioxyne Limited for the half year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



G N SHERWOOD
Partner

Sydney, NSW
Dated: 28 February 2014



Bioxyne Limited

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Half-Year ended 31 December 2013**

	Consolidated Group	
	Half-year ended 31 December 2013	Half-year ended 31 December 2012
	\$	\$
Revenue from continuing operations		
Sale of goods	1,043,312	398,926
Other income	114,717	2,168
Cost of goods sold	(583,637)	(194,136)
Expenses		
Research and development	-	(406,850)
Business development	-	(32,885)
Legal and professional expenses	(220,589)	(494,246)
Employee and directors' benefits	(60,484)	(441,041)
Marketing	-	(17,362)
General and administration	(121,911)	(347,853)
Finance costs	(1,764)	(31,205)
Profit / (loss) before income tax	169,644	(1,564,484)
Income tax benefit	-	519,455
Other comprehensive income for the period, net of income tax	-	-
Total comprehensive income / (loss) for the period	169,644	(1,045,029)
Profit / (loss) attributable to:		
Members of Bioxyne Limited	169,644	(1,045,029)
Earnings per share		
<i>From continuing operations</i>		
- Basic earnings per share	0.0010	(0.0066)
- Diluted earnings per share	0.0010	(0.0066)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.



Bioxyne Limited
Consolidated Statement of Financial Position
As at 31 December 2013

	Consolidated Group	
	As at 31 December 2013 \$	As at 30 June 2013 \$
ASSETS		
Current Assets		
Cash and cash equivalents	423,562	210,621
Current tax receivables	12,120	370,785
Trade and other receivables	475,843	119,667
Total Current Assets	911,525	701,073
Non-Current Assets		
Property plant and equipment	891	1,147
Total Non-Current Assets	891	1,147
Total Assets	912,416	702,220
LIABILITIES		
Current Liabilities		
Trade and other payables	504,200	912,949
Total Current Liabilities	504,200	912,949
Total Liabilities	504,200	912,949
Net Assets / (Liabilities)	408,216	(210,729)
EQUITY		
Contributed equity	28,452,930	28,126,933
Reserves	123,304	640,280
Accumulated losses	(28,168,018)	(28,977,942)
Total Equity / (Deficiency)	408,216	(210,729)

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.



Bioxyne Limited
Consolidated Statement of Changes in Equity
For the Half-Year ended 31 December 2013

	Contributed equity	Accumulated Losses	Reserves	Total
	\$	\$	\$	\$
2012				
At 1 July 2012	28,034,432	(22,897,526)	750,977	5,887,883
Loss after income tax for the half year	-	(1,045,029)	-	(1,045,029)
Other comprehensive income for the half year	-	-	-	-
Total comprehensive income for the half year	-	(1,045,029)	-	(1,045,029)
Contributions of equity, net of transaction costs	(65,000)	-	-	(65,000)
Options cancelled during the period		96,832	(96,832)	-
As at 31 December 2012	27,969,432	(23,845,723)	654,145	4,777,854
2013				
At 1 July 2013	28,126,933	(28,977,942)	640,280	(210,729)
Profit after income tax for the half year	-	169,644	-	169,644
Other comprehensive income for the half year	-	-	-	-
Total comprehensive income for the half year	-	169,644	-	169,644
Contributions of equity, net of transaction costs	325,997	-	123,304	449,301
Options cancelled during the period	-	640,280	(640,280)	-
As at 31 December 2013	28,452,930	(28,168,018)	123,304	408,216

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes



Bioxyne Limited
Consolidated Statement of Cash Flows
For the Half-Year ended 31 December 2013

	Consolidated Group	
	Half-year ended 31 December 2013	Half-year ended 31 December 2012
	\$	\$
Cash flows from operating activities		
Receipts of other income (inclusive of goods and services tax)	802,723	273,781
Payments to suppliers and employees (inclusive of goods and services tax)	(969,700)	(1,980,753)
	(166,977)	(1,706,972)
Research and development tax rebate	370,785	1,529,528
Finance charges	(1,764)	(31,205)
Interest received	1,649	1,964
Net cash provided by / (used in) operating activities	203,693	(206,685)
Cash flows from investing activities		
Proceeds from disposal of non-current assets	17,500	-
Net cash provided by investing activities	17,500	-
Cash flows from financing activities		
Loans from related parties	50,000	-
Repayment of loan	(50,000)	-
Costs of raising equity	-	(65,000)
Net cash (used in) financing activities	-	(65,000)
Net increase / (decrease) in cash and cash equivalents	221,193	(271,685)
Cash and cash equivalents at the beginning of the financial period	210,621	779,624
FX Adjustment	(8,252)	-
Cash and cash equivalents at end of the period	423,562	507,939

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.



Bioxyne Limited
Notes to the Financial Statements
For the Half-Year ended 31 December 2013

1 Summary of significant accounting policies

(a) Basis of preparation

These general purpose financial statements for the interim half year reporting period ended 31 December 2013 have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134 *Interim Financial Reporting*. Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards.

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Bioxyne Limited and its controlled entity. As such, it does not contain the information that represents relatively insignificant changes occurring during the half-year within the consolidated entity. It is recommended that this financial report be read in conjunction with the annual financial statements of the consolidated entity for the year ended 30 June 2013 together with any public announcements made during the half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

(b) Critical accounting estimates and judgements

There have been no significant changes to the critical accounting estimates and judgements applied and disclosed in the 30 June 2013 annual report. In addition to the critical accounting estimates and judgements in the 30 June 2013 annual report, the following critical judgments have been made by the Board for the 6 month period ended 31 December 2013.

i. Sale of Hunter Immunology Pty Limited

As stated in Note 4 below, the sale of Hunter Immunology Pty Limited, was completed on 24 February 2014. The company made an announcement to the ASX on 2 December 2013 that it had entered into a non-binding heads of agreement in respect of this transaction. The Company had considered other alternative transactions in respect of this and other business segments which did not proceed. The Board considered this in light of the requirements of AASB 5 'Non-current assets held for sale and discontinued operations', and concluded that the segment should not be disclosed as a Non-current assets held for sale and discontinued operations as at 31 December 2013 as there was still some uncertainty in respect of the probability of concluding the transaction.

