



ASX & Media Release

Commentary on Half Year Report

Patrys Commences Multiple Myeloma Trial and Strengthens Financial Position

- **Commencement of clinical trial for PAT-SM6 for the treatment of multiple myeloma**
- **Publication of preclinical data on PAT-SM6**
- **Closing of private placement and share purchase plan**

Patrys Limited (ASX: PAB; the Company) today announced its financial results for the six months ended 31 December 2012 and provided an overview of operations for the period, which saw a number of positive milestones and a strengthening of the Company's cash position.

The six months was an active and positive period for the Company highlighted by the commencement of its Phase I/IIa PAT-SM6 multiple myeloma clinical trial.

Operations:

The highlight for Patrys' operations in the period was the commencement, in November, of a Phase I/IIa clinical trial in multiple myeloma for anti-cancer drug PAT-SM6. Recruitment of the first cohort of patients was completed in December 2012 and recruitment of the second cohort of patients is now underway.

The trial is an open-label multi dose escalation trial in relapsed and multi-resistant patients with multiple myeloma who have failed all currently marketed drugs and have a very poor prognosis. Initially, twelve patients will be enrolled in four dosing groups and will receive a minimum of two cycles (four doses) of treatment. If a patient shows a partial response to treatment with PAT-SM6 an additional cycle (two doses) of treatment will be offered. The primary objective of the study is to evaluate the safety and tolerability of escalating doses of PAT-SM6 and the secondary objective is to measure efficacy as determined by a series of well-established laboratory assays. As the trial is an open-label multi dose escalation study, data will be released on an ongoing basis throughout 2013.

Patrys also continued to expand its preclinical data package in respect for PAT-SM6. The Company received an award from the German Society for Haematology & Oncology for its outstanding preclinical multiple myeloma research on which the current trial is based. Patrys also published further data in a peer reviewed publication resulting from its Australian Research Council grant. This research programme sheds new light on how PAT-SM6 binds to its target GRP78 on cancer cells.

In addition to the advancement of its clinical programmes, the cash position of the Company improved with a successful placement and share purchase plan raising \$2.8 million. The Company also received an R&D Tax Incentive, in respect of the 2012 financial year, of \$754,000 in January 2013. These funds combined with the existing finances provide the Company a runway through to 2014 which should see the completion of the multiple myeloma trial.

Financials:

As described above, in June 2012 the Company raised \$2.1 million from a placement to institutional and professional investors. This placement was conducted in two tranches with \$1.0 million received in June and the balance of \$1.1 million received in August. In addition the Company raised a further \$758,000 from a share placement plan.

Cash on hand at the end of 2012 was \$6.1 million.

The total consolidated net loss for the period was \$1.27 million, a significant reduction over the previous corresponding period.

Further highlights and full financial results are contained in the attached Appendix 4D.

Dated: 6 February 2013



Roger McPherson
Company Secretary

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About Patrys Limited:

Based in Melbourne, Australia, Patrys (ASX: PAB) a clinical stage company, is focused on the development of natural human antibody therapies for cancer. More information can be found at www.patrys.com.

APPENDIX 4D

PATRY'S LIMITED
ABN 97 123 055 363

HALF YEAR REPORT

Current reporting period
Previous corresponding period

Half year ended 31 December 2012
Half year ended 31 December 2011

Results for announcement to the market

A\$'000

Revenues from ordinary activities	Up	383.8%	to	894
Loss from ordinary activities after tax attributable to members	Down	68.4%	to	(1,266)
Net loss for the period attributable to members	Down	68.4%	to	(1,266)

Explanation		
Dividends (distributions)	Amount per security	Franked amount per security
Interim dividend	NIL	NIL
Previous corresponding period	NIL	NIL
Record date for determining entitlements to the dividend	N/A	
	31 December 2012	31 December 2011
Net tangible asset per security	1.32¢	1.28¢
Control gained over entities having material effect		
N/A		
Loss of control of entities having material effect		
N/A		
Details of aggregate share of profit (loss) of associated and joint venture entities		
N/A		
This report is based on:		
accounts which have been subject to review		

PATRY'S LIMITED AND CONTROLLED ENTITIES
ABN 97 123 055 363

APPENDIX 4D – HALF YEAR REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

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This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by Patrys Limited during the half year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the Australian Securities Exchange.

