

APPENDIX 4D  
HALF YEAR RESULTS

LBT Innovations Ltd  
ACN 107 670 673

Interim Financial Report

For the half-year ended 31 December 2014

(Previous corresponding period being the half-year ended 31 December 2013)

The information contained in this Interim Financial Report should be read in conjunction with the 2014 Annual Report

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

	December 2014 \$'000s	December 2013 \$'000s	Change \$'000s	Change %
Revenue from ordinary activities	1,602	2,370	(768)	(32.41)%
Profit / (Loss) from ordinary activities after tax attributable to members	511	772	(261)	(33.81)%
Total comprehensive income / (loss)	547	892	(345)	(38.68)%

Brief explanation of the figures above;

### **Revenue**

Revenue for the half-year ended 31 December 2014 decreased by 32.41%. Revenue of \$1,602 million comprised:

- \$1.00 million in APAS® milestone payment
- bioMérieux royalty revenue of \$356,000
- Clever Culture Systems service income (Apps Lab) of \$76,000
- Export Market Development Grant revenue of \$34,000
- Interest revenue of \$31,000

### **Profit after tax**

The profit of the Company after tax was \$511,000, which includes the milestone receipt described above. The \$2.46 million of expenditure on APAS development since 1 July 2014 has been treated as capitalised development expenditure, recognising the progress made toward commercialisation. Other research costs not capitalised during 2014 totalled \$0.079 million.

Income tax expense includes a credit of \$0.34 million in respect of the expected 2015 R&D tax offset.

### **Dividends**

It is not proposed to pay a dividend.

### **Net Tangible Assets per security**

The net tangible assets per LBT Innovations Ltd share was 2.94 cents as at 31 December 2014, compared with 3.20 cents per share as at 31 December 2013.

### **Control Gained or lost over entities**

None

### **Dividend or distribution reinvestment scheme**

Not applicable

### **Details of associates and joint venture entities**

LBT Innovations established a wholly owned subsidiary incorporated in the United Kingdom (LBT Innovations (UK) Limited) on 18 July 2013.

LBT Innovations has a 50% interest in a joint venture with Hettich AG Switzerland. The JV company is CCS Switzerland AG incorporated in Switzerland. The purpose of the joint venture is to finalise commercial product development of LBT's APAS technology and ultimately commercialise the technology most likely through global distribution partners.

### **Audited Financial Statements**

The accounts for the half year ended 31 December 2014 are not subject to audit dispute or qualification.

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**DIRECTORS REPORT**

Your directors submit the financial report of the Company for the half-year ended 31 December 2014.

**Directors**

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

Robert Andrew Finder (Chairman)  
Lusia Halina Guthrie  
Catherine Mary Costello  
Stephen Paul Mathwin  
Caroline Popper

**Company Secretary**

The following person held the position of company secretary at the end of the year:

Daniel Hill – Chartered Accountant

**Principal Activities**

The principal activities of the Company during the half-year were those of researching and further developing innovative technologies for the healthcare and laboratory supply markets.

There were no significant changes in the nature of the entity's principal activities during the half-year.

**Operating Results**

The profit of the Company for the half-year ended 31 December 2014 after tax was \$0.511 million (2013 profit of \$0.772 million).

**Dividends Paid or Recommended**

The board will consider payment of dividends depending on future performance of the Company. No dividend will be paid at this point.

## Review of Operations

### Background

LBT Innovations Limited (ASX:LBT) is an entrepreneurial Australian innovation company, developing automated diagnostic solutions in healthcare. Based in Adelaide, South Australia, LBT was formed in 2004 and listed on the Australian Securities Exchange in 2006.

The Company's focus is to:

- Address inefficient processes and practices in pathology laboratories to enable results to be reported sooner and to allow doctors to treat patients faster;
- Design automated products using breakthrough technologies;
- Commercialise through international partners;
- Build revenue momentum from Microstreak and the APAS JV; and
- Initiate a new project for wound management based on LBT's intelligent imaging platform.

The Company has two breakthrough products in microbiology automation:

- PREVI Isola, which provides automation of culture plate streaking; and
- APAS which automates culture plate reading and sorting.

