

26 February 2016

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 2015

Reporting period 1 July 2015 to 31 December 2015

Previous period 1 July 2014 to 31 December 2014

2. Results for announcement to the market

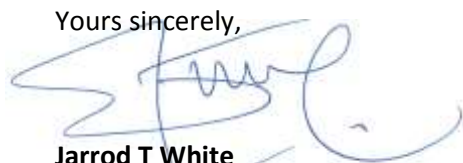
	31 December 2015 \$	31 December 2014 \$	% Change Up (Down)
2.1 Revenues from continuing operations	1,222,767	787,147	+55%
2.2 Profit from continuing operations after tax attributable to members	392,530	213,566	+84%
2.3 Net profit attributable to members	392,530	213,566	+84%
2.4 Proposed dividends	Nil	Nil	N/A
2.5 Not applicable			
2.6 The increase in revenue resulted from increased sales focus and favourable foreign exchange conditions with US and European customers. The operational efficiency undertaken by the Company in the current period contributed to an increase of Net Profit by 84%.			

This appendix 4D should be read in conjunction with the 31 December 2015 Interim Financial Report and any announcements made to the market in the period by the Company in accordance with the continuous disclosure requirements of the *Corporations Act 2001 (Cth)* and the ASX Listing Rules.

	31 December 2015 \$	31 December 2014 \$	% Change Up (Down)
3. Net tangible asset (liability) per security	0.1 cent	0.1 cent	0%
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
26 February 2016



ABN: 97 084 464 193

Suite 305, Level 3
35 Lime Street
Sydney NSW 2072

P: +61 2 8296 0000
F: +61 2 9844 5445



BIOXYNE LIMITED

ABN 97 084 464 193

**Interim Financial Report
For the Half-Year ended 31 December 2015**



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**Bioxyne Limited Half-Year Report
31 December 2015**

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
Dr Peter French	Executive Director (Appointed 15 February 2016)
George Xavier Cameron-Dow	Non-executive Director
Patrick Douglas Ford	Non-executive Director

Chief Financial Officer | Company Secretary

Mr Jarrod Travers White

Auditors

RSM Australia 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 2015.

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
Dr Peter French	Executive Director (Appointed 15 February 2016)
George Xavier Cameron-Dow	Non-Executive Director
Patrick Douglas Ford	Non-Executive Director

Chief Financial Officer | Company Secretary

Mr Jarrod Travers White

Review of operations

Operation Report

The Company has reported strong sales for the half year to 31 December 2015 of \$1,222,767 (2014: \$787,147). Cash collections from the probiotics business remained strong for the half-year and totalled \$1,018,654 (2014: \$928,564). The closer marketing interaction with our global distributor and customer assisted with the sales growth. During the period, our global distributor launched a new product in Denmark with one of its customers, using the Company's *Lactobacillus fermentum* PCC (PCC®) strain of probiotics.

As at 31 December 2015, the Company had current trade receivables of \$390,797 that were received in January and February 2016. The accumulated cash balance at 31 December 2015 was \$1,183,585 (30 June 2015: \$958,469), which enables the Company to now consider new opportunities to grow shareholder value.

The Company has completed the half year ended 31 December 2015 in a strong financial position. The Board continues to effectively manage operational expenditure and sales opportunities to maximise sales and profits.

In calendar year 2015, the Company pursued a consolidation strategy whilst developing a business plan aimed at substantial growth of the Company based on its lead asset, *Lactobacillus fermentum* PCC (PCC®), a proven health boosting probiotic. In 2016 the Company intends to implement this business plan aimed at expanding the sales and distribution of our PCC®-based business, and seek other opportunities to leverage off the Company's experience and network in the field of probiotics and dietary supplements

Executive Appointment

On 15 February 2016, the Company announced the appointment of Dr. Peter French as Executive Director. The appointment of Dr French is a key strategic milestone in the implementation of the Company's business plan to extend the distribution of the Company's *Lactobacillus fermentum* PCC strain of probiotics.

As part of this growth strategy, the Company will invest in producing further scientific and clinical evidence of the effectiveness of PCC to promote health and wellness. Dr French will lead this effort.

Bioxyne Limited

Directors' Report (Cont.)

Dr French is a cell and molecular biologist who has been involved in the corporate biotechnology industry since 1998, when he founded stem cell storage company Cryosite Limited. From 2002 to 2006 he served as Managing Director of Probiomics Limited (a predecessor of Bioxyne) where he led the launch of six probiotic products based on the Company's *Lactobacillus fermentum* PCC strain in pharmacies in Australia and Singapore, as well as setting up a number of clinical studies on PCC.

Until December 2015, Dr French was the Managing Director of Benitec Biopharma Limited, Australia's only gene therapy company that successfully dual listed on the NASDAQ in late 2015.