PATRYS LIMITED AND CONTROLLED ENTITIES
ABN 97 123 055 363

DIRECTORS' REPORT

The Board of Directors of Patrys Limited ("Patrys" or the "Company") has resolved to submit the following report together with the financial statements of the Company and its wholly owned subsidiaries ("economic entity") for the half year ended 31 December 2012.

1. Directors

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

Mr. John Read (Non Executive Chairman)
Mr. Michael Stork (Non Executive Director and Deputy Chairman)
Dr. Alan Robertson (Non Executive Director)
Dr. Marie Roskrow (Managing Director and Chief Executive Officer)
Ms. Susan Jones (Non Executive Director)

2. Review of Operations

Key achievements during the period include:

- Commencing a second clinical trial of lead product PAT-SM6 in multiple myeloma and building the appeal of the product for potential partnering.
- Preparing its lead product PAT-LM1 for future clinical trials and continuing its out-licensing project for PAT-SC1.
- Advancing its early stage pipeline.
- Enhancing the financial position of the Company.

PAT-SM6 development programme

During the half year Patrys commenced its second clinical trial for PAT-SM6.

The trial is an open-label multi dose escalation trial in relapsed and multi-resistant patients with multiple myeloma who have failed all currently marketed drugs and have a very poor prognosis. Initially, twelve patients will be enrolled in four dosing groups and will receive a minimum of two cycles (four doses) of treatment. If a patient shows a partial response to treatment with PAT-SM6 an additional cycle (two doses) of treatment will be offered.

The primary objective of the study is to evaluate the safety and tolerability of escalating doses of PAT-SM6 and the secondary objective is to measure efficacy as determined by a series of well-established laboratory assays. As the trial is an open-label multi dose escalation study, data will be released on an ongoing basis.

Patrys also continued to expand its preclinical data package in respect for PAT-SM6. The Company received an award from the German Society for Haematology & Oncology for its outstanding preclinical multiple myeloma research on which the current trial is based.

Patrys also published further data in a peer reviewed publication resulting from its Australian Research Council grant. This research programme sheds new light on how PAT-SM6 binds to its target GRP78 on cancer cells.

Advancement of PAT-SC1 towards out-licensing and PAT-LM1 towards a human clinical trial

In September 2011, Patrys announced that PAT-SC1 showed a significant survival benefit in a 10 year follow-up of gastric cancer patients who were treated with the compound. PAT-SC1 was the first of the Patrys' IgM antibodies to be used in a clinical trial.

In February 2012, having completed the conversion of PAT-SC1 to a proprietary manufacturing system, Patrys commenced an out-licensing of PAT-SC1. Given that gastric cancer has a significant incidence in Asian populations, the licensing campaign is focussed on China, Japan and South Korea. This out-licensing project will continue into 2013.

In addition Patrys has also been continuing the preparation of PAT-LM1 for a clinical trial.

Advancement of early stage pipeline

During the period, Patrys continued to leverage its internal R&D capabilities to expand its pipeline. This work is a constant process of expansion and consolidation. Intellectual property protection is monitored and assessed so that it provides value to the Company.

Enhance financial strength of the group

In June 2012, Patrys raised \$2.1 million from a placement to institutional and professional investors. This placement was settled in two tranches with the initial \$1.0 million received in June and the balance of \$1.1 million received in August. In addition to this placement Patrys raised a further \$758,000 from a Share Purchase Plan.

3. Financial and Treasury Activities

The financial results of the Company for the six months ended 31 December 2012 are summarised as follows:

- The Group produced a loss from ordinary activities before income tax of \$1,260,181 (2011: \$4,003,894). The net loss after tax was \$1,265,998 (2011: \$4,011,872). Before interest, tax, depreciation and amortisation the net loss for the period was \$1,014,382 (2011: \$2,600,913).
- Revenues generated for the current period of \$893,762 include interest income and a R&D Tax Incentive. Revenues of \$184,747 for the corresponding period last year included interest income and a R&D Tax Concession.
- Research and development costs of \$1,449,634 (2011: \$3,478,756) have been expensed in the period in which they have been incurred. Management and administration costs contribute a further \$704,309 (2011: 709,885) to expenses from continuing operations.
- The Company's cash and term deposits remain strong at \$6,089,807 at balance date.

4. Events Subsequent to 31 December 2012

On 14 January 2013 the Company announced, that having received approval to progress its multiple myeloma trial, it had started recruitment of the second patient group.