The Company has demonstrated cost-effective management since its inception in 2004. In that time, 66% of cash funding has been generated through operating cash flow and 34% via equity, and 70% of funds have been invested in collaborative and contract research.

MicroStreak® was created by LBT in 2006 and launched globally in 2009 as PREVI Isola through a licensing agreement with global French infectious diseases diagnostics company, bioMérieux.

In 2010 LBT began the creation of an Intelligent Imaging platform, based on world class computer vision technology with the University of Adelaide. This collaboration resulted in the development of innovative technology for the automated imaging, reading and interpretation of culture plates, the Automated Plate Assessment System (APAS).

In June 2013, Clever Culture Systems AG Switzerland (CCS) was established as a 50% joint venture with Hettich AG Switzerland to manufacture and commercialise APAS.

### Developments in First Half FY14

Key objectives and activities for LBT during 2014/15 are to:

- Manage the Company's relationship with bioMérieux to consolidate PREVI Isola as the leading global automated plate stainer;
- Further develop the joint venture company with partner Hettich and assist in the development of laboratory instruments that incorporate APAS;
- Undertake clinical studies and clinical trials for APAS and file a 510(k) *de novo* application for FDA clearance to allow sale in USA of products incorporating the APAS technology;
- Manage the JV company, Clever Culture Systems AG, to the end of Calendar Year 2015;
- Secure the distribution strategy for APAS products;
- Progress the projects under the ARC Linkage grant to develop further applications of LBT's computer vision platform to grow LBT's product pipeline; and
- Establish the groundwork for a new product from LBT's intelligent image assessment platform.



Highlights of First Half 2014/15:

- Completion of the \$2.01M capital raising which was initiated in May 2014;
- Office relocation to larger premises at Level 1, 300 Flinders Street, Adelaide;
- Appointment of Daniel Hill as Chief Financial Officer;
- Appointment of Patti Doherty as Clinical Trials Co-ordinator for the APAS clinical trial in USA;
- Receipt of \$3.01 million cash refund from the ATO under the R&D Tax Incentive scheme;
- Award of \$250,000 grant from BioSA for the initiation of wound care product, Woundvue™;
- Development of APAS concepts instruments in Europe; and
- Commencement of the APAS clinical trials programme.

In October, the Company commenced a clinical trial programme to support its intended application for clearance of APAS for use in laboratory equipment to be sold in the United States. This requires the submission of a 510(k) *de novo* application to the United States Food and Drug Administration authority (FDA). If successful, APAS would be registered as a Class 2 Medical Device in the United States.

The first trials were undertaken at Healthscope Pathology laboratories in Melbourne and Adelaide. Data from these trials will also be used for CE Mark for registration of APAS in Europe and other regulatory compliance agencies. The Company is preparing to conduct a trial in the U.S. at TriCore Reference Laboratories in Albuquerque, New Mexico. The trial will test the efficacy of APAS in reporting the presence of "significant" disease-causing pathogens in urine samples from approximately 5,700 patients.

The Company has been in consultation with FDA for the past 18 months regarding specific requirements. Following the completion of the clinical trial programme, there will be substantive analysis and documentation of results.

Design and development of the first APAS instruments – a standalone plate-reader and an auto-incubator – progressed in Europe under the supervision of LBT's joint venture partner, Hettich.

LBT's 50% owned JV company, Clever Culture Systems AG, progressed discussions with potential global partners for distribution of APAS. Several key players have previously indicated that US FDA approval was a key milestone and two of these companies have completed either feasibility studies or undertaken due diligence on the APAS technology.

The Company announced in October that it had been awarded a grant of \$250,000 from BioSA to progress a Proof of Principle study for an application of LBT's computer vision platform in assisting the management of chronic wounds. The funds will be applied to technical feasibility, international market research and an initial freedom to operate patent search.

**Future Developments, Prospects and Business Strategies**

As announced to the ASX, bioMérieux has provided a letter of intent to terminate the licence agreement with LBT with the Microstreak technology, and LBT is currently actively pursuing alternative market opportunities for MicroStreak while at the same time, negotiating with bioMérieux over the future licensing of MicroStreak, which could potentially be on a non-exclusive basis, as the French company seeks to continue to support the current customer base of more than 400 installed units globally.