Mariposa Health Inc. Asset Update

The Company retains a 2.157% 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 Company received shareholder advice from Mariposa in November 2015 that it has completed an agreement to on-license its oral vaccine HI-164 OV to Chinese pharmaceutical company, Shanxi Kangbao Biological Products Company of Shanxi Province, P.R. China. Shanxi Kangbao will fund the development costs within China.

The terms of the agreement include the receipt by Mariposa of an up-front fee followed by milestone payments during product development totalling RMB 40million (approx. USD 6.2m), followed by royalties from future commercialised sales.

The Company is pleased to report Mariposa's progress on the licensing agreement as it increases the probability of Bioxyne's contingent deferred consideration being realised from the sale of Hunter Immunology Pty Ltd. The contingent deferred consideration has not been taken up as an asset of the Company. The future realisation of this contingent asset is dependent on the achievement of a number of key milestones as set out in the Sale and Purchase Agreement with Mariposa Health Limited.

This investment is currently recorded as an asset in the Company's balance sheet at cost of \$325,000.

Events Occurring After the Balance Sheet Date


Other than the appointment of Dr Peter French as an Executive Director on 15 February 2016, 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,



Anthony Ho
Chairman

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000

GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500

F +61 (0) 2 8226 4501

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Bioxyne Limited for the half year ended 31 December 2015, 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.

A handwritten signature in blue ink, appearing to read 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to read 'W. E. Beauman'.

W. E. Beauman
Partner

Sydney, NSW

Dated: 26 February 2016

Bioxyne Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Half-Year ended 31 December 2015

		Half-year ended 31 December 2015	Half-year ended 31 December 2014
	Notes	\$	\$
Revenue from continuing operations			
Sale of goods		1,222,767	787,147
Other income		62,165	115,787
Cost of goods sold		(540,387)	(400,838)
Expenses			
Audit		(16,250)	(11,055)
Professional fees		(87,539)	(59,537)
Compliance costs		(63,845)	(62,201)
Legal expenses		-	(2,475)
Employee and directors' benefits		(74,108)	(76,415)
General and administration		(83,714)	(56,679)
Marketing		(26,500)	(20,166)
Finance costs		(59)	(2)
Profit before income tax		392,530	213,566
Income tax benefit	4	-	-
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive income for the period		392,530	213,566
Profit attributable to:			
Members of Bioxyne Limited		392,530	213,566
Earnings per share			
<i>From continuing operations</i>			
- Basic earnings per share		0.002	0.001
- Diluted earnings per share		0.002	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 2015

	As at 31 December 2015 \$	As at 30 June 2015 \$
ASSETS		
Current Assets		
Cash and cash equivalents	1,183,586	958,469
Trade and other receivables	416,803	210,048
Current tax receivables	16,555	19,520
Total Current Assets	1,616,944	1,188,037
Non-Current Assets		
Other financial assets	325,000	325,000
Total Non-Current Assets	325,000	325,000
Total Assets	1,941,944	1,513,037
LIABILITIES		
Current Liabilities		
Trade and other payables	265,748	229,371
Total Current Liabilities	265,748	229,371
Total Liabilities	265,748	229,371
Net Assets	1,676,196	1,283,666
EQUITY		
Contributed equity	57,426,940	57,426,940
Reserves	10,712	10,712
Accumulated losses	(55,761,456)	(56,153,986)
Total Equity	1,676,196	1,283,666

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 2015

	Contributed Equity	Accumulated Losses	Reserves	Total
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
2015				
At 1 July 2015	57,426,940	(56,153,986)	10,712	1,283,666
Profit after income tax for the half year	-	392,530	-	392,530
Other comprehensive income for the half year	-	-	-	-
Total comprehensive income for the half year	-	392,530	-	392,530
Contributions of equity, net of transaction costs	-	-	-	-
As at 31 December 2015	57,426,940	(55,761,456)	10,712	1,676,196

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 2015

	Half-year ended 31 December 2015 \$	Half-year ended 31 December 2014 \$
Cash flows from operating activities		
Receipts of other income (incl. of goods and services tax)	1,028,497	928,564
Payments to suppliers and employees (incl. of goods and services tax)	(841,033)	(920,216)
	187,464	8,348
Finance charges	(59)	(1,233)
Interest received	826	4,450
Net cash provided by operating activities	188,231	11,565
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Net increase in cash and cash equivalents	188,231	11,565
Cash and cash equivalents at the beginning of the financial period	958,469	992,378
Foreign exchange adjustment	36,886	89,181
Cash and cash equivalents at end of the period	1,183,586	1,093,124

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 2015

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 2015 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 2015 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 2015 annual report.

(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 2015

2 Segment information

Bioxyne operates in the biotechnology 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 2015 and 31 December 2014.