No other subsequent event to the date of this report has a material impact on this financial report or on the financial forecasts of the Company.

5. Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* accompanies this report.

Signed in accordance with a resolution of the Board of Directors dated 6 February 2013.



John Read
Chairman

DECLARATION OF INDEPENDENCE BY JAMES MOONEY TO THE DIRECTORS OF PATRYS LIMITED

As lead auditor for the review of Patrys Limited for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Patrys Limited and the entities it controlled during the period.



James Mooney

Partner

BDO East Coast Partnership

Melbourne, 6 February 2013

PATRY'S LIMITED AND CONTROLLED ENTITIES
ABN 97 123 055 363

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

		Half year	
	Note	31 December 2012 \$	31 December 2011 \$
Revenue from continuing operations	2	893,762	184,747
Expense from continuing operations	3	(2,153,943)	(4,188,641)
Loss from continuing operations before tax		(1,260,181)	(4,003,894)
Income tax expense		(5,817)	(7,978)
Loss for the period from continuing operations after income tax		(1,265,998)	(4,011,872)
Other comprehensive income			
Exchange differences on translating foreign operations	7a	8,175	(16,173)
Total comprehensive income for the period attributable to members of the Company		(1,257,823)	(4,028,045)
Earnings per share:			
Basic earnings per share (cents per share)		(0.27)¢	(1.60)¢
Basic diluted earnings per share (cents per share)		(0.27)¢	(1.60)¢

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

PATRY'S LIMITED AND CONTROLLED ENTITIES
ABN 97 123 055 363

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Note	31 December 2012 \$	30 June 2012 \$
Current assets			
Cash and cash equivalents		6,089,807	6,189,110
Trade and other receivables		792,485	36,097
Other		325,640	153,259
Total current assets		7,207,932	6,378,466
Non-current assets			
Property, plant and equipment		272,893	375,602
Intangible assets	5	6,334,151	6,608,107
Total non-current assets		6,607,044	6,983,709
Total assets		13,814,976	13,362,175
Current liabilities			
Trade and other payables		747,743	823,806
Provisions		91,366	92,551
Total current liabilities		839,109	916,357
Total liabilities		839,109	916,357
Net assets		12,975,867	12,445,818
Equity			
Contributed equity	6	50,712,575	49,136,175
Reserves	7	1,230,031	1,010,384
Accumulated losses	8	(38,966,739)	(37,700,741)
Total equity		12,975,867	12,445,818

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

PATRY'S LIMITED AND CONTROLLED ENTITIES

ABN 97 123 055 363

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

	Fully paid ordinary shares	Foreign currency translation reserve	Share option reserve	Share loan plan reserve	Accumulated losses	Total
2012	\$	\$	\$	\$	\$	\$
At 1 July 2012	49,136,175	(107,382)	848,122	269,644	(37,700,741)	12,445,818
Loss for the period	-	-	-	-	(1,265,998)	(1,265,998)
Other comprehensive income	-	8,175	-	-	-	8,175
Total comprehensive income for the period	-	8,175	-	-	(1,265,998)	(1,257,823)
Transactions with owners in their capacity as owners:						
Issued capital	1,858,200	-	5,000	-	-	1,863,200
Transaction costs related to shares issued	(281,800)	-	-	-	-	(281,800)
Cost of share based payment	-	-	189,364	17,108	-	206,472
At 31 December 2012	50,712,575	(99,207)	1,042,486	286,752	(38,966,739)	12,975,867
2011	\$	\$	\$	\$	\$	\$
At 1 July 2011	45,075,202	(81,446)	842,197	221,384	(32,591,850)	13,465,487
Loss for the period	-	-	-	-	(4,011,872)	(4,011,872)
Other comprehensive income	-	(16,173)	-	-	-	(16,173)
Total comprehensive income for the period	-	(16,173)	-	-	(4,011,872)	(4,028,045)
Transactions with owners in their capacity as owners:						
Issued capital	1,110,000	-	-	-	-	1,110,000
Transaction costs related to shares issued	(161,145)	-	-	-	-	(161,145)
Cost of share based payment	-	-	(840)	21,837	-	20,997
At 31 December 2011	46,024,057	(97,619)	841,357	243,221	(36,603,722)	10,407,294