The Company intends to commence a clinical trial in the United States in March 2015 in support of its intention to file a submission with the U.S. Food and Drug Administration (FDA) for clearance of APAS technology for sales in the U.S. The trial will be undertaken at TriCore Reference Laboratories in Albuquerque, New Mexico.

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The Company will complete the objectives for the wound care project (Woundvue™) under the grant funding received from BioSA. The Company is also exploring several other avenues for funding the continued development of Woundvue, including a grant application to the Australian Government's Accelerating Commercialisation program and advancing negotiations with a number of Australian technology companies that have expressed an interest in partnering with LBT.

**Financial Position**

The net assets of the Company have increased by \$1.87 million from 31 December 2013 to \$15.7 million at 31 December 2014. This increase reflects the Company's continued investment in the APAS technology.

The Company's cash position as at 31 December 2014 was \$1.6 million compared to \$1.8 million on hand at 30 June 2014. Cash includes the receipt of \$1.6 million raised from the SPP and Tranche 2 Placement in August 2014, receipt of the R & D tax concession refund following completion of the 2014 tax return and receipt 9 months of LBT's minimum royalty entitlement for calendar year 2014 from bioMérieux.

**Significant Changes in the State of Affairs**

LBT Innovations (UK) Ltd will be wound up as a company in the financial year ending 2015 as its interests have been transferred to be held directly by LBT Innovations Ltd. The financial effect of this transaction has been factored into this report.

The Swiss National Bank (SNB) abandoned its currency ceiling policy in January 2015 and, as a result, the value of the Swiss Franc has significantly increased. The value of LBT's investment in Clever Culture Systems AG Switzerland (CCS), as shown in the balance sheet, was valued at fair value using the closing RBA exchange rate on 31 December 2014. As at 21 January 2015 the fair value of investment in CCS was \$1.65m presenting an increase of \$0.19m on the December 2014 balance.

The Company announced that on 9 January it had received a Letter of Intent from bioMérieux regarding termination of the licence agreement for LBT's MicroStreak technology, which is well established in the global market place as PREVI Isola. The end of the agreement stems from bioMérieux's recently announced alliance with Italian microbiology company Copan.

The current agreement will continue for at least 12 months. In calendar year 2015, LBT is expected to maintain its royalty income from bioMérieux of at least US\$600,000. We expect that this may be higher, as the minimum royalty target for sales of PREVI Isola applicators was surpassed in late 2014.

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**Auditor's Declaration**

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 7 for the half-year ended 31 December 2014.

**Rounding of Amounts**

The Company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements have been rounded to the nearest thousand dollars.

This report is signed in accordance with a resolution of the Board of Directors.



.....  
Director  
LUSIA HALINA GUTHRIE



.....  
Chairman  
ROBERT ANDREW FINDER

Dated this 27<sup>th</sup> day of February 2015



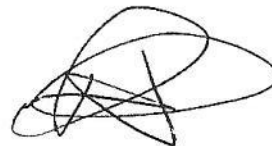
**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER S 307C OF THE CORPORATIONS ACT 2001****TO THE DIRECTORS OF LBT INNOVATIONS LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2014 there has been:

- a. no contraventions of the auditor independence requirements as set out in 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.



**HLB Mann Judd**  
Chartered Accountants



**Phil Plummer**  
Partner

Adelaide, 27 February 2015



LBT INNOVATIONS LTD  
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CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE HALF-YEAR  
ENDED 31 DECEMBER 2014

	NOTE	31/12/14 \$000	31/12/13 \$000
Revenue	2(a)	1,602	2,370
Consulting fees	2(b)	(64)	(332)
Employee benefits expense	2(c)	(433)	(691)
Depreciation and amortisation expense		(368)	(352)
General administration expense	2(d)	(106)	(259)
Legal		(15)	(11)
Marketing		(12)	(27)
Other expenses	2(a)	(404)	(673)
		<hr/>	<hr/>
Profit / (Loss) before income tax		200	25
Income tax (expense)/benefit		311	747
		<hr/>	<hr/>
Profit / (Loss) after income tax expense		511	772
		<hr/>	<hr/>
Profit / (Loss) for the period		511	772
		<hr/>	<hr/>
Other comprehensive income for the half year net of tax	7(b)	36	120
		<hr/>	<hr/>
Total comprehensive income / (loss) for the half-year		547	892
		<hr/>	<hr/>
Basic earnings per share (cents per share)		0.45	0.77
		<hr/>	<hr/>
Diluted earnings per share (cents per share)		0.45	0.77

