

27 February 2015

The Companies Announcements Office
The Australian Securities 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 2014

Reporting period 1 July 2014 to 31 December 2014

Previous period 1 July 2014 to 31 December 2013

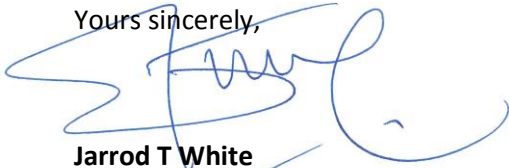
2. Results for announcement to the market

	31 December 2014	31 December 2013	% Change
	\$	\$	
2.1 Revenues from continuing operations	787,147	1,043,312	(24%)
2.2 Profit from continuing operations after tax attributable to members	213,566	304,606	(30%)
2.3 Net profit attributable to members	213,566	304,606	(30%)
2.4 Proposed dividends	Nil	Nil	N/M
2.5 Not applicable			
2.6 The Company appointed a consultant to undertake a strategic marketing review of the PCC [®] probiotic business. Initial reports confirm that the business is robust and capable of growth however there is a time lag for current and planned marketing activities to be realised into sales.			
3. Net tangible asset (liability) per security	0.1 cent	0.1 cent	

4. The Company did not gain or lose control over any other entity during the reporting 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
27 February 2015



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Sydney NSW 2072

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BIOXYNE LIMITED

ABN 97 084 464 193

**Interim Financial Report
For the Half-Year ended 31 December 2014**



Index

	Page
Corporate Information	2
Directors' Report	3
Auditor's Independence Declaration	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	16
Independent Auditor's Report to the Members	17

**Bioxyne Limited Half-Year Report
31 December 2014**

Corporate Information

This half-year report covers Bioxyne Limited. The Company's functional and presentation currency is AUD.

A description of the Company's operation 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

Anthony Ho	Non-executive Chairman
George Xavier Cameron-Dow	Non-executive Director (appointed 21 July 2014)
Patrick Douglas Ford	Non-executive Director
Jeremy Curnock Cook	Non-executive Director (resigned 21 July 2014)

Chief Financial Officer | Company Secretary

Mr Jarrod Travers 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

HWL Ebsworth
Level 14
Australia Square
264-278 George Street

Internet Address

www.bioxyne.com

Bioxyne Limited Directors' Report

Your directors present their report of Bioxyne Limited (ASX: BXN) for the half -year ended 31 December 2014.

Directors

The following persons were directors who held office during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Anthony Ho	Non-executive Chairman
George Xavier Cameron-Dow	Non-executive Director (appointed 21 July 2014)
Patrick Douglas Ford	Non-executive Director
Jeremy Curnock Cook	Non-executive Director (resigned 21 July 2014)

Chief Financial Officer | Company Secretary

Mr Jarrod Travers White

Review of operations

The half year to 31 December 2014 was one of re-invigorating our probiotic business. The investment in a strategic marketing review and having a robust business plan will prepare the necessary foundation for the Company to enhance the business. While sales for the period were down on the prior period, we expect sales for the second half of the year to be on track. Cash collections from the probiotics business (PCC®) remained strong for the half-year and totalled A\$929,000 YTD (2013: A\$803,000) and sales remained consistent for the period and totalled A\$787,000 YTD (2013: A\$1,043,000). Cash collection is a function of the timing from the date of sales invoices.

As previously advised to shareholders the Company commenced a marketing review throughout the financial period of the core probiotics business. Mr. Ian Brown was appointed in September 2014 to undertake this review and during the half-year marketing activities included:

- Travelling to Europe to meet with the Company's manufacturer and distributor, Ch Hansen to review and identify market segment opportunities;
- Engaging with key US based distributor NuSkin to review and identify market opportunities;
- Attending a national Food and Nutrition conference in Tasmania to continue dialogue with industry participants;
- Undertaking a comprehensive review of the business drivers of the PCC® business.

Initial reports confirm that the PCC® probiotic business is robust and capable of growth however there is a time lag for current and planned marketing activities to be realised into sales.

