

PROTEOMICS INTERNATIONAL LABORATORIES LTD
ACN 169 979 971
and Controlled Entities

(ASX: PIQ)

HALF-YEAR INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

PROVIDED TO THE ASX UNDER LISTING RULE 4.2A.3

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2015.

Appendix 4D

Half Year Report for the six months to 31 December 2015

PROTEOMICS INTERNATIONAL LABORATORIES LTD

ACN 169 979 971

1. Reporting period

| | |
|--|------------------|
| Report for the half-year ended | 31 December 2015 |
| Previous corresponding period is the half-year ended | 31 December 2014 |

2. Results for announcement to the market

| | | | \$'000 |
|--|----|---------|---------|
| Revenues from ordinary activities (<i>item 2.1</i>) | Up | 8% to | 337 |
| (Loss) from ordinary activities after tax attributable to members (<i>item 2.2</i>) | Up | 276% to | (1,034) |
| Net (loss) for the period attributable to members (<i>item 2.3</i>) | Up | 276% to | (1,034) |
| <p>There are no dividends being proposed or declared for the period (<i>item 2.4</i>)</p> <p>Date for determining entitlements to the dividends: Not applicable (<i>item 2.5</i>)</p> <p>Brief explanation of the figures reported above necessary to enable the figures to be understood (<i>item 2.6</i>):</p> <p>PILL listed in April 2015 and has subsequently increased its expenditure as described in its offer documents. The loss for the corresponding period was \$274,669. Please also refer to the Directors' Report section of the Half-Year Report of 31 December 2015.</p> | | | |

3. Net tangible assets per security (*item 3*)

| | 31 December 2015 | 31 December 2014 |
|--|------------------|------------------|
| Net tangible asset / (liability) backing per ordinary security | 1.94 cents | (4.08) cents |

4. Entities over which control has been gained or lost (*item 4*): Not applicable

5. Dividends or Distributions (*items 5 & 6*): Not applicable

6. Associates and Joint venture entities (*item 7*): Not applicable

7. Foreign entities accounting standard (*item 8*): Not applicable

8. Independent review of the financial report (*item 9*):

The financial report has been independently reviewed. The financial report is not subject to a qualified independent review statement.

The financial information provided in the Appendix 4D should be read in conjunction with the half-year financial statements and Directors' report (attached), which has been prepared in accordance with Australian Accounting Standards.



Proteomics International

LABORATORIES LTD

PROTEOMICS INTERNATIONAL LABORATORIES LTD

ACN: 169 979 971

FINANCIAL REPORT

**FOR THE HALF-YEAR ENDED
31 DECEMBER 2015**

ACN: 169 979 971

**FINANCIAL REPORT FOR THE HALF-YEAR ENDED
31 DECEMBER 2015**

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DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

The Directors present the financial report for the Group for the half-year ended 31 December 2015.

Director Details

The names of the Directors in office at any time during or since the end of the half-year are:

| Name | Position |
|----------------------|---|
| Mr Terry Sweet | Non-executive Chairman |
| Dr Richard Lipscombe | Managing Director |
| Dr Bill Parker | Non-Executive Director |
| Mr John Dunlop | Non-Executive Director |
| Mr James Moses | Executive Director (<i>appointed 16 October 2015</i>) |

Review of operations

Proteomics International Laboratories Limited (PILL) is a life science company focused on the area of proteomics – the industrial scale study of the structure and function of proteins. The Company's business model operates from a proprietary proteomics-based technology platform in three synergistic areas: Diagnostics, Analytical services and Therapeutic drug discovery.

During the half-year PILL focused on the commercialisation of PromarkerD, the world's first proteomics-derived predictive (prognostic) test for the diagnosis of Diabetic Kidney Disease. PILL is pursuing the commercial adoption of PromarkerD as a Laboratory Developed Test (LDT), standard clinical pathology In vitro Diagnostic Test (IVD) and Companion Diagnostic (CDx). Partnering and licensing discussions with major pharmaceutical and health care companies for PromarkerD were ongoing, and PILL has now established commercialisation discussions in three major global health care markets – USA, China and Japan. Discussions will continue to be advanced in the coming reporting period.

Patents for PromarkerD as a predictive and diagnostic test for diabetic kidney disease were granted in the USA and Australia. Both patents are valid until 20 September 2031. A patent was also granted in Singapore. PILL is also seeking patent protection for PromarkerD in other major global markets including Europe, China and India.

