

Appendix 4D

Half-Year Consolidated Financial Report

Introduced 1/1/2003.

Name of Entity	OBJ LIMITED
ABN	72 056 482 636
Financial Period Ended	31 DECEMBER 2011
Previous Corresponding Reporting Period	31 DECEMBER 2010

Results for Announcement to the Market

	\$'000	Percentage increase /(decrease) over previous corresponding period
Revenue	369	Up 156%
Loss for the period	(707)	Up 0.28%
Loss attributable to members of the parent entity	(707)	Up 0.28%
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous corresponding period *	Nil	Nil
Record date for determining entitlements to the dividends (if any)	N/A	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
Refer to the Review of Operations section of the Directors' Report included in Attachment 1.		

The half-year consolidated financial report is to be read in conjunction with the most recent annual financial report.

Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.003	\$0.004

Other Significant Information Needed by an Investor to Make an Informed Assessment of the Entity's Financial Performance and Financial Position

Refer to the Review of Operations section of the Directors' Report included in Attachment 1.

Commentary on the Results for the Period

The earnings per security and the nature of any dilution aspects :

Refer to the Statement of Comprehensive Income in Attachment 1.

Returns to shareholders including distributions and buy backs :

N/A

Significant features of operating performance :

Refer to the Review of Operations section of the Directors' Report included in Attachment 1.

The results of segments that are significant to an understanding of the business as a whole:

Refer to the Review of Operations section of the Directors' Report included in Attachment 1.

Discussion of trends in performance :

Refer to the Review of Operations section of the Directors' Report included in Attachment 1.

Any other factor which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified:

N/A

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control gained	N/A
Consolidated profit / (loss) from ordinary activities since the date in the current period on which control was acquired	N/A
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control lost	N/A
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control ('\$000)	N/A
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period ('\$000)	N/A

Details of Associates and Joint Venture Entities

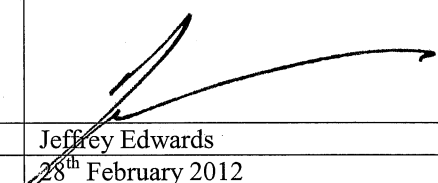
Name of Entity	Percentage Held		Share of Net Profit	
	Current Period	Previous Period	Current Period	Previous Period
N/A				
Aggregate Share of Net Profits				

Audit/Review Status

This half-year consolidated financial report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: <p style="text-align: center;">N/A</p>			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: <p style="text-align: center;">N/A</p>			

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	Interim Consolidated Financial Report

Signed By (Director)	
Print Name	Jeffrey Edwards
Date	28 th February 2012

OBJ LIMITED
A.B.N. 72 056 482 636

DIRECTOR'S REPORT (continued)

Review of Operations (continued)

2. Technology Development

During the period, the Company was rewarded by positive results in its technology development programs in surface hygiene. Data provided through the Company's close working relationship with Bradford University in the UK, has supported an expansion of this work.

The Company's work with microneedles was also expanded during the period with the receipt of the first positive results of enhanced drug delivery when used in conjunction with microneedles. This has led to the development of new Intellectual Property and the development of a number of new product forms that utilise this combination of technologies.

3. Capabilities

During the period, the Company has focused on a number of technical and development relationships with major universities in both Australia and UK. This has added substantially to the technical scope available to the Company's R&D and partnering programs.

The trend towards utilising specialised centres of excellence around the world as a means of expanding the Company's technical capabilities is expected to continue.

4. Outlook

The Company has made substantial progress during the period in its key interest areas of technology utilisation, international partnering and moving towards the development of its own products. The recent FMCG negotiations, expansion of collaborations with major international groups and strong consumer research to OBJ's product plans should result in an exciting and expansive 2012.

Auditor's Independence Declaration

In accordance with the Audit Independence requirements of the Corporations Act 2001, the directors have received and are satisfied with the "Audit Independence Declaration" provided by OBJ Limited external auditors RSM Bird Cameron Partners. The Audit Independence Declaration is set out on page 8 of this half-year consolidated financial report.

Signed in accordance with a resolution of the board of directors.