(To be read with the accompanying notes)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER  
2014

	NOTE	31/12/14 \$000	31/12/13 \$000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,546	2,080
Trade and other receivables		1,475	1,410
Current Tax Asset		1,131	1,012
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		4,152	4,502
		<hr/>	<hr/>
NON-CURRENT ASSETS			
Plant & equipment		76	47
Investments accounted for using the equity method	11	1,458	1,579
Deferred tax asset		1,566	2,331
Intangible assets	4	15,954	11,988
		<hr/>	<hr/>
TOTAL NON-CURRENT ASSETS		19,054	15,945
		<hr/>	<hr/>
TOTAL ASSETS		23,206	20,447
		<hr/>	<hr/>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		638	1,287
Unexpended Grants		125	0
Financial liabilities	5	141	141
		<hr/>	<hr/>
TOTAL CURRENT LIABILITIES		904	1,428
		<hr/>	<hr/>
NON CURRENT LIABILITIES			
Deferred tax liabilities		4,736	3,208
Financial liabilities	5	1,832	1,973
Provisions		94	72
		<hr/>	<hr/>
TOTAL NON CURRENT LIABILITIES		6,662	5,253
		<hr/>	<hr/>
TOTAL LIABILITIES		7,566	6,681
		<hr/>	<hr/>
NET ASSETS		15,640	13,766
		<hr/>	<hr/>
EQUITY			
Issued Capital	6	13,145	11,313
Reserves	7	848	919
Retained Earnings / (Accumulated Losses)		1,647	1,534
		<hr/>	<hr/>
TOTAL EQUITY		15,640	13,766
		<hr/>	<hr/>

(To be read with the accompanying notes)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR  
ENDED 31 DECEMBER 2014

	Note	Issued Capital \$'000	Foreign Currency Translation Reserve \$'000	Option Reserve \$'000	Retained Earnings / (Accumulated Losses ) \$'000	Total \$'000
Balance at 1 July 2013		11,297	0	791	762	12,850
Profit attributable to members		0	0	8	772	780
Shares issued during the period	6	16	0	0	0	16
Other comprehensive income	7(b)	0	120	0	0	120
Balance at 31 December 2013		<u>11,313</u>	<u>120</u>	<u>799</u>	<u>1,534</u>	<u>13,766</u>
Balance at 1 July 2014		11,665	39	806	1,054	13,564
Elimination on deconsolidation		0	(39)	0	82	43
Restated opening balance 1 July 2014		<u>11,665</u>	<u>0</u>	<u>806</u>	<u>1,136</u>	<u>13,607</u>
Profit attributable to members		0	0	6	511	517
Shares issued during the period	6	1,620	0	0	0	1,620
Capital raising Costs		(140)	0	0	0	(140)
Other comprehensive income	7(b)	0	36	0	0	36
Balance at 31 December 2014		<u>13,145</u>	<u>36</u>	<u>812</u>	<u>1,647</u>	<u>15,640</u>

(To be read with the accompanying notes)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31  
DECEMBER 2014

	NOTE	31/12/14 \$000	31/12/13 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Joint venture signing fee		0	2,000
Milestone payments (Joint Venture Agreement)		0	1,000
Royalty receipts		332	322
Royalty payments		0	(36)
Grants Received		172	0
Payments to suppliers and employees		(561)	(1,471)
Interest received		29	24
Research and development tax concession		3,014	827
		<hr/>	<hr/>
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES		2,986	2,666
		<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Research and development (intangible asset)		(4,664)	(1,462)
Payment for plant and equipment		(29)	(37)
		<hr/>	<hr/>
NET CASH (USED IN) INVESTING ACTIVITIES		(4,693)	(1,499)
		<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Shares issued during the period		1,619	16
Capital raising costs during the period		(175)	0
		<hr/>	<hr/>
NET CASH (USED IN) FINANCING ACTIVITIES		1,444	16
		<hr/>	<hr/>
NET INCREASE/(DECREASE) IN CASH HELD		(263)	1,183
Cash at beginning of period		1,791	876
Exchange rate adjustments		18	21
		<hr/>	<hr/>
CASH AT END OF PERIOD		1,546	2,080
		<hr/>	<hr/>

(To be read with the accompanying notes)



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31  
DECEMBER 2014

1 ACCOUNTING POLICIES

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporation Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by LBT Innovations Ltd during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX listing rules.