The Company was awarded the Health and Biotechnology Export Award at The Western Australian 2015 Industry and Export Awards. The award recognised the international success of the PILL's Analytical services business. PILL was also a finalist at the 2015 Australian Export Awards, and the 2015 Western Australian Innovator of the Year Awards.

Corporately, PILL successfully undertook and completed a Non-renounceable Entitlement Issue (Entitlement Issue) in the half-year. Eligible shareholders (at Record Date, 18 September 2015) were able to apply for 1 option for every 4 existing ordinary shares held at a price of A\$0.01 per option, exercisable on or before 31 March 2018 at an exercise price of A\$0.20 each. A total of 8,065,303 options were subscribed for. The Entitlement Issue was fully underwritten by K S Capital Pty Ltd, and the full shortfall (4,580,060 options) was subsequently placed. Mr James Moses joined the Company's board as an Executive Director, with responsibility for business relations and external affairs.

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Operating Results

Revenue from ordinary activities for the half-year was \$364,277, an increase of 7.7% compared to the previous half. Revenue generated related to the Company's analytical services business. The Company reported a loss from ordinary activities for the period of \$1,034,097. Expenses remained in-line with budget for the half-year.

Significant changes in the state of affairs

There have been no significant changes in the Group's state of affairs during or since the end of the reporting period.

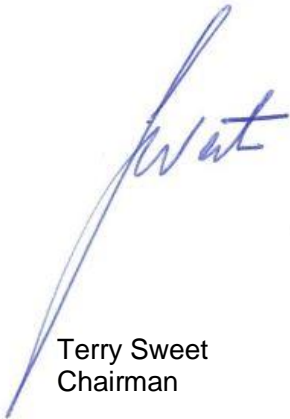
After balance date events

There have been no after balance date events since the end of the reporting period.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

Signed in accordance with a resolution of the Directors.



Terry Sweet
Chairman

Perth, 26th February 2016

AUDITOR'S INDEPENDENCE DECLARATION

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF PROTEOMICS INTERNATIONAL LABORATORIES LTD

As lead auditor for the review of Proteomics International Laboratories Ltd for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Proteomics International Laboratories Ltd and the entity it controlled during the period.



Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 26 February 2016

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

| | | Half-Year | |
|---|------|----------------------|----------------------|
| | Note | 31-Dec 2015 \$ | 31-Dec 2014 \$ |
| Revenue from continuing operations | | | |
| Services | 10 | 336,766 | 305,082 |
| Other Income | | | |
| Interest income | | 18,971 | 806 |
| Research and development tax incentive | | 656 | 24,036 |
| Paid parental leave income | | 7,884 | 8,205 |
| | | <hr/> | <hr/> |
| Employment and labour expenses | 11 | (678,943) | (257,479) |
| Share based payment expense | | (108,818) | - |
| Depreciation expense | | (1,097) | (1,208) |
| Intellectual property maintenance expenses | | (34,871) | (37,366) |
| Interest expense | | (16,191) | (4,292) |
| Laboratory Supplies | | (134,582) | (35,439) |
| Professional fees | | (147,648) | (103,171) |
| Travel and marketing expenses | | (75,952) | (12,130) |
| Laboratory access fees | | (47,344) | (80,058) |
| Realised loss in foreign currency translation | | (2,284) | - |
| Other expenses | | (150,644) | (81,685) |
| | | <hr/> | <hr/> |
| Net Profit /(Loss) before income tax for the period | | (1,034,097) | (274,699) |
| Income tax Benefit/(Expense) | | - | - |
| | | <hr/> | <hr/> |
| Total comprehensive income/(loss) for the period attributable to owners of Proteomics International Laboratories Ltd | | (1,034,097) | (274,699) |
| (Loss) per share for the half-year loss attributable to the members of Proteomics International Laboratories Ltd | | | |
| Basic (Loss) per share (cents per share) | | (\$0.02) | (\$0.02) |

The consolidated statement of profit or loss and other comprehensive income
should be read in conjunction with the accompanying notes.