Jeffrey Edwards
Director

Dated this 28th day of February 2012

OBJ LIMITED
A.B.N. 72 056 482 636

DIRECTOR'S REPORT (*continued*)

Review of Operations (*continued*)

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Jeffrey Edwards
Director

Dated this 28th day of February 2012

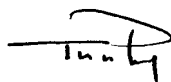
RSM Bird Cameron Partners
8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9101
www.rsmi.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of OBJ Limited for the half-year ended 31 December 2011, 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.

Rsm Bird Cameron Partners
RSM BIRD CAMERON PARTNERS
pChartered Accountants



TUTU PHONG
Partner

Perth, WA
Dated: 28 February 2012

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

	31 Dec. 2011 \$	31 Dec. 2010 \$
Revenue	368,809	144,411
Borrowing costs	(9,500)	(9,500)
Depreciation expenses	(11,089)	(5,648)
Administration fees	(73,050)	(85,779)
Auditor's remuneration	(8,500)	(8,000)
Consultants and consultants benefits expenses	(436,103)	(222,282)
Directors' and employees benefits expenses	(323,925)	(279,238)
Insurance	(11,813)	(9,778)
Legal costs	(8,906)	(10,176)
Materials and requisites	(8,571)	(6,788)
Occupancy expenses	(37,994)	(32,055)
Patent fees	(36,440)	(32,562)
Share register maintenance	(40,078)	(56,604)
Travel and accommodation	(40,816)	(23,945)
Other expenses	(29,008)	(66,984)
Loss before income tax	(706,984)	(704,928)
Income tax	--	--
Loss for the period	(706,984)	(704,928)
Other comprehensive income	--	--
Total comprehensive loss for the period	(706,984)	(704,928)
Loss attributable to:		
Members of the parent entity	(706,984)	(704,928)
Basic and diluted losses per share (cents per share)	(0.06)	(0.06)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	Note	31 Dec. 2011 \$	30 Jun. 2011 \$
CURRENT ASSETS			
Cash and cash equivalents		3,827,999	4,641,003
Trade and other receivables		385,208	207,482
TOTAL CURRENT ASSETS		<u>4,213,207</u>	<u>4,848,485</u>
NON CURRENT ASSETS			
Plant and equipment		74,690	82,983
TOTAL NON CURRENT ASSETS		<u>74,690</u>	<u>82,983</u>
TOTAL ASSETS		<u>4,287,897</u>	<u>4,931,468</u>
CURRENT LIABILITIES			
Trade and other payables		285,632	257,949
Interest bearing liabilities		190,000	190,000
TOTAL CURRENT LIABILITIES		<u>475,632</u>	<u>447,949</u>
TOTAL LIABILITIES		<u>475,632</u>	<u>447,949</u>
NET ASSETS		<u>3,812,265</u>	<u>4,483,519</u>
EQUITY			
Issued capital	2	20,108,976	20,108,976
Reserves	3	1,312,904	1,277,174
Accumulated losses		(17,609,615)	(16,902,631)
TOTAL EQUITY		<u>3,812,265</u>	<u>4,483,519</u>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

	Ordinary Share Capital	Share Based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2010	19,798,559	1,251,320	(16,005,102)	5,044,777
Total comprehensive loss for the Period	--	--	(704,928)	(704,928)
Shares issued during the period	233,079	--	--	233,079
Balance at 31 December 2010	<u>20,031,638</u>	<u>1,251,320</u>	<u>(16,710,030)</u>	<u>4,572,928</u>
Balance at 1 July 2011	20,108,976	1,277,174	(16,902,631)	4,483,519
Total comprehensive loss for the Period	--	--	(706,984)	(706,984)
Performance rights issued during the period	--	35,730	--	35,730
Transaction costs	--	--	--	--
Balance at 31 December 2011	<u>20,108,976</u>	<u>1,312,904</u>	<u>(17,609,615)</u>	<u>3,812,265</u>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