The Company retains a 5% interest in Mariposa Health Limited (MHL) originating from MHL's acquisition of Hunter Immunology Pty Limited from Bioxyne. MHL has two phase 2 projects in Congestive Obstructive Pulmonary Disease (COPD). The intrinsic value of this investment and potential royalty stream from the eventual commercialisation of Hi 164 should not be discounted.

The accumulating cash balance at the FY14 half year totalled A\$1,093,000 (2013: A\$231,000) enables the Company to also consider new opportunities to grow shareholder value.

Bioxyne Limited
Directors' Report (Cont.)

Events Occurring After the Balance Sheet Date

There were no 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', is written over a light blue rectangular background.

Anthony Ho
Chairman

RSM Bird Cameron Partners
Level 12, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001
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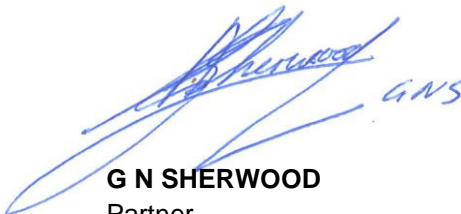
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Bioxyne Limited for the half year ended 31 December 2014, 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: 27 February 2015

Bioxyne Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Half-Year ended 31 December 2014

	Half-year ended 31 December 2014	Half-year ended 31 December 2013
	\$	\$
Revenue from continuing operations		
Sale of goods	787,147	1,043,312
Other income	115,787	106,007
Cost of goods sold	(400,838)	(583,637)
Expenses		
Audit	(11,055)	(46,670)
Professional fees	(59,537)	(7,522)
Compliance costs	(62,201)	(64,417)
Legal expenses	(2,475)	(24,726)
Employee and directors' benefits	(76,415)	(75,484)
General and administration	(56,679)	(35,791)
Marketing	(20,166)	-
Finance costs	(2)	(6,466)
Profit before income tax	213,566	304,606
Income tax benefit	-	-
Other comprehensive income for the period, net of income tax	-	-
Total comprehensive income for the period	213,566	304,606
Profit attributable to:		
Members of Bioxyne Limited	213,566	304,606
Earnings per share		
<i>From continuing operations</i>		
- Basic earnings per share	0.001	0.001
- Diluted earnings per share	0.001	0.001

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

Bioxyne Limited
Statement of Financial Position
As at 31 December 2014

	As at 31 December 2014 \$	As at 30 June 2014 \$
ASSETS		
Current Assets		
Cash and cash equivalents	1,093,124	992,378
Trade and other receivables	28,757	141,112
Prepayments	18,764	40,682
Total Current Assets	1,140,645	1,174,172
Non-Current Assets		
Property plant and equipment	-	-
Other financial assets	325,000	325,000
Total Non-Current Assets	325,000	325,000
Total Assets	1,465,645	1,499,172
LIABILITIES		
Current Liabilities		
Trade and other payables	169,452	427,257
Total Current Liabilities	169,452	427,257
Total Liabilities	169,452	427,257
Net Assets	1,296,193	1,071,915
EQUITY		
Contributed equity	57,426,940	57,426,940
Reserves	134,016	123,304
Accumulated losses	(56,264,763)	(56,478,329)
Total Equity	1,296,193	1,071,915

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

Bioxyne Limited
Statement of Changes in Equity
For the Half-Year ended 31 December 2014

	Contributed equity	Accumulated Losses	Reserves	Total
2013				
At 1 July 2013	56,242,901	(58,087,152)	710,481	(1,133,770)
Profit after income tax for the half year	-	304,606	-	304,606
Other comprehensive income for the half year	-	-	-	-
Total comprehensive income for the half year	-	304,606	-	304,606
Contributions of equity, net of transaction costs	325,997	-	123,304	449,301
Options cancelled during the period	-	710,481	(710,481)	-
As at 31 December 2013	56,568,898	(57,072,065)	123,304	379,863
2014				
At 1 July 2014	57,426,940	(56,478,329)	123,304	1,071,915
Profit after income tax for the half year	-	213,566	-	213,566
Other comprehensive income for the half year	-	-	-	-
Total comprehensive income for the half year	-	213,566	-	213,566
Contributions of equity, net of transaction costs	-	-	-	-
Options issued during the period	-	-	10,712	10,712
As at 31 December 2014	57,426,940	(56,264,763)	134,016	1,296,193

