ASX RELEASE
FRIDAY, 25 FEBRUARY 2005

BIRON
CAPITAL LIMITED

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ABN 58 009 087 469

HALF YEAR ACCOUNTS

Friday 25 February 2005: Biron Capital Ltd (ASX: BIC) Please find attached Biron Capital Limited's half year accounts for the period ending 31 December 2004.

- ENDS -

FOR FURTHER INFORMATION PLEASE CONTACT:

John Corr
Executive Chairman
Biron Capital Limited
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Biron Capital Limited
ASX Half-Year Report –
31 December 2004

Lodged with the ASX under Listing Rule 4.2A.3

Contents

Biron Capital Limited
Half-Year ended 31 December 2004
(Previous corresponding period:
Half-Year ended 31 December 2003)

Results for Announcement to the Market

				$
Revenue from ordinary activities *(Appendix 4D item 2.1)*	Down	59.04%	to	643,002
Profit/(loss) from ordinary activities after tax attributable to members *(Appendix 4D item 2.2)*	Up	70.62%	to	(431,834)
Net profit/(loss) for the period attributable to members *(Appendix 4D item 2.3)*	Up	70.62%	to	(431,834)

Dividends/distributions *(Appendix 4D item 2.4, 2.5)*
The Directors do not propose to pay any dividends attributable to the half-year ended 31 December 2004. During the corresponding half-year ended 31 December 2003, a dividend of 1.5 cents per ordinary share, unfranked, was paid attributable to retained profits for the year ended 30 June 2003. The total amount of the dividend paid was $573,000.

Explanation of Operating Results *(Appendix 4D item 2.6)*

The reported loss for the half-year ended 31 December 2004 includes loan write-offs totalling $300,577 from non-performing loans.

During the half-year period the Company successfully recovered the balance of all other non-performing loans.

Over the past six months the company undertook an assessment of the property market and determined that the risk reward trade-off required the company to only offer short term mezzanine lending, restricted to low risk short term loans (ie. Loans with a maturity period of less than 6 months) and as such, during the period to 31 December 2004 the company did not write any new loans.

Due to the operation of a reduced loan book the board sought shareholder approval to undertake a capital return of 28 cents per share, along with a 4 for 1 consolidation of share capital which was approved by shareholders at the AGM held on 5th October 2004.

As a result of the aforementioned actions, the Company has commenced an assessment of its activities and undertaken a prudent reduction in costs, including a substantial reduction of its tenancy space at Level 3, 100 William Street Sydney.

Other Appendix 4E Information

NTA Backing *(Appendix 4D item 3)*

	2004	2003
Net tangible asset backing per ordinary share	36.5 cents	38.4 cents

Controlled entities acquired or disposed of *(Appendix 4D item 4)*

Disposed entities

No entity was disposed of during the half-year ended 31 December 2004.

Acquired entities

No control was gained over any entities during the half-year ended 31 December 2004.

Additional dividend/distribution information *(Appendix 4D item 5)*

N/A

Dividend reinvestment plans *(Appendix 4D item 6)*

N/A

Associates and Joint Venture entities *(Appendix 4D item 7)*

N/A

Foreign Accounting Standards *(Appendix 4D item 8)*

N/A

Auditors Review *(Appendix 4D item 9)*

This report is based on accounts which have been reviewed.

Refer to attached Biron Capital Limited 31 December 2004 Half-Year Report for complete review report.

BIRON
CAPITAL LIMITED

BIRON CAPITAL LIMITED

ABN 58 009 087 469

HALF–YEAR REPORT

31 DECEMBER 2004

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DIRECTORS' REPORT

Your directors are pleased to present their report for Biron Capital Limited at the end of the half-year ended 31 December 2004.

Directors

Unless otherwise stated the following persons were directors of Biron Capital Limited during the whole of the half-year and up to the date of this report:

John F Corr	(appointed 21st December 2004)
Gavin J Argyle	(appointed 20th January 2005)
George R W Snow	
Geoffrey G Hill	(resigned 20th January 2005)
H. Gavin Solomon	(resigned 20th January 2005)

Results

The loss for the half-year was $ 431,834 (2003: loss of $ 1,469,706) after an income tax expense of $Nil (2003:$Nil)

Review of operations

The reported loss for the half-year ended 31 December 2004 includes loan write-offs totalling $ 300,577 from non-performing loans.

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Due to the operation of a reduced loan book the board sought shareholder approval to undertake a capital return of 28 cents per share, along with a 4 for 1 consolidation of share capital which was approved by shareholders at the AGM held on 5th October 2004.

As a result of the aforementioned actions, the Company has commenced an assessment of its activities and undertaken a prudent reduction in costs, including a substantial reduction of its tenancy space at Level 3, 100 William Street Sydney.

Review of operations - continued

On 20 December 2004 the company received advice of a change in substantial shareholder. Mr George Snow holding a relevant interest in 34% of the ordinary share capital of the company ceased to be a substantial holder and no longer holds shares in the company.