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

PATRY'S LIMITED AND CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Half year	
	31 December	31 December
	2012	2011
	\$	\$
Cash flows from operating activities		
Receipts from other debtors	1,614	81,918
Payments to suppliers and employees (inclusive of goods and services tax)	(1,744,278)	(2,842,305)
Interest received	115,630	105,331
Taxes paid	(4,439)	(13,520)
Net cash flows used in operating activities	(1,631,473)	(2,668,576)
Cash flows from investing activities		
Investment in patents and licences	(175,291)	(279,277)
Proceeds from disposal of property, plant and equipment	22,957	-
Net cash flows used in investing activities	(152,334)	(279,277)
Cash flows from financing activities		
Proceeds from issue of securities	1,863,200	1,110,000
Payment of share issue costs	(175,333)	(145,666)
Net cash flows from financing activities	1,687,867	964,334
Net decrease in cash held	(95,940)	(1,983,519)
Cash and cash equivalents at beginning of the half year	6,189,110	6,203,135
Effect of exchange rate movements	(3,363)	(11,031)
Cash and cash equivalents at end of the half year	6,089,807	4,208,585

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

PATRYS LIMITED AND CONTROLLED ENTITIES
ABN 97 123 055 363

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

Note 1: Statement of compliance

The financial report of Patrys Limited for the half year ended 31 December 2012 was authorised for issue in accordance with a resolution of the Directors on 6 February 2013. Patrys Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

The principal activity of the Company and its subsidiaries ("Group") during the half year was associated with utilising its technologies with the objective to develop natural human antibody therapeutics to administer as treatments to fight cancer.

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'. The half-year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report, together with any public announcements made by Patrys Limited.

The Group has adopted applicable new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2012. Adoption of the Standards did not have any effect on the financial position or performance of the Group.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those of the previous financial year and corresponding interim reporting period.

Note 2: Revenue from continuing operations

	Half year 31 December 2012 \$	31 December 2011 \$
Other income		
Interest revenue	134,034	100,854
R&D tax incentive/concession	754,908	79,077
Foreign currency gain	3,206	4,769
Other	1,614	47
	<u>893,762</u>	<u>184,747</u>

Note 3: Expenses from continuing operations

Research and development	1,449,634	3,478,756
Management and administration	704,309	709,885
	<u>2,153,943</u>	<u>4,188,641</u>

The expenses above include the following specific items:

Depreciation – plant and equipment	25,296	33,517
Amortisation and impairment – intellectual property	354,537	1,470,318
Loss on disposal – plant and equipment	60,275	321
Rental expense related to operating leases	31,690	14,953
Employee benefit expenses		
Defined contribution superannuation expense	22,246	36,226
Expenses of share based payments	22,249	16,579
Wages and other employee benefit expenses	542,296	806,767

Note 4: Operating segments

A segment is a component of the consolidated entity that engages in business activities to provide products or services within a particular economic environment. The consolidated entity operates in one business segment, being the conduct of research and development activities in the biopharmaceutical sector. The Board of Directors assess the operating performance of the group based on management reports that are prepared on this basis. The group has established activities in more than one geographical area, however these activities support the research and development conducted by the consolidated entity and are considered immaterial for the purposes of segment reporting. The group invests excess funds in short term deposits but this is not regarded as being a separate segment.

PATRY'S LIMITED AND CONTROLLED ENTITIES
ABN 97 123 055 363

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

Note 5: Intangible assets

	31 December 2012	30 June 2012
Intellectual property establishment and acquisitions at cost	11,086,548	11,005,967
Less: Accumulated amortisation and impairment losses	(4,752,397)	(4,397,860)
	<u>6,334,151</u>	<u>6,608,107</u>

Movements in the carrying amounts for intellectual property between the beginning and the end of the current financial year

Carrying amount at 1 July	6,608,107	8,035,441
Additions - acquisitions	80,581	291,698
Amortisation and impairment expense (i)	(354,537)	(1,719,032)
Carrying amount at the end of year	<u>6,334,151</u>	<u>6,608,107</u>

- (i) The expense is included in the line item "research and development".
- (ii) Intangible assets comprise licences, intellectual property, registered patents and trademarks, have a finite useful life and are recorded at cost. Amortisation is calculated using straight line method over the estimated useful life, which range from 12 to 20 years. Remaining amortisation periods range from 5 to 20 years.