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

Bioxyne Limited
Statement of Cash Flows
For the Half-Year ended 31 December 2014

	Half-year ended 31 December 2014 \$	Half-year ended 31 December 2013 \$
Cash flows from operating activities		
Receipts of other income (inclusive of goods and services tax)	928,564	802,723
Payments to suppliers and employees (inclusive of goods and services tax)	(920,216)	(743,751)
	8,348	58,927
Finance charges	(1,233)	(622)
Interest received	4,450	591
Net cash provided by operating activities	11,565	58,941
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		
Repayment of loan	-	(35,844)
Net cash provided by financing activities	-	(35,844)
Net increase in cash and cash equivalents	11,565	40,597
Cash and cash equivalents at the beginning of the financial period	992,378	197,798
Foreign exchange adjustment	89,181	(7,837)
Cash and cash equivalents at end of the period	1,093,124	230,557

The above 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 2014

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 2014 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. As such, it does not contain the information that represents relatively insignificant changes occurring during the half-year. It is recommended that this financial report be read in conjunction with the annual financial statements for the year ended 30 June 2014 together with any public announcements made during the half year.

The accounting policies and methods of computation have been consistently followed in this interim financial report as were applied in the previous 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 2014 annual report.

During the 2014 financial year the Company disposed of Hunter Immunology Pty Ltd ("HIPL"), which resulted in adjustments to equity balances to reflect the balances of the entity with the Company as the parent for accounting and legal purposes as at 30 June 2014.

In the current period the disposal has had the following impact on the financial statements:

- **Statement of Profit or Loss and Other Comprehensive Income:** the 31 December 2013 Statement of Profit or Loss and Other Comprehensive comprises 6 months activities of Bioxyne only (balances attributed to HIPL balances were excluded).

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

The Company 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 yet to be 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 Company.

Bioxyne Limited
Notes to the Financial Statements
For the Half-Year ended 31 December 2014

2 Segment information

Bioxyne operates in the bio-technology industry in Australia. The principal operations are to research, develop, market and distribute probiotic products. Sales are made internationally.

The following table presents revenue and profit information and certain asset and liability information regarding geographical segments for the half years ended 31 December 2014 and 31 December 2013.

Segment revenues and results

	Segment revenue		Segment profit	
	Half-year ended 31 December 2014	Half-year ended 31 December 2013	Half-year ended 31 December 2014	Half-year ended 31 December 2013
	\$	\$	\$	\$
Over the counter pharmaceutical	876,328	1,035,660	475,490	452,023
Other	26,605	113,659	26,605	113,659
Total for continuing operations	902,933	1,149,319	502,095	565,682
Central administration costs and directors salaries			(288,527)	(254,610)
Finance costs			(2)	(6,466)
Profit before tax (continuing operations)			213,566	304,606

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current period (2013: Nil).

The accounting policies of the reportable segments are the same as the Company'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 2014

2 Segment Information (Continued)

Segment assets

	As at 31 December 2014 \$	As at 30 June 2014 \$
Over the counter pharmaceutical	1,127,533	1,478,984
Total segment assets	1,127,533	1,478,984
Unallocated	338,111	20,188
Total assets	1,465,645	1,499,172

Segment liabilities

Over the counter pharmaceutical	169,452	427,258
Total segment liabilities	169,452	427,258
Unallocated	-	-
Total liabilities	169,452	427,258

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 2014

2 Segment Information (Continued)

Geographical information

	Australia		USA		Europe		Total	
	Dec 2014	Dec 2013	Dec 2014	Dec 2013	Dec 2014	Dec 2013	Dec 2014	Dec 2013
Revenue								
External sales	-	-	876,328	1,035,660	22,155	95,568	898,483	1,131,228
Other revenues from external customers	4,450	18,091	-	-	-	-	4,450	18,091
Segment revenue	4,450	18,091	876,328	1,035,660	22,155	-	902,933	1,149,319

Assets and liabilities

	Dec 2014	Jun 2014	Dec 2014	Jun 2014	Dec 2014	Jun 2014	Dec 2014	Jun 2014
Segment assets	1,465,645	1,378,248	-	120,924	-	-	1,465,645	1,499,172
Segment liabilities	132,705	189,030	36,747	238,228	-	-	169,452	427,258

3 Fair Value Measurement

Valuation Techniques

In the absence of an active market for an identical asset or liability, the Company selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured.

