



**Rockeby biomed Limited Group (“Rockeby”)
December 2008 Quarterly and Milestone Report**

HIGHLIGHTS (to update numbers below)

- **The Group was formally awarded 2 R&D grants from Singapore’s SPRING Singapore Technology Enterprise Commercialisation Scheme (TECS) grant, totaling S\$750,000 (A\$740,000)**
- **Group sales for the first half of FY 2009 are expected to exceed significantly Group’s sales for the full FY 2008. Key contributing products are Pepp and OraQuick.**

Key Activities

Pepp continued to poise for upward growth, both in China, Singapore and Vietnam.

A first shipment of 50,000 packs of Pepp 2’s was shipped to Vietnam in November 2008 and this is the first step to opening the market in Vietnam.

In October 2008, the Group appointed Dong Luc Pharmaceutical Co., (Dong Luc) as its exclusive distributor for the Vietnam market. Dong Luc is part of the Dong Luc Group, owns the Thuoctot3T chain of pharmacies in the Vietnamese capital, Hanoi (www.thuoctot3t.com.vn) . The company is also the Vietnamese distributor for pharmaceutical products for Sanofi Aventis, United Pharma, Bayer and Tenamy.

Unit tablets sale tracking, since launch a year ago, and moving forward are:

- 2.6 millions tablets sold since its launch;
- 2.0 million tablets sold for the half year ended 2009

Funding

Re-Capitalisation Exercise

On 30th September 2008, the Board of Rockeby biomed Ltd (“Company”) announced that, subject to shareholders’ approval, it had accepted a proposal to re-capitalise the Company through the injection of up to \$2 million of working capital in exchange for a controlling interest in the Company (“Re-capitalisation”). The Re-capitalisation proposal was made by a syndicate of sophisticated Singaporean investors led by the current Managing Director, Dr Tan Sze Wee (“Syndicate”).

The terms of the proposed Re-capitalisation are outlined below:

1. A non-renounceable rights issue to existing shareholders on a 1:1 basis at 0.0675 cents per share to raise approximately \$500,000 before cost of the issue (“Rights Issue”). The Rights Issue will be fully underwritten by the Syndicate. The Company would seek shareholder approval of the allotment of Shares under the shortfall to the Syndicate.
2. A placement of 740,642,345 shares to the Syndicate at 0.0675 cents per share to raise \$500,000 before costs of issue (“Placement”). The Company would seek shareholder approval to undertake the Placement.
3. The grant of 1,481,481,481 options to acquire Shares (“Options”) exercisable at 0.0675 cents each over a two year period following the date of shareholder approval to the Syndicate. If exercised, these options will inject a further \$1,000,000 over the two year period. The Company would seek shareholder approval for the grant and potential conversion of the Options.

Shareholders approved the re-capitalisation exercise in the annual general meeting held on 28th November 2008.

Total funds raised via the re-capitalisation exercise were \$1.016m before cost.

New R&D Grants

The Group was formally awarded 2 R&D grants from Singapore’s SPRING Singapore Technology Enterprise Commercialisation Scheme (TECS) grant, totalling S\$750,000 (A\$740,000). An advance was placed with the Group for it to kick start its 2 new projects.

Cash flow

- Cash position

The Group’s cash position at the end of December 2008, net of bank overdrafts, was \$1,303 million.

Cash outflow from operating activities during the quarter was \$946,000 . They were made up of staff cost of \$236,000, advertising and marketing cost of \$101,000, research and development cost of \$109,000, and other working capital of \$487,000

Cash receipts during the quarter was \$699,000 from sales collections. In addition, during the quarter, the Group’s subsidiary also received \$231,000 which represented an advance from SPRING TECS R&D grant. This advance enabled the Group to kick start its 2 new R&D projects.

Cash inflow from financing activities were due to funds raised from the re-capitalisation exercise before cost.

Outlook for the rest of FY 2009

The Group expects the next 6 months to be better with sales coming from its Pepp sales in China and the rest of Asia.

About Rocheby biomed:

Rocheby biomed Limited is a Singapore-based, ASX-listed (ASX: RBY) healthcare company specialising in research, development and marketing of rapid testing technologies for infectious disease in humans and animals and lifestyle health products including CanDia5®, Avian Influenza Virus test kits and Pepp®.

For further information please contact:

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Appendix 4C

**Quarterly report
for entities admitted
on the basis of commitments**

Name of entity

Rockeby biomed Limited Group

ABN

43 106 093 305

Quarter ended ("current quarter")

31st December 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	699	1091
1.2 Payments for (a) staff costs	(236)	(402)
(b) advertising & marketing	(101)	(186)
(c) research & development	(109)	(193)
(d) leased assets	(1)	(1)
(e) other working capital	(487)	(830)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	5	5
1.5 Interest and other costs of finance paid	(13)	(22)
1.6 Income taxes paid		
1.7 Other (provide details if material) – Spore TECS Grant	231	239
Net operating cash flows	(11)	(299)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (.6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(11)	(299)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(14)	(14)
(e) other non-current assets	(12)	(12)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other		
Net investing cash flows	(26)	(26)
1.14 Total operating and investing cash flows	(37)	(325)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	1016	1031
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings	100	350
1.18 Repayment of borrowings	(125)	(125)
1.19 Dividends paid		
1.20 Other – Capital issue costs		
Net financing cash flows	991	1256
Net increase (decrease) in cash held	954	931
1.21 Cash at beginning of quarter/year to date	291	311
1.22 Exchange rate adjustments to item 1.21	58	61
1.23 Cash at end of quarter	1303	1303

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

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

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	67
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

The aggregate payment represents remuneration paid to managing director of the Group.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		
3.2	Credit standby arrangements	607	596

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	1281	280
4.2 Deposits at call	621	487
4.3 Bank overdraft	(600)	(476)
4.4 Other (provide details)	0	0
Total: cash at end of quarter (item 1.23)	1302	291

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

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

Sign here:

(~~Director~~/Company secretary)

Date:

Print name:

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.