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

| | Note | 31-Dec 2015 \$ | 30-Jun 2015 \$ |
|--------------------------------------|------|----------------------|----------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 1,504,664 | 2,004,974 |
| Trade and other receivables | 4 | 157,353 | 195,775 |
| Other assets | 5 | - | 321,478 |
| TOTAL CURRENT ASSETS | | <u>1,662,017</u> | <u>2,522,227</u> |
| NON CURRENT ASSETS: | | | |
| Plant & equipment | | 11,282 | 9,059 |
| Intangible assets | | <u>1,012</u> | <u>1,012</u> |
| TOTAL NON CURRENT ASSETS | | <u>12,294</u> | <u>10,071</u> |
| TOTAL ASSETS | | <u>1,674,311</u> | <u>2,532,298</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES: | | | |
| Trade and other payables | 6 | 233,093 | 275,024 |
| Short-term provisions | | <u>1,877</u> | <u>-</u> |
| TOTAL CURRENT LIABILITIES | | <u>234,970</u> | <u>275,024</u> |
| NON-CURRENT LIABILITIES: | | | |
| Long-term provisions | | 16,222 | 10,098 |
| Borrowings | 7 | <u>441,891</u> | <u>441,891</u> |
| TOTAL NON-CURRENT LIABILITIES | | <u>458,113</u> | <u>451,989</u> |
| TOTAL LIABILITIES | | <u>693,083</u> | <u>727,013</u> |
| NET ASSETS | | <u>981,228</u> | <u>1,805,285</u> |
| EQUITY | | | |
| Issued capital | 8 | 4,044,180 | 4,044,180 |
| Share Based Payment Reserve | | 469,803 | 259,763 |
| Accumulated (losses) | | (3,532,755) | (2,498,658) |
| TOTAL EQUITY | | <u>981,228</u> | <u>1,805,285</u> |

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

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

| | Issued Capital Ordinary | Reserves | Retained Earnings (Accumulated Losses) | Total Equity |
|---|----------------------------|----------------|---|--------------------|
| | \$ | \$ | \$ | \$ |
| Balance as at 1 July 2015 | <u>4,044,180</u> | <u>259,763</u> | <u>(2,498,658)</u> | <u>1,805,285</u> |
| Loss for the period | - | - | (1,034,097) | (1,034,097) |
| Other comprehensive income | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total comprehensive income | <u>-</u> | <u>-</u> | <u>(1,034,097)</u> | <u>(1,034,097)</u> |
| Transactions with owners in their capacity as Equity Holders | | | | |
| Equity Issued net of share issue costs | - | - | - | - |
| Options Issued net of option issue costs | 9 - | 101,222 | - | 101,222 |
| Share based payments | <u>-</u> | <u>108,818</u> | <u>-</u> | <u>108,818</u> |
| | <u>-</u> | <u>210,040</u> | <u>-</u> | <u>210,040</u> |
| Balance as at 31 December 2015 | 4,044,180 | 469,803 | (3,532,755) | 981,228 |
| Balance as at 1 July 2014 | <u>372,690</u> | <u>77,095</u> | <u>(1,349,457)</u> | <u>(899,672)</u> |
| Loss for the period | - | - | (274,699) | (274,699) |
| Other comprehensive income | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total comprehensive income | <u>-</u> | <u>-</u> | <u>(274,699)</u> | <u>(274,699)</u> |
| Transactions with owners in their capacity as Equity Holders | | | | |
| Equity Issued net of share issue costs | - | - | - | - |
| Share based payments | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Balance as at 31 December 2014 | 372,690 | 77,095 | (1,624,156) | (1,174,371) |

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

| | Half-Year | |
|---|-------------------------------|-------------------------------|
| | 31-Dec 2015 \$ | 31-Dec 2014 \$ |
| Cash flows from operating activities | | |
| Receipts from customers | 381,444 | 345,376 |
| Payments to suppliers and employees | (1,303,914) | (484,467) |
| Interest received | 18,971 | 806 |
| Interest paid | (16,191) | (4,292) |
| R&D tax rebate | 321,478 | 104,204 |
| | <hr/> | <hr/> |
| Net cash (outflow) from operating activities | (598,212) | (38,373) |
| Cash flows from investing activities | | |
| Payment for property, plant and equipment | (3,320) | - |
| | <hr/> | <hr/> |
| Net cash (outflow) from investing activities | (3,320) | - |
| Cash flows from financing activities | | |
| Proceeds from issue of shares, options etc. | 126,454 | - |
| Options issue costs | (25,232) | - |
| | <hr/> | <hr/> |
| Net cash inflow from financing activities | 101,222 | - |
| Net increase (decrease) in cash and cash equivalents | (500,310) | (38,373) |
| Cash and cash equivalents at beginning of half-year | <hr/> 2,004,974 | <hr/> 35,969 |
| Cash and cash equivalents at end of the half-year | <hr/> <hr/> 1,504,664 | <hr/> <hr/> (2,404) |

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

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NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial report does not include all the information and disclosures required in the annual financial report, and should be read in conjunction with the Group's annual financial report as at 30 June 2015.