	31 Dec. 2011 \$	31 Dec. 2010 \$
Cash flows from operating activities		
Payments to suppliers and employees	(985,405)	(855,752)
Interest received	157,291	180,361
Borrowing costs	(9,500)	--
	<hr/>	<hr/>
Net cash used in operating activities	(837,614)	(675,391)
	<hr/>	<hr/>
Cash flows from investing activities		
Payment for plant and equipment	(2,862)	(15,075)
	<hr/>	<hr/>
Net cash used in investing activities	(2,862)	(15,075)
	<hr/>	<hr/>
Cash flows from financing activities		
Proceeds from issue of shares and options	--	233,079
Proceeds from share application monies	18,054	--
Other	--	55,316
	<hr/>	<hr/>
Net cash provided by financing activities	18,054	288,395
	<hr/>	<hr/>
Net decrease in cash and cash equivalents held	(822,422)	(402,071)
Cash and cash equivalents at the beginning of the financial period	4,641,003	5,326,997
Effect of exchange rate changes on cash holdings	9,418	(34,338)
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial period	<u>3,827,999</u>	<u>4,890,588</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION

The half-year consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures that the financial report and notes also comply with International Financial Reporting Standard IAS 34: Interim Financial Reporting.

It is recommended that this consolidated financial report be read in conjunction with the annual financial report for the year ended 30 June 2011 and any public announcements made by OBJ Limited and its controlled entities during the half-year in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*.

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

The half-year consolidated financial report has been prepared on an accruals basis and is based on historical costs.

The accounting policies have been consistently applied by the consolidated entity and are consistent with those in the 30 June 2011 annual financial report, except in relation to the matters disclosed below:

New and Revised Accounting Standards and Interpretations

In the current year, the consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

NOTE 2: ISSUED CAPITAL

(a) Issued capital

1,154,311,333 Ordinary shares fully paid
(30/06/11: 1,154,311,333)

Consolidated	
31 Dec. 2011	30 Jun. 2011
\$	\$
20,108,976	20,108,976

(b) Movements in ordinary share capital

01/07/2011 Opening balance
Less: costs associated with the issue of shares
31/12/2011 Closing balance

	Number of Shares	\$
	1,154,311,333	20,108,976
	--	--
	<u>1,154,311,333</u>	<u>20,108,976</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (*continued*)

NOTE 3: RESERVES

Consolidated
31 Dec. **30 Jun.**
2011 **2011**
\$ **\$**

(a) Composition

Option and Performance Rights reserve	1,312,904	1,277,174
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The option and performance rights reserve records items recognised as expenses on valuation of director/employee/consultant share options and performance rights.

(b) Movements in options and performance rights were as follows:

Date	Details	Number of Performance Rights	Number of Listed	Options Unlisted	Exercise Price	Fair Value of Options / Performance Rights Issued	Expiry Date
01/07/11	Opening Balance	--	111,488,969	--	--	\$1,277,174	--
09/12/11	Pursuant to shareholder approval on 25/11/2011	18,000,000	--	--	--	\$273,600	09/12/2014
	Less: value of performance rights carried forward from 31/12/11 (refer Note 7)					(\$254,111)	
09/12/11	Pursuant to Directors resolution	15,000,000	--	--	--	\$228,000	09/12/2014
	Less: value of performance rights carried forward from 31/12/11 (refer Note 7)					(\$211,759)	
31/12/11	Listed options expired	--	(109,843,774)	--	\$0.01125	--	31/12/2011
31/12/11	Closing Balance	33,000,000	1,645,195	--		\$1,312,904	

NOTE 4: DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

NOTE 5: SEGMENT INFORMATION

The Company has considered the requirements of AASB8 – Operating Segments and has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Company operates as a single segment which is development of the dermaportation drug delivery technology within Australia.

The Company is domiciled in Australia. All revenue from external parties is generated from Australia only. All the assets are located in Australia only.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (*continued*)

NOTE 6: CONTINGENT LIABILITIES

OBJ Limited and its controlled entities have no known material contingent liabilities as at 31 December 2011.

NOTE 7: SHARE BASED PAYMENTS

On 25 November 2011, the following *performance rights* were granted to directors as part of their remuneration:

G Denison

- 2,000,000 performance rights to vest subject to the execution of an agreement to design and develop commercial product(s) utilising the Company's technologies (Milestone 1);
- 2,000,000 performance rights to vest subject to the satisfaction of the regulatory requirements necessary for the Company to offer a product of its own design and development to the market either directly or through partners (Milestone 2); and
- 2,000,000 performance rights to vest subject to the commercial release of a product utilising the Company's technology (Milestone 3).

