

28th July 2014

June 2014 Quarterly Update and Appendix 4C

Highlights

- **Maintained Positive Cash flow from operations for the June quarter;**
- **Continued strong sales of probiotics products;**
- **Forecast consolidated net profit before tax for the 2014 financial year to be circa \$750,000 versus loss of \$1,956,412 in 2013 financial year.**

Bioxyne Limited (or the Company) maintained positive operating cash flows for the quarter, continuing the trend from the previous nine months to 31 March 2014. This was achieved through increased sales and the benefits of a focussed reduction in operating costs.

Sales from the probiotics business (PCC®) remained strong. Cash collections from customers for the quarter were A\$681,000 and A\$2.4 million for the full 2014 year. Royalty revenue from our distributor on sales in relevant overseas territories has also continued and is expected to be an increasing ongoing revenue stream for the Company in years to come.

Subject to the finalisation of the audit, the Company is forecasting a consolidated net profit before tax of around A\$750,000 for the 2014 financial year (2013: loss \$1,956,412). The forecast profit included a one off gain from the disposal of wholly owned subsidiary Hunter Immunology Pty Ltd (the HI-164 project) of \$572,000 and non-recurring costs of \$260,080.

The accumulating cash balance and the strengthening of the balance sheet put the Company in a strong position to consider new opportunities to grow shareholder value.

For more information, please contact:

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Bioxyne Limited

ABN

97 084 464 193

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from customers	681	2,416
1.2 Payments for		
(a) staff costs	-	-
(b) advertising and marketing	-	-
(c) research and development	-	(16)
(d) leased assets	-	-
(e) cost of goods sold	(360)	(1,238)
(f) other working capital	(231)	(892)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	3	6
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid		
1.7 Other (R&D Tax Concession Proceeds)	-	371
Net operating cash flows	93	645

Appendix 4C
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	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	93	645
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	175
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other		
Net investing cash flows	-	175
1.14 Total operating and investing cash flows	-	175
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from issue of convertible notes		
1.18 (Repayment)/Proceeds of borrowings		
1.19 Dividends paid		
1.20 Cost of issuing equity		
Net financing cash flows	-	-
Net increase (decrease) in cash held	93	820
1.21 Cash at beginning of quarter/year to date	908	211
1.22 Exchange rate adjustments to item 1.20	(9)	(39)
1.23 Cash at end of quarter	992	992

+ See chapter 19 for defined terms.

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Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	19
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions Amounts included in item 1.24 include consultancy fees paid to directors or their nominees. All transactions with related parties have occurred on an arm's length basis.	

Non-cash financing and investing activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
	N/A
2.2	Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest
	N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-
3.2	Credit standby arrangements	-

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	992	908
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		992	908

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	-
5.2	Place of incorporation or registration	-
5.3	Consideration for acquisition or disposal	-
5.4	Total net liability	-
5.5	Nature of business	-

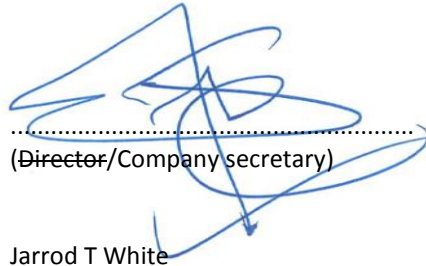
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:


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(Director/Company secretary)

Date: 28 July 2014

Print name:

Jarrod T White

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Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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