The half-year financial report was authorised for issue by the Directors on 25 February 2016.

(a) Basis of preparation

The interim consolidated financial report of the group for the six months ended 31 December 2015 has been prepared in accordance with AASB 134 *Interim Financial Reporting*.

The financial report covers Proteomics International Laboratories Ltd and controlled entities as a consolidated entity.

The half-year report has been prepared under the historical cost convention.

The accounting policies applied in the half-year financial report are consistent with those of the annual financial report for the year ended 30 June 2015 and the corresponding half-year.

(b) Accounting policies

In the half-year ended 31 December 2015, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2015.

New and amended standards adopted by the entity

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There may be some changes to the disclosures in the 30 June 2016 annual report as a consequence of these amendments.

Impact of standards issued but not yet applied by the entity

There were no new standards issued since 30 June 2015 that have been applied by Proteomics International Laboratories Limited. The 30 June 2015 annual report disclosed that Proteomics International Laboratories Limited anticipated no material impacts (amounts recognised and/or disclosed) arising from initial application of those standards issued but not yet applied at that date, and this remains the assessment as at 31 December 2015.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2015. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business.

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NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

NOTE 2: DIVIDENDS

Since the end of the financial year no dividend has been paid or declared (30 June 2015: Nil)

NOTE 3: CASH AND CASH EQUIVALENTS

| | 31-Dec 2015 \$ | 30-Jun 2015 \$ |
|---------------------------------|----------------------|----------------------|
| Cash at bank | 47,873 | 54,974 |
| Deposits at call | <u>1,456,791</u> | <u>1,950,000</u> |
| Total cash and cash equivalents | <u>1,504,664</u> | <u>2,004,974</u> |

NOTE 4: TRADE AND OTHER RECEIVABLES

| | | |
|-----------------------------------|----------------|----------------|
| Trade receivables | 111,165 | 116,775 |
| Other receivables | 46,188 | <u>79,000</u> |
| Total trade and other receivables | <u>157,353</u> | <u>195,775</u> |

(a) Classification of trade and other receivables

Trade debtors are amounts due from customers for services performed in the ordinary course of business. The trade receivables are generally due for settlement within 30 days and therefore are classified as current.

The group does not currently have any provision for doubtful debts in respect to their receivables as at 31 December 2015.

(b) Other receivables

These amounts include the receivables from the Australian Taxation Office for GST and amounts accrued for income that has not been billed as at 31 December 2015.

(c) Fair value of trade and other receivables

Due to the short term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

NOTE 5: OTHER ASSETS

| | | |
|--|----------|----------------|
| Research and development tax incentive | - | 309,010 |
| Prepayments | <u>-</u> | <u>12,468</u> |
| Total other assets | <u>-</u> | <u>321,478</u> |

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NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

NOTE 6: TRADE AND OTHER PAYABLES

| | 31-Dec 2015 \$ | 30-Jun 2015 \$ |
|--------------------------------|----------------------|----------------------|
| Trade creditors | 86,250 | 82,398 |
| Deposits at call | <u>146,843</u> | <u>192,626</u> |
| Total trade and other payables | <u>233,093</u> | <u>275,024</u> |

(a) Fair value of trade and other payables

Trade payables are unsecured and are usually paid within 60 days of recognition.

The carrying amount of trade and other payables are assumed to be the same as their fair values, due to their short term nature.

NOTE 7: BORROWINGS

| | | |
|------------------------------|----------------|------------------|
| Loans – directors | <u>441,891</u> | <u>441,891</u> |
| Movements in directors loans | | |
| Opening balance | 441,891 | 441,891 |
| Amounts borrowed | - | 221,130 |
| Amounts settled in options | - | (25,000) |
| Amounts repaid | <u>-</u> | <u>(196,130)</u> |
| Closing balance | <u>441,891</u> | <u>441,891</u> |

(i) Terms of the borrowings

The accounting parent entered into a loan agreement with three directors of Proteomics International Laboratories Ltd to provide the Company with funding for working capital purposes.

The loan is provided on the following terms:

| Particulars | Terms |
|---------------|---|
| Principal | \$441,891 |
| Interest rate | 7% |
| Period | 2 years from date of listing on ASX |
| Repayment | In cash at any time (Company) or at maturity in cash or in shares at the market price |

(ii) Security

The borrowing is unsecured and there are no covenants in place for the loan.