Recurring Fair Value Measurement Amounts and the Level of the Fair Value Hierarchy within which the Fair Value Measurements Are Categorised

	Fair Value Measurements at 31 December 2014 Using:		
	Quoted Prices in Active Markets for Identical Assets \$ (Level 1)	Significant Observable Inputs \$ (Level 2)	Significant Unobservable Inputs \$ (Level 3)
Investment in shares of unlisted corporation	-	-	325,000

Bioxyne Limited
Notes to the Financial Statements
For the Half-Year ended 31 December 2014

4 Key management personnel compensation

(a) Names and positions held of key management personnel in office at any time during the financial year are

Key Management Person	Position
A Ho	Chairman/Non Executive Director
G Cameron-Dow	Non-Executive Director (appointed 21 July 2014)
P Ford	Non-Executive Director
Jeremy Curnock Cook	Non-executive Director (resigned 21 July 2014)

(b) Option holdings of key management personnel

Directors	Opening balance	Net other change	Options exercised	Options lapsed	Balance 31/12/2014	Exercisable	Not exercisable
A Ho	-	1,000,000	-	-	1,000,000	1,000,000	-
G Cameron-Dow	-	550,000	-	-	550,000	550,000	-
P Ford	1,000,000	900,000	-	-	1,900,000	1,900,000	-
Total	1,000,000	2,450,000	-	-	3,450,000	3,450,000	-

(c) Shareholdings of key management personnel

Directors	Opening balance	Granted as compensation	Net other change	Balance 31/12/2014
A Ho	8,093,500	-	296,500	8,390,000
G Cameron-Dow	-	-	-	-
P Ford	7,231,021	-	268,979	7,500,000
Total	15,324,521	-	565,479	15,890,000

(d) Details of remuneration

	Short term employee benefits					
	Cash salary and fees	Non-monetary benefits	Other fees	Post-employment benefits	Share based payments	Total
2015						
Name	\$	\$	\$	\$	\$	\$
Directors						
A Ho	32,850	-	-	-	-	32,850
G Cameron-Dow	19,545	-	-	-	-	19,545
P Ford	21,900	-	-	-	-	21,900
Total	74,295	-	-	-	-	74,295

Bioxyne Limited
Notes to the Financial Statements
For the Half-Year ended 31 December 2014

5 Income tax benefit

(a) Income tax benefit	31 December 2014	30 June 2014
	\$	\$
Deferred tax	-	-
	-	-

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Profit/ (Loss) from continuing operations before income tax expense	213,566	1,190,827
Tax at the Australian tax rate of 30% (2013 - 30%)	64,070	357,248
Tax effect of amounts which are not (taxable)/deductible in calculating taxable income	(51,201)	(111,569)
De-recognition of tax benefit on carried forward losses	-	-
Tax (expense)/benefit not recognised	-	-
Unrecognised carried forward tax benefit applied in current year*	(12,869)	(245,679)
Total income tax expense	-	-

(c) Tax losses

Unused tax losses for which no deferred tax asset has been recognised	26,324,791	26,370,163
Potential tax benefit @ 30%	7,897,437	7,911,049

* The above unrecognised carried forward tax benefit applied in current period of \$12,869 (2014: 245,679) represents income taxes due but not payable as a result of the application of prior year losses available to the Company, but not currently recognised on the balance sheet due to the Company's current policy with regard to the recognition of deferred tax assets.

6. Commitments

There were no commitments as at 31 December 2014.

7. Events Occurring After the Balance Sheet Date and Contingent Assets

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

8. 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 2014

Declaration by Directors

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 15, 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 2014 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:



Anthony Ho
Chairman

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 Statement of Financial Position as at 31 December 2014, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and the 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 company.

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 2014 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 company's financial position as at 31 December 2014 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
G N SHERWOOD
Partner

Sydney, NSW
Dated: 27 February 2015