(c) New and revised accounting requirements applicable to the current half- year reporting period.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.



Bioxyne Limited
Notes to the Financial Statements
For the Half-Year ended 31 December 2013

2 Segment information

Bioxyne operates in the bio-technology industry in Australia. The principal operations are to research, develop, market and distribute over the counter pharmaceutical products. Sales are made predominantly overseas.

Hunter immunology also operates in the bio-technology industry in Australia. Its current principal operations are to research and develop immunotherapeutics, which on successful development, Hunter Immunology will seek to commercialise the product.

The operations of Hunter Immunology were placed under care and maintenance throughout the period to 31 December 2013 whilst management evaluated the available options to capture value for shareholders.

The following table presents revenue and profit information and certain asset and liability information regarding geographical segments for the half year ended 31 December 2013 and 31 December 2012.

Segment revenues and results

	Segment revenue		Segment profit	
	Half-year ended 31 December 2013 \$	Half-year ended 31 December 2012 \$	Half-year ended 31 December 2013 \$	Half-year ended 31 December 2012 \$
Over the counter pharmaceutical	1,138,880	398,926	547,591	197,155
Immunotherapeutics	-	-	-	(432,100)
Other	19,149	2,168	18,735	2,168
Total for continuing operations	1,158,029	401,094	566,326	(232,777)
Central administration costs and directors salaries			(394,918)	(1,300,502)
Finance costs			(1,764)	(31,205)
Profit / (loss) before tax (continuing operations)			169,644	(1,564,484)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current period (2012: Nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1. Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, share of profits of associates, gain recognised on disposal of interest in former associate, investment income, gains and losses, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.



Bioxyne Limited
Notes to the Financial Statements
For the Half-Year ended 31 December 2013

2 Segment Information (Continued)

Segment assets

	Consolidated Group	
	As at 31 December 2013	As at 30 June 2013
	\$	\$
Over the counter pharmaceutical Immunotherapeutics	715,510 196,906	317,464 384,756
Total segment assets	912,416	702,220
Unallocated	-	-
Consolidated total assets	912,416	702,220

Segment liabilities

Over the counter pharmaceutical Immunotherapeutics	429,420 74,780	707,919 205,030
Total segment liabilities	504,200	912,949
Unallocated	-	-
Consolidated total liabilities	504,200	912,949

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than interests in associates, 'other financial assets' and current and deferred tax assets. Goodwill is allocated to reportable segments;
- Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- All liabilities are allocated to reportable segments other than borrowings, 'other financial, liabilities', current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.



Bioxyne Limited
Notes to the Financial Statements
For the Half-Year ended 31 December 2013

2 Segment Information (Continued)

Geographical information

	Australia		USA		Total	
	Dec 2013	Dec 2012	Dec 2013	Dec 2012	Dec 2013	Dec 2012
Revenue						
External sales	-	-	1,138,880	398,926	1,138,880	398,926
Other revenues from external customers	19,149	2,168	-	-	19,149	2,168
Segment revenue	19,149	2,168	1,138,880	398,926	1,158,029	401,094

Assets and liabilities

	Dec 2013	Jun 2013	Dec 2013	Jun 2013	Dec 2013	Jun 2013
Segment assets	458,077	595,321	454,339	106,899	912,416	702,220
Segment liabilities	313,117	689,640	191,083	223,309	504,200	912,949

3 Commitments

There were no commitments as at 31 December 2013.

4 Events Occurring After the Balance Sheet Date and Contingent Assets

The Company's sale of its subsidiary, Hunter Immunology Pty Limited, was completed on 24 February 2014.

Total consideration of the Company's divestment of Hunter, including the COPD related HI-164 intellectual property, was:

- Cash on completion of \$157,500;
- Assumption of \$60,000 debt by the acquirer, Mariposa Health Limited;
- Shares in the acquirer to the value of \$325,000;
- Deferred consideration of \$1 million on commercialisation of HI-164, subject to agreed milestones in the next 5 years;
- Ongoing royalty of 2% to 6.5% subject to successful commercialisation of HI-164 and the prospective structure of such commercialisation.

5 Dividends

There were no dividends paid, recommended or declared during the current or previous reporting period.



Bioxyne Limited
Directors Declaration
For the Half-Year ended 31 December 2013

Declaration by Directors

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 13, are in accordance with the Corporations Act 2001 including:
 - (a) compliance with Accounting Standard *AASB 134 Interim Financial Reporting*; and
 - (b) giving a true and fair view of the company's financial position as at 31 December 2013 and of its performance for the half year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

A handwritten signature in black ink, appearing to read "Anthony Ho", with a small horizontal line underneath.

Anthony Ho

Chairman

28 February 2014

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

Report on the Half-Year Financial Report

We have reviewed the accompanying Interim Financial Report of Bioxyne Limited which comprises the Consolidated Statement of Financial Position as at 31 December 2013, the Consolidated Statement of Profit and Loss and Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2013 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 Bioxyne 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*, which has been given to the directors of Bioxyne Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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 Bioxyne 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 2013 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*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS


G N SHERWOOD
Partner

Sydney, NSW
Dated: 28 February 2014