Segment revenues and results

	Segment revenue		Segment profit	
	Half-year ended 31 December 2015	Half-year ended 31 December 2014	Half-year ended 31 December 2015	Half-year ended 31 December 2014
	\$	\$	\$	\$
Over the counter pharmaceutical	1,284,106	876,328	717,220	475,490
Other	826	26,605	826	26,605
Total for continuing operations	1,284,932	902,933	718,046	502,095
Central administration costs and directors fees			(325,457)	(288,527)
Finance costs			(59)	(2)
Profit before tax (continuing operations)			392,530	213,566

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current period (2014: 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' fees, 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 2015

2 Segment Information (Continued)

Segment assets

	As at 31 December 2015 \$	As at 30 June 2015 \$
Over the counter pharmaceutical	1,600,388	1,168,517
Total segment assets	1,600,388	1,168,517
Unallocated	341,556	344,520
Total assets	1,941,944	1,513,037

Segment liabilities

Over the counter pharmaceutical	265,748	229,371
Total segment liabilities	265,748	229,371
Unallocated	-	-
Total liabilities	265,748	229,371

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 2015

2 Segment Information (Continued)

Geographical information

	Australia		USA		Europe		Total	
	Dec 2015	Dec 2014	Dec 2015	Dec 2014	Dec 2015	Dec 2014	Dec 2015	Dec 2014
Revenue								
External sales	-	-	1,259,653	876,328	24,453	22,155	1,284,106	898,483
Other revenues from external customers	826	4,450	-	-	-	-	826	4,450
Segment revenue	826	4,450	1,259,653	876,328	24,453	22,155	1,284,932	902,933

Assets and liabilities

	Dec 2015	Jun 2015	Dec 2015	Jun 2015	Dec 2015	Jun 2015	Dec 2015	Jun 2015
Segment assets	1,551,147	1,340,964	390,797	172,073	-	-	1,941,944	1,513,037
Segment liabilities	91,075	98,622	174,673	130,749	-	-	265,748	229,371

3 Key management personnel compensation

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

Key Management Person	Position
A Ho	Chairman/Non-Executive Director
G Cameron-Dow	Non-Executive Director
P Ford	Non-Executive Director

(b) Option holdings of key management personnel

Directors	Opening balance	Net other change	Options exercised	Options lapsed	Balance 31/12/2015	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	900,000	-	-	-	900,000	900,000	-
Total	2,450,000	-	-	-	2,450,000	2,450,000	-

Bioxyne Limited
Notes to the Financial Statements
For the Half-Year ended 31 December 2015

3 Key management personnel compensation (continued)

(c) Shareholdings of key management personnel

Directors	Opening balance	Granted as compensation	Net other change	Balance 31/12/2015
A Ho	8,590,000	-	-	8,590,000
G Cameron-Dow	-	-	-	-
P Ford	8,000,000	-	250,000	8,250,000
Total	16,590,000	-	250,000	16,840,000

(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	20,000	-	-	1,900	-	21,900
P Ford	20,950	-	-	950	-	21,900
Total	73,800	-	-	2,850	-	76,650

Bioxyne Limited
Notes to the Financial Statements
For the Half-Year ended 31 December 2015

4. Income tax benefit

	31 December 2015	30 June 2015
(a) Income tax benefit	\$	\$
Deferred tax	-	-
	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax expense	392,530	201,039
Tax at the Australian tax rate of 30% (2015 - 30%)	117,759	60,312
Tax effect of amounts which are not (taxable) in calculating taxable income	(46,113)	(97,320)
Tax expense/(benefit) not recognised	-	-
Unrecognised carried forward tax expense/(benefit) not recognised in current year	(71,646)	37,008
Total income tax expense	-	-
(c) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	26,254,705	26,493,525
Potential tax benefit @ 30%	7,876,411	7,948,057

5. Commitments

There were no commitments as at 31 December 2015.

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

Other than the appointment of Dr Peter French as an Executive Director on 15 February 2016, there were no significant subsequent events that have occurred since balance date.

7. 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 2015

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 2015 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', is written over a light pink rectangular background.

Anthony Ho

Chairman

26 February 2016

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000

GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500

F +61 (0) 2 8226 4501

www.rsm.com.au

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 2015, 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 2015 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.

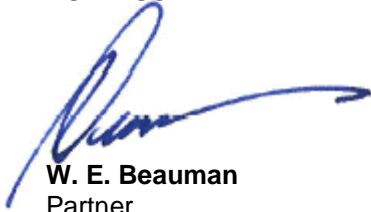
Conclusion

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 2015 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 AUSTRALIA PARTNERS



W. E. Beauman
Partner

Sydney, NSW
Dated: 26 February 2016