J D Edwards

- 2,000,000 performance rights to vest subject to the execution of an agreement to design and develop commercial product(s) utilising the Company's technologies (Milestone 1);
- 2,000,000 performance rights to vest subject to the satisfaction of the regulatory requirements necessary for the Company to offer a product of its own design and development to the market either directly or through partners (Milestone 2); and
- 2,000,000 performance rights to vest subject to the commercial release of a product utilising the Company's technology (Milestone 3).

C J Quirk

- 2,000,000 performance rights to vest subject to the execution of an agreement to design and develop commercial product(s) utilising the Company's technologies (Milestone 1);
- 2,000,000 performance rights to vest subject to the satisfaction of the regulatory requirements necessary for the Company to offer a product of its own design and development to the market either directly or through partners (Milestone 2); and
- 2,000,000 performance rights to vest subject to the commercial release of a product utilising the Company's technology (Milestone 3).

On 9 December 2011, the following *performance rights* were granted to various consultants as part of their remuneration:

- 5,000,000 performance rights to vest subject to the execution of an agreement to design and develop commercial product(s) utilising the Company's technologies (Milestone 1);
- 5,000,000 performance rights to vest subject to the satisfaction of the regulatory requirements necessary for the Company to offer a product of its own design and development to the market either directly or through partners (Milestone 2); and
- 5,000,000 performance rights to vest subject to the commercial release of a product utilising the Company's technology (Milestone 3).

All the performance rights were issued for nil consideration and may be exercised for nil consideration upon the occurrence of the Performance Conditions. The performance rights shall expire three years after their issue date at 5.00 pm (WST).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (*continued*)

NOTE 7: SHARE BASED PAYMENTS (*continued*)

The fair value of the performance rights granted were independently valued and took into account the following:

- 1.9 cents underlying value of an OBJ share trading on ASX as at 25 November 2011; and
- 20% discount on the underlying value due to performance rights not having any rights to vote, no rights to receive dividends and no rights to participate in any surplus assets on a wind up of the Company.

The total share based payment expense for the half-year ended recognised in the Statement of Comprehensive Income was \$35,730, with the balance of \$465,870 to be carried forward and proportioned over the period up until the expiry date of 9 December 2014.

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the half-year ended 31 December 2011, the following events have occurred:

- On 4 January 2012, 1,645,195 listed options were converted to shares at an issue price of \$0.01125 per share.
- On 8 February 2012, 105,996,649 listed options exercisable at \$0.01 on or before 30 June 2013 were issued pursuant to shareholder approval on 25 November 2011 and the Prospectus lodged with ASIC and ASX on 13 January 2012.

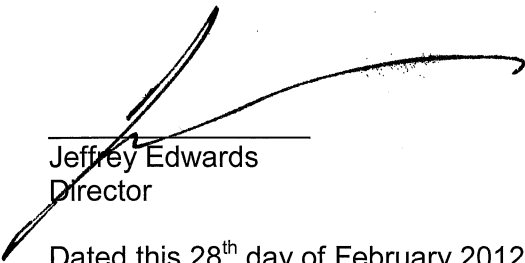
OBJ LIMITED
A.B.N. 72 056 482 636

DIRECTORS' DECLARATION

In the opinion of the directors:

- a) The financial statements and notes are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
 - ii) complying with Australian Accounting Standards AASB 134: Interim Financial Reporting;
- b) 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.



Jeffrey Edwards
Director

Dated this 28th day of February 2012

RSM Bird Cameron Partners
8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9101
www.rsmi.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF OBJ LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of OBJ Limited which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and 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 consolidated entity comprising the company and the entities it controlled at the half-year 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 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 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 2011 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 OBJ 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.

Liability limited by a scheme approved under Professional Standards Legislation

Major Offices in:
Perth, Sydney, Melbourne,
Adelaide and Canberra
ABN 36 965 185 036

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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 OBJ Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

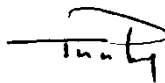
Conclusion

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 OBJ Limited 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 2011 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 Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants



TUTU PHONG
Partner

Perth, WA
Dated: 28 February 2012