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NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

NOTE 8: ISSUED CAPITAL

| | 31-Dec-15 Shares | 31-Dec-14 Shares | 31-Dec-15 \$ | 31-Dec-14 \$ |
|-----------------------------------|---------------------|---------------------|-----------------|-----------------|
| (a) Share Capital | | | | |
| Ordinary Shares | 50,582,812 | 28,751,357 | 4,044,180 | 372,690 |
| Total consolidated issued capital | | | | |
| (b) Movement in share capital | | | | |
| Date | Details | Number of Shares | \$ | |
| 1/07/2015 | Opening balance | 50,582,812 | 4,044,180 | |
| 31/12/2015 | Closing balance | 50,582,812 | 4,044,180 | |

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one Vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

NOTE 9: OPTIONS ON ISSUE

During the period the Company successfully completed a Non-renounceable Entitlement Issue to shareholders. Eligible shareholders were entitled to apply for 1 option for every 4 existing ordinary shares held at a price \$0.01 per option.

The following table summarises the options:

| | 31/12/2015 | |
|--------------------------|------------------------------|----------------------|
| | Average exercise price | Number of Options |
| | | \$ |
| As at 1 July | \$0.20 | 3,110,000 |
| Issued during the period | \$0.20 | 12,645,363 |
| As at 31 December | \$0.20 | 15,755,363 |

*\$101,222 net of option issue costs.

No options expired during the period.

Options outstanding as at 31 December 2015 have the following expiry date and exercise price:

| Grant Date | Expiry Date | Exercise Price | No. Options |
|------------|-------------|----------------|-------------|
| 08/04/2015 | 31/03/2018 | \$0.20 | 3,110,000 |
| 29/10/2015 | 31/03/2018 | \$0.20 | 12,645,363 |

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NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

NOTE 10: REVENUE

| | 31-Dec 2015 \$ | 31-Dec 2014 \$ |
|--|----------------------|----------------------|
| Sales revenue: | | |
| Rendering of services | 336,766 | 305,082 |
| Other revenue: | | |
| Research and development tax incentive | 656 | 24,036 |
| Paid parental leave income | 7,884 | 8,205 |
| Interest income | <u>18,971</u> | <u>806</u> |
| Revenue | <u>364,277</u> | <u>338,129</u> |

NOTE 11: EXPENSES

Loss before income tax includes the following specific expenses:

| | | |
|-------------------------------------|---------|---------|
| Employment and labour services | 678,943 | 257,479 |
| Interest expense | 16,191 | 4,292 |
| Laboratory supplies and access fees | 181,926 | 115,497 |
| Professional fees | 147,648 | 103,171 |

NOTE 12: SEGMENT INFORMATION

Operating segment

Operating segments are prescribed using the 'management approach' where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM').

The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Management believes there to be one segment.

NOTE 13: RELATED PARTIES

Transactions with related parties are consistent with those disclosed in the 30 June 2015 annual report.

NOTE 14: COMMITMENTS

Commitments are consistent with those disclosed in the 30 June 2015 annual report.

NOTE 15: CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2015.

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**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 31 DECEMBER 2015**

NOTE 16: EVENTS OCCURRING AFTER REPORTING PERIOD

There has been no matter of circumstance which has arisen since 31 December 2015 that has significantly affected or may significantly affect:

- (a) the operations, in financial periods subsequent to 31 December 2015 of the consolidated entity, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial periods subsequent to 31 December 2015, of the consolidated entity.

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DIRECTORS' DECLARATION

The directors declare that the financial statements and notes in accordance with the Corporations Act 2001:

1. Comply with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001, and other mandatory professional reporting requirements; and
2. Give a true and fair view of the financial position of the consolidated entity as at 31 December 2015 and of its performance for the half-year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that Proteomics International Laboratories Limited will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to section 303(5) of the Corporations Act 2001.



Terry Sweet
Chairman

Dated at Perth, Western Australia this 26th day of February 2016.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Proteomics International Laboratories Ltd

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Proteomics International Laboratories Ltd, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or 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 statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's 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 consolidated entity'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 Proteomics International Laboratories Ltd, 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 Proteomics International Laboratories Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

INDEPENDENT AUDITOR'S REVIEW 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 Proteomics International Laboratories Ltd 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 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*

BDO Audit (WA) Pty Ltd



Glyn O'Brien

Director

Perth, 26 February 2016