

APPENDIX 4D
HALF YEAR RESULTS

LBT Innovations Ltd
ACN 107 670 673

Interim Financial Report

For the half-year ended 31 December 2016

(Previous corresponding period being the half-year ended 31 December 2015)

The information contained in this Interim Financial Report should be read in conjunction with the 2016 Annual Report

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	December 2016 \$'000s	December 2015 \$'000s	Change \$'000s	Change %
Revenue from ordinary activities	551	5,545	(4,994)	(90%)
Profit / (Loss) from ordinary activities after tax attributable to members	(184)	2,940	(3,124)	(106%)
Total comprehensive income / (loss)	(205)	2,919	(3,124)	(107%)

Brief explanation of the figures above;

Revenue

Revenue for the half-year ended 31 December 2016 decreased by 90%. Revenue of \$0.55 million comprised:

- Net income from the bioMérieux's licence fee agreement of \$370,000
- Deferred income from past government grants of \$70,000
- Clever Culture Systems consulting income of \$70,000
- Interest income of \$37,000
- Foreign exchange gain of \$4,000

LBT's principal source of revenue last year resulted from the proceeds of bioMérieux's termination of the original MicroStreak® licence agreement and the granting to bioMérieux a new non-exclusive licence.

Profit after tax

The loss of the Company after tax and comprehensive income was \$0.21 million.

The remaining deferred income of \$0.37 million relating to the new licence agreement with bioMérieux was recognised as income in this period.

There was \$2.09 million of capitalised expenditure on APAS since June 2016 recognising the continuing progress toward commercialisation. Other research costs not capitalised during 2016 totalled \$0.09 million. LBT has recognised a receivable of \$0.96 million attributable to an expected 2017 R&D tax refund and it also expects to receive a further \$0.42 million from the ATO for prior periods on the finalisation of the R & D overseas finding claim and 2016 tax return.

Dividends

It is not proposed to pay a dividend.

Net Tangible Assets per security

The net tangible assets per LBT Innovations Ltd share was 5.02 cents as at 31 December 2016, compared with 3.75 cents per share as at 30 June 2016.

Control Gained or lost over entities

Not applicable

Dividend or distribution reinvestment scheme

Not applicable

Details of associates and joint venture entities

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 interest in the joint venture is held directly by LBT Innovations Limited. The purpose of the joint venture is to finalise commercial product development of LBT's APAS® technology and commercialise the technology most likely through global distribution partners.

Audited Financial Statements

The accounts for the half year ended 31 December 2016 are not subject to audit dispute or qualification.

DIRECTORS REPORT

Your directors submit the financial report of the Company for the half-year ended 31 December 2016.

Directors

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

Robert Andrew Finder (Chairman)
Brenton Barnes
Catherine Mary Costello
Stephen Paul Mathwin
Caroline Popper

Company Secretary and Chief Financial Officer

The following person held the position of Company Secretary and Chief Financial Officer 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 loss of the Company for the half-year ended 31 December 2016 after tax and comprehensive income was \$0.21 million (2015 profit of \$2.92 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

Developments for First Half FY17

The 6-month period to 31 December 2016 saw LBT gain significant new levels of interest due to the US Food and Drug Administration (FDA) Clearance of the Automated Plate Assessment Systems (APAS®) and steps towards APAS® commercialisation achieved.

Key achievements during this period:

- *Key milestone:* US FDA clearance of proprietary APAS® software in October 2016, saw a large rise in the company's share price and extensive media coverage on the back of the FDA announcement. Clever Culture Systems AG (CCS) a Swiss based joint venture, received clearance of its 510(k) de novo submission to the FDA for APAS® as a Class II medical device. Developed by LBT Innovations, APAS® has been licensed on a global, exclusive basis to CCS, which is integrating APAS® with laboratory robotic instrumentation. The approval is the culmination of many years of hard work and innovation and has laid a solid platform from which LBT can expand into the world's biggest medical market.
- Completed an oversubscribed two tranche placement of new shares to professional and sophisticated investors at 31 cents per share. This placement included 1 free attaching option for every 2 shares subscribed, exercisable at 44.25 cents on or before 9 December 2018. The placement provided additional capital of \$7 million to accelerate the delivery to market of laboratory instruments integrated with APAS®.
- The Issuing of a new patent by the US Patent and Trademark Office, with patent number 9,470,624 on October 18, 2016. The patent covers the image capture and lighting apparatus of the APAS® technology.
- Co-founder and Chief Executive of LBT, Lusia Guthrie retired in August 2016 after thirteen years of service and was appointed Chair of CCS for a 2-year period from June 2016.
- Brent Barnes was appointed as new Chief Executive Officer and Managing Director of LBT in August 2016.
- LBT began discussions over licensing or outright sale of the technology for first product MicroStreak®.