The company received a subsequent notice of initial substantial shareholder from Mikado Corporation Pty Ltd as trustee for the JFC Superannuation Fund holding a relevant interest in 6.28% of the ordinary share capital of the company, controlled by Mr John Francis Corr.

The company further received a subsequent notice of initial substantial shareholder from Mr Adam Rankine-Wilson holding a relevant interest in 7.55% of the ordinary share capital of the company.

The company appointed Mr John F Corr as a director on 21st December 2004 and Mr Gavin J Argyle as a director on 20th January 2005 and accepted the resignation of Messrs Hill and Solomon on 20th January 2005.

Dividend

The Directors recommend that no dividend be paid attributable to the half-year ended 31 December 2004. (31/12/2003: Nil)

Net Tangible Asset Backing

As at 31 December 2004, the Company's Net Tangible Asset backing per ordinary share was 36.5 cents (31/12/2003: 38.4 cents.)

Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

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

John F. Corr
Executive Chairman

Perth
17 February, 2005

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Independent review report to the members of Biron Capital Limited

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Biron Capital Limited:

- does not give a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of Biron Capital Limited as at 31 December 2004 and of its performance for the half-year ended on that date, and
- is not presented in accordance with the *Corporations Act 2001*, Accounting Standard AASB 1029: *Interim Financial Reporting* and other mandatory financial reporting requirements in Australia, and the *Corporations Regulations 2001*.

This statement must be read in conjunction with the rest of our review report.

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Biron Capital Limited, for the half-year ended 31 December 2004.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review in order for the company to lodge the financial report with the Australian Securities and Investments Commission. Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements. For further explanation of a review, visit our website http://www.pwc.com/au/financialstatementaudit.

We performed procedures in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report does not present fairly, in accordance with the *Corporations Act 2001*, Accounting Standard AASB 1029: *Interim Financial Reporting* and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the consolidated entity's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our statement on the basis of the review procedures performed, which included:

- inquiries of company personnel, and
- analytical procedures applied to financial data.

Our procedures include reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

PricewaterhouseCoopers

P K Merret
Partner

Sydney
17 February 2005

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Auditors' Independence Declaration

As lead auditor for the review of Biron Capital Limited for the half year ended 31 December 2004, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the *review*; and
b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Biron Capital Limited during the period.

P K Merret
Partner

Sydney
15 February 2005

Directors' Declaration

The directors declare that the financial statements and notes set out on pages 8 to 13:

(a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(b) give a true and fair view of the consolidated entity's financial position as at 31 December 2004 and its performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.

In the directors' opinion:

(a) the financial statements and notes are in accordance with the Corporations Act 2001; and

(b) there are reasonable grounds to believe that Biron Capital Limited 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 directors.

John F. Corr
Executive Chairman

Perth
17 February, 2005

STATEMENT OF FINANCIAL PERFORMANCE
For the half-year ended 31 December 2004

	Notes	Half-Year 2004 $	Half-Year 2003 $
Revenue from operating activities		441,377	654,945
Investment income		201,625	106,607
Proceeds from sale of investments		-	808,128
Revenue from ordinary activities		643,002	1,569,680
Expenses			
Property finance expenses:			
Personnel		419,480	455,781
Occupancy and depreciation		136,183	65,280
Professional		33,043	33,557
Other property finance		82,427	143,281
Borrowing costs		-	82,121
Carrying amount of investments sold		-	777,541
Writedown on disposal of plant & equipment		103,126	-
Charge to provide for bad and doubtful debts		300,577	1,481,825
Expenses from ordinary activities		1,074,836	3,039,386
Net profit/(loss) from ordinary activities before income tax expense		**(431,834)**	**(1,469,706)**
Income tax expense		**-**	**-**
Net profit/(loss) attributable to members		**(431,834)**	**(1,469,706)**
		Cents	**Cents**
Basic earnings per share	6	(4.52)	(3.84)
Diluted earnings per share	6	(4.52)	(3.84)

The above consolidated statement of financial performance should be read in conjunction with the accompanying notes

STATEMENT OF FINANCIAL POSITION
For the half-year ended 31 December 2004

	31 December 2004 $	30 June 2004 $	31 December 2003 $
CURRENT ASSETS			
Cash	3,416,756	8,818,966	6,877,891
Receivables	148,385	-	-
Loans	-	5,850,215	8,171,923
Investments	-	-	-
Other	-	26,407	211,981
TOTAL CURRENT ASSETS	**3,565,141**	**14,695,588**	**15,261,795**
NON-CURRENTASSETS			
Receivables	-	22,530	22,530
Property, plant and equipment	17,656	144,239	156,034
TOTAL NON-CURRENT ASSETS	**17,656**	**166,769**	**178,564**
TOTAL ASSETS	**3,582,797**	**14,862,357**	**15,440,359**
CURRENT LIABILITIES			
Payables	90,876	210,948	486,427
Unearned income	-	-	242,066
Provisions	-	19,645	24,010
TOTAL CURRENT LIABILITIES	**90,876**	**230,593**	**752,503**
TOTAL LIABILITIES	**90,876**	**230,593**	**752,503**
NET ASSETS	**3,491,921**	**14,631,764**	**14,687,856**
EQUITY			
Contributed equity	8,583,671	19,291,680	19,276,046
Accumulated losses	(5,091,750)	(4,659,916)	(4,588,190)
TOTAL EQUITY	**3,491,921**	**14,631,764**	**14,687,856**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2004