Note 6: Contributed equity

	31 December 2012	
	No.	\$
Opening balance 1 July 2012	413,612,177	49,136,175
Shares issued under placement at 2 cents per share	55,000,000	1,100,000
Shares issued under share placement plan at 2 cents per share	37,910,000	758,200
Shares issued under loan share plan	840,000	-
Transaction costs in relation to shares issued	-	(281,800)
Closing balance 31 December 2012	<u>507,362,177</u>	<u>50,712,575</u>

	30 June 2012	
	No.	\$
Opening balance 1 July 2011	249,213,898	45,075,202
Shares issued under placement at 3 cents per share	113,533,334	3,406,000
Shares issued under placement at 2 cents per share	50,000,000	1,000,000
Shares issued under loan share plan	1,090,000	-
Shares cancelled under loan share plan	(225,055)	-
Transaction costs in relation to shares issued	-	(345,027)
Closing balance 30 June 2012	<u>413,612,177</u>	<u>49,136,175</u>

Note 7: Reserves

	31 December 2012	30 June 2012
	\$	\$
Foreign currency translation reserve	(a) (99,207)	(107,382)
Share options reserve	(b) 1,042,486	848,122
Share loan plan reserve	(c) 286,752	269,644
	<u>1,230,031</u>	<u>1,010,384</u>

PATRYS LIMITED AND CONTROLLED ENTITIES
ABN 97 123 055 363

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

Note 7: Reserves (continued)

	31 December	30 June
	2012	2012
	\$	\$
(a) Foreign currency translation reserve		
Opening balance 1 July	(107,382)	(81,446)
Net adjustment arising from the translation of foreign controlled entities' financial statements	8,175	(25,936)
Closing balance	<u>(99,207)</u>	<u>(107,382)</u>

(b) Share options reserve

Opening balance 1 July	848,122	842,197
Value of options issued under the Employee Share Option Plan (recognised over vesting period)	7,564	5,925
Value of options granted to financial advisors	186,800	-
Closing balance	<u>1,042,486</u>	<u>848,122</u>

On 21 August 2012 the Company granted 50,000,000 options to Forrest Capital Pty Ltd in part consideration for fundraising and advisory services. These options vested on grant, expire on 30 June 2014, have an exercise price of 5 cents each. The fair value of the options at the grant date, which approximates the fair value of the services rendered, has been determined using standard industry pricing models, as \$186,800 which includes consideration paid of 0.01 cents per option (\$5,000).

(c) Share loan plan reserve

Opening balance 1 July	269,644	221,384
Value of shares issued (recognised over vesting period)	17,108	48,260
Closing balance	<u>286,752</u>	<u>269,644</u>

Note 8: Movement in accumulated losses

	31 December	30 June
	2012	2012
	\$	\$
Opening balance 1 July	(37,700,741)	(32,591,850)
Net loss attributable to the members of the parent entity for the period	(1,265,998)	(5,108,891)
Closing balance	<u>(38,966,739)</u>	<u>(37,700,741)</u>

Note 9: Commitments and contingencies

Changes to commitments and contingencies disclosed in the most recent annual financial report are specified below:

Patrys Supplier Arrangements

As at balance date, to the extent that work had been completed, expenditure has been provided for in the accounts. Committed but unrecognised expenditure as at balance day amounted to \$109,357 (2011: \$368,012).

Note 10: Events subsequent to reporting date

On 14 January 2013 the Company announced, that having received approval to progress its multiple myeloma trial, it had started recruitment of the second patient group.

No other significant events have arisen subsequent to 31 December 2012 which require disclosure in the half year report.

PATRY'S LIMITED AND CONTROLLED ENTITIES
ABN 97 123 055 363

DIRECTORS' DECLARATION

In the Directors' opinion:

the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporate Regulations 2001 and other mandatory professional reporting requirements;

- a) the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the financial half-year ended on that date; and
- 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.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the directors



John Read
Chairman

Dated this 6th day of February 2013

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Patrys Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Patrys Limited, which comprises the consolidated statement of financial position as at 31 December 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising Patrys Limited 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 disclosing entity 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 2012 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 Patrys Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Patrys Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO East Coast Partnership ABN 83 236 985 726 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO East Coast Partnership and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.

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 Patrys 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 2012 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 East Coast Partnership

A handwritten version of the BDO logo, with the letters 'BDO' in a cursive, slightly stylized script.A handwritten signature in cursive script, which appears to read 'James Mooney'.

James Mooney

Partner

Melbourne, 6 February 2013