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

The condensed interim financial report was approved by the Board of Directors on 27 February 2015.

The accounting policies applied by the Company in this condensed interim financial report are the same as those applied by the Company in its financial report for the year ended 30 June 2014 and the corresponding interim reporting period.

(To be read with the accompanying notes)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31  
DECEMBER 2014

2 PROFIT / (LOSS) BEFORE INCOME TAX EXPENSE

(a) The following revenue and expense items are relevant in explaining the financial performance for the interim period:

	31/12/14 \$000	31/12/13 \$000
<i>Revenue comprises:</i>		
Milestone payment	1,000	2,000
Apps Lab service income	76	0
Interest revenue	31	32
Royalty revenue	356	327
Grant revenue	105	70
Investment in joint venture gain / (loss)	16	(81)
Foreign exchange gain / (loss)	18	22
	<hr/>	<hr/>
Total Revenue	1,602	2,370
	<hr/>	<hr/>
<i>Other expenses comprises:</i>		
Audit fees	(13)	(10)
Patent fees	(8)	(4)
Research and development	0	(368)
ARC linkage grant	(79)	(79)
Travel and accommodation	(42)	(102)
Loss on disposal of asset (LBT Innovations (UK) Ltd)	(135)	0
Other expenses	(127)	(110)
	<hr/>	<hr/>
Total Other Expenses	(404)	(673)
	<hr/>	<hr/>
(b) Consulting fees include fees paid to assist with the application for government grants and capital raising.	(64)	(332)
(c) Employee benefits expense includes directors fees payable in accordance with the resolution passed at the Company's annual general meeting of shareholders and salaries and wages, including executive bonuses, however, excluding the proportion capitalised in the balance sheet	(433)	(691)
(d) <i>General administration expenses comprises:</i>		
Regulatory and Quality Assurance	0	(154)
Other general administration expenses	(106)	(105)
	<hr/>	<hr/>
Total General Administration Expenses	(106)	(259)
	<hr/>	<hr/>

(To be read with the accompanying notes)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

2 PROFIT / (LOSS) BEFORE INCOME TAX EXPENSE (e) Cont.

(e) Capitalised APAS development costs included in the 2014 annual report for the financial year ended 30 June 2014 included software development, consulting and general administration expenses from December 2013, which were not shown as capitalised in the Appendix 4D half year results for the half year ended 31 December 2013. Below is the restated accounts as at 31 December 2013 which incorporates the effect of the change in accounting policy

RESTATED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Original Declared Value 31/12/13	Adjustment	Restated Value 31/12/13
	\$000	\$000	\$000
Other expenses	(2,370)	1,697	(673)
Profit / (Loss) before income tax	(1,672)	1,697	25
Income tax (expense)/benefit	806	(59)	747
Profit / (Loss) after income tax expense	(866)	1,638	772
Other comprehensive income for the half year net of tax	120	0	120
Total comprehensive income / (loss) for the half-year	(746)	1,638	892
Basic earnings per share (cents per share)	(0.87)	1.64	0.77

RESTATED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Original Declared Value 31/12/13	Adjustment	Restated Value 31/12/13
<b>NON-CURRENT ASSETS</b>			
Plant & equipment	47	0	47
Investments accounted for using the equity method	1,579	0	1,579
Deferred tax asset	2,272	59	2,331
Intangible assets	10,291	1,697	11,988
<b>TOTAL NON-CURRENT ASSETS</b>	<b>14,189</b>	<b>1,756</b>	<b>15,945</b>
<b>TOTAL ASSETS</b>	<b>18,691</b>	<b>1,756</b>	<b>20,447</b>

(To be read with the accompanying notes)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

2 PROFIT / (LOSS) BEFORE INCOME TAX EXPENSE (e) Cont.

RESTATED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013 Cont.