	Half – Year	
	2004	**2003**
	$	**$**
Cash flows from operating activities		
Property finance and associated receipts	302,861	781,656
Payments to suppliers and employees	(765,118)	(693,034)
Interest received – investments	201,625	123,447
Borrowing costs	-	(188,745)
Net cash inflow from operating activities	**(260,632)**	**23,324**
Cash flows from investing activities		
Loans disbursed to other entities	(1,557,808)	(7,006,249)
Loans repaid by other entities	7,113,794	8,831,825
Proceeds from sale of investments	-	808,128
Payments for property, plant and equipment	-	(2,708)
Proceeds from sale of plant and equipment	10,445	-
Net cash inflow from investing activities	**5,566,431**	**2,630,996**
Cash flows from financing activities		
Payment for Capital Return	(10,708,009)	-
Dividends paid	-	(573,057)
Net cash inflow/(outflow) from financing activities	**(10,708,009)**	**(573,057)**
Net increase/(decrease) in cash held	(5,402,210)	2,081,267
Cash at beginning of financial year	8,818,966	4,796,624
Cash at end of financial year	**3,416,756**	**6,877,891**

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

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2004

Note 1. Basis of preparation of half-year financial report

This general purpose financial report for the interim half-year reporting period ended 31 December 2004 has been prepared in accordance with Accounting Standard AASB 1029 *Interim Financial Reporting*, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations* Act 2001.

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2004 and any public announcement made by Biron Capital Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations* Act 2001.

Unless otherwise stated, the accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Note 2. Segment Information

The consolidated entity operates predominately in the property finance industry operating in the Sydney market.

Note 3. Equity

Securities issued and/or transactions affecting securities on issue.

		Half-year 2004 Shares	Half-year 2003 Shares	Half-year 2004 $	Half-year 2003 $
Opening balance 1 July 2004		38,242,892		19,291,680	
Capital return	3(a)			(10,708,009	
4 for 1 consolidation	3(b)	(28,682,055)	-	-	-
Closing Balance 31 December 2004		**9,560,837**	-	**$ 8,583,671**	-

Note 3. Equity - Continued	Half-year 2004 Shares	Half-year 2003 Shares	Half-year 2004 $	Half-year 2003 $
Issues of ordinary shares during the half year				
Rights issue	-	12,734,659	-	4,392,838

Note 3(a)

On 5th October 2004 shareholders approved a resolution to return 28 cents per share.

Note 3(b)

On 5th October 2004 shareholders approved a consolidation of share capital on the basis of 1 share for every four shares on issue. As a result 38,242,892 shares were converted into 9,560,837 shares.

Secondary Options

Unlisted Options on issue as at 31 December 2004 were as follows:

	Expiry Date	Exercise Price	Number
Options at 1 July 2004	**31 May 2006**	**60 cents**	**39,086**
Add: Change in the number of options on issue and change in the exercise price due to the return of capital and 4 for 1 consolidation of share capital which took place during the half-year	31 May 2006	Reduced to: $ 0.32 following capital return of 28 cents Increased four fold to: $ 1.28 due to the 4 of 1 consolidation of ordinary share capital	Decreased four fold to: 9,778 due to the 4 of 1 consolidation of ordinary share capital
Options at 31 December 2004	**31 May 2006**	**$1.28**	**9,778**

Note 4. Dividends

	Half-year 2004 $	Half-year 2003 $
Ordinary Shares		
Dividends paid during the half-year	-	573,057

Note 5. Events occurring after reporting date

Since 31 December 2004 to the date of this report there has been no event of which the directors are aware which has a material effect on the Company or its financial position.

Note 6. Earnings per share

Basic and diluted earnings per share for the period ended 31/12/2004 has been adjusted for the 4 for1 consolidation of share capital.

Note 7. International Financial Reporting Standards (IFRS)

The Australian Accounting Standards Board (AASB) is adopting IFRS for application to reporting periods beginning on or after 1 January 2005. The AASB will issue Australian equivalents to IFRS, and the Urgent Issues Group will issue abstracts corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. The adoption of Australian equivalents to IFRS will be first reflected in the company's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006.

Entities complying with Australian equivalents to IFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of IFRS to that comparative period. Most adjustments required on transition to IFRS will be made, retrospectively, against opening retained earnings as at 1 July 2004.

The company will obtain appropriate professional advice regarding the transition to Australian equivalents to IFRS, including training of staff and system and internal control changes necessary to gather all the required financial information.

To date, no key differences have been identified requiring changes to accounting policies resulting from the transition to Australian equivalents to IFRS. However not all standards have been analysed as yet, and some decisions have not yet been made where choices of accounting policies are available. For these reasons it is not yet possible to quantify the impact of the transition to Australian equivalents to IFRS on the company's financial position and reported results.