Future Developments and Prospects

The company's primary focus is on the development of APAS® laboratory instrumentation, which is expected to be brought to market by our joint venture company CCS during the 2017 calendar year. The first significant milestone will be launching a working demonstration device of the APAS® Independence at the European Congress of Clinical Microbiology and Infectious Diseases (ECCMID) in April 2017. A design prototype of APAS® Independence was exhibited at ECCMID in April 2016, which was an important achievement as it demonstrated its unique modular design and small footprint. Now twelve months later at ECCMID 2017, CCS have FDA clearance and will bring a functional device for exhibition.

Only five weeks following the exhibition at ECCMID, CCS will showcase the APAS® instrumentation at the American Society of Microbiology in early June 2017. Attendance at these two conferences are key milestones that will mark the start of commercialising the product.

As a result of the successful two tranche placement of new shares, the instrumentation and associated market development activities can be expedited. It gives CCS the capability of bringing a product to market without relying on possible global distribution deals to supplement the process.

There is continued interest from potential global distribution partners who want access to the APAS® instrumentation. A “letter of intent” was a milestone that LBT announced might occur in 2016, however did not eventuate. This is not due to lack of interest from interested parties, but rather focuses the efforts of CCS to bringing a product to market and sign a distribution deal(s) in 2017, which is what was previously communicated in announcements in 2016. It is expected that a distribution deal(s) will be completed between April 2017 and November 2017 once products are demonstrated in the market.

LBT’s founding product MicroStreak®, is our automated microbiology system for streaking biological samples onto agar plates. MicroStreak® was licensed to the French diagnostics company bioMérieux which sold it internationally as PREVI®Isola. This exclusive license was renegotiated to non-exclusive in August 2015 and LBT have appointed Deloitte to support the process of selling or licensing the technology. It is expected that this process will be completed in Q3, 2017 (*calendar year*).

Research, both from a technology and market access perspective continues on WoundVue®, which uses LBT’s core platform of intelligent imaging and interpretive software in the clinical application of chronic wounds. It is expected that the formal research project will be completed in Q2, 2017 (*calendar year*), with potential for a formal product development project to commence which would be aimed at bringing a product to market.

Significant milestones have been achieved during the first half of FY17, and the second half of FY17 will see the positive momentum continuing. During the next 12 months it’s expected that product will be brought to market through CCS as part of the commercialisation of APAS®. This coupled with WoundVue® development, signal a positive short and long term return for our shareholders.

About LBT Innovations

LBT Innovations Limited (ASX: LBT) improves patient outcomes by making healthcare more efficient. Based in Adelaide, South Australia, the Company has two world class-leading products in microbiology automation: MicroStreak®, which provides automated culture plate streaking and Automated Plate Assessment System (APAS®). Based on LBT’s intelligent imaging and interpretative software, US FDA-approved APAS® automates imaging, analysis and interpretation of culture plates following incubation. LBT has entered into a joint venture Clever Culture Systems AG (CCS) with Hettich AG Switzerland to commercialise APAS® products. LBT’s third product WoundVue® is in early development; this is a proposed automated solution to assist in the management of chronic wounds.

LBT was formed in 2004 and listed on the Australian Securities Exchange in July 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 novel automated products using breakthrough technologies, such as LBT’s proprietary Intelligent Imaging Platform;
- Commercialise these products preferably in partnership with internationally recognised diagnostics companies;
- Work towards sustainable recurring revenue from the MicroStreak and APAS® product portfolios, coupled with licensing income through the development and initial commercialisation phases; and
- Leverage the Intelligent Imaging Platform, with a new opportunity under development for application in the management of chronic wounds.

Financial Position

The net assets of the Company have increased by \$3.57 million from 30 June 2016 to \$22.76 million at 31 December 2016. This increase reflects the tranche 1 placement completed in December 2016.

The Company's cash position as at 31 December 2016 was \$5.28 million compared to \$4.68 million on hand at 30 June 2016. Cash includes the receipt of the following items:

- \$3.53 million from the issue of Tranche 1 securities in December
- \$1.11 million receipt as part of the 2016 R & D tax incentive refund
- \$0.45 million receipt from the exercise of options.

Significant Changes in the State of Affairs

No significant changes have occurred.

Events After the Balance Sheet Date

The issue of Tranche 2 securities