	Original Declared Value 31/12/13	Adjustment	Restated Value 31/12/13
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Deferred tax liabilities	3,090	118	3,208
Financial liabilities	1,973	0	1,973
Provisions	72	0	72
<b>TOTAL NON CURRENT LIABILITIES</b>	<u>5,135</u>	<u>118</u>	<u>5,253</u>
<b>TOTAL LIABILITIES</b>	<u>6,563</u>	<u>118</u>	<u>6,681</u>
<b>NET ASSETS</b>	<u>12,128</u>	<u>1,638</u>	<u>13,766</u>
<b>EQUITY</b>			
Issued Capital	11,313	0	11,313
Reserves	919	0	919
Retained Earnings (Accumulated Losses)	(104)	1,638	1,534
<b>TOTAL EQUITY</b>	<u>12,128</u>	<u>1,638</u>	<u>13,766</u>

RESTATED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Note	Issued Capital \$'000	Foreign Currency Translation Reserve \$'000	Option Reserve \$'000	Retained Earnings / (Accumulated Losses ) \$'000	Total \$'000
Balance at 1 July 2013		11,297	0	791	762	12,850
Loss attributable to members		0	0	8	(866)	(858)
Shares issued during the period	6	16	0	0	0	16
Other comprehensive income	7(b)	0	120	0	0	120
Original Declared Balance at 31 December 2013		<u>11,313</u>	<u>120</u>	<u>799</u>	<u>(104)</u>	<u>12,128</u>
Adjustment		<u>0</u>	<u>0</u>	<u>0</u>	<u>1,638</u>	<u>1,638</u>
Restated balance at 31 December 2013		<u>11,313</u>	<u>120</u>	<u>799</u>	<u>1,534</u>	<u>13,766</u>

(To be read with the accompanying notes)



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31  
DECEMBER 2014

3 SEGMENT INFORMATION

The Company has one business segment, being a developer of clinical and diagnostic technology.

	31/12/14 \$000	31/12/13 \$000
<b>4 INTANGIBLE ASSETS</b>		
MicroStreak Option Fee at Cost	51	51
Less: Accumulated Amortisation	(36)	(32)
	<u>15</u>	<u>19</u>
MicroStreak Licence Fee at Cost	120	120
Less: Accumulated Amortisation	(80)	(72)
	<u>40</u>	<u>48</u>
Patent fees at Cost	247	247
Less: Accumulated Amortisation	(98)	(86)
	<u>149</u>	<u>161</u>
MicroStreak Development Cost	11,959	11,959
Less: Accumulated Amortisation	(2,567)	(1,896)
	<u>9,392</u>	<u>10,063</u>
APAS Development Costs	6,361	1,697
Less: Accumulated Amortisation	(3)	0
	<u>6,358</u>	<u>1,697</u>
<b>TOTAL INTANGIBLE ASSETS</b>	<u>15,954</u>	<u>11,988</u>
<b>5 FINANCIAL LIABILITIES</b>		
<b>CURRENT</b>		
Deferred Revenue	141	141
<b>NON-CURRENT</b>		
Deferred Revenue	1,832	1,973

(To be read with the accompanying notes)

LBT INNOVATIONS LTD  
ACN 107 670 673

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31  
DECEMBER 2014

6 ISSUED CAPITAL

	No. of Shares	\$'000
Opening Balance 1 July 2014	102,727,455	11,665
Share Purchase Plan shares allotted	3,832,944	518
Tranche 2 Placement allotted	8,162,968	1,102
Capital raising costs	0	(140)
	<hr/>	<hr/>
Balance 31 December 2014	114,723,367	13,145
	<hr/>	<hr/>
	31/12/14 \$000	31/12/13 \$000

7 RESERVES

Option reserve of valuation of share options	7(a)	812	799
Foreign currency translation reserve	7(b)	36	120
		<hr/>	<hr/>
		848	919
		<hr/>	<hr/>

- (a) The option reserve records items recognised on valuation of share based payments.
- (b) The foreign currency translation reserve records net exchange movements on translation of LBT Innovations Ltd's foreign subsidiary LBT Innovations (UK) Limited including the revaluation of LBT's investment in Clever Culture Systems (JV company).

8 DIVIDENDS

There have been no dividends declared or paid during the period of this report.

9 CAPITAL AND OTHER COMMITMENTS

*Acquisition of Invention and Technology – MicroStreak.*

Licence fees, milestone payments and royalties payable under a Technology Licence agreement entered into 1 December 2004 to SA Pathology (formally Medvet Science Pty Ltd).

*Office lease*

The Company has leased level 1, 300 Flinders Street, Adelaide for a period of 3 years from 1 August 2014 at a minimum rental of \$90,000 pa increased annually by CPI, plus outgoings.

(To be read with the accompanying notes)

LBT INNOVATIONS LTD  
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10 PREVI ISOLA LICENCE AGREEMENT

On 12 January 2015, the Company released an announcement to the ASX regarding a letter of intent received from their licensee, bioMerieux, to terminate the Licence Agreement with LBT in the next 12 months.

The Company is currently negotiating termination conditions and is expecting royalty income for the remainder of 2015.

11 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

As of the date of signing of this financial report, the audit of Clever Culture Systems AG for the year ended 31 December 2014 is not yet complete. Therefore the Investments accounted for using the JV method is unaudited.

LBT Innovations Ltd has a 50% interest in the company.

(To be read with the accompanying notes)

## DIRECTORS' DECLARATION

In accordance with a resolution of the directors of LBT Innovations Ltd, we state that:

In the opinion of the directors:

1. The financial statements and notes set out on pages 8 to 18 are in accordance with the Corporations Act 2001, including:
  - a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
  - b. giving a true and fair view of the financial position as at 31 December 2014 and the performance for the half-year ended on that date.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.



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ROBERT ANDREW FINDER  
Chairman



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LUSIA HALINA GUTHRIE  
Director

Dated this 27<sup>th</sup> day of February 2015

(To be read with the accompanying notes)



**INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of LBT Innovations Ltd

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of LBT Innovations Ltd, which comprises the condensed statement of financial position as at 31 December 2014, the condensed income statement, condensed statement of comprehensive income, condensed statement of changes in equity and condensed 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.

**Directors' Responsibility for the Half-Year Financial Report**

The directors of the company are responsible for the preparation of the half-year financial report in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such 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, anything has come to our attention that causes us to believe that the 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 LBT Innovations 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.

**INDEPENDENT AUDITOR'S REVIEW REPORT (continued)****Emphasis of Matter**

We draw attention to Note 11 to the financial statements Investments Accounted for using the equity method of \$1.458M. At the time of this report on the half year review, the audit of the joint venture entity Clever Culture Systems AG Switzerland is not complete. Therefore the Investments accounted for using the equity method in the balance sheet of \$1.458 million is unaudited and hence has not been reviewed.

Our opinion is not modified in respect of this matter.

**Conclusion**

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of LBT Innovations Ltd is not in accordance with the Corporations Act 2001 including:

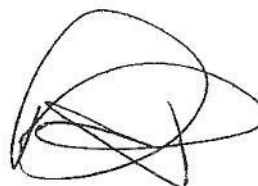
- (a) giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

**Matters relating to the electronic presentation of the reviewed half-year financial report**

This Review Report relates to the half-year financial report of the company for the half-year ended 31 December 2014 published in the concise financial report and included on the company's website. The company's directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of this web site. The review report refers only to the half-year financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the half-year financial report. If users of the half-year financial report are concerned with the inherent risks arising from publication on a web site they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information contained in this web site version of the half-year financial report.



**HLB Mann Judd**  
**Chartered Accountants**



**Phil Plummer**  
**Partner**

Adelaide, 27 February 2015

**HLB Mann Judd (SA Partnership) ABN: 22 640 925 071 -21-**

169 Fullarton Road, Dulwich SA | Telephone +61 (0)8 8133 5000 | Facsimile +61 (0)8 8431 3502

Postal: PO Box 377, Kent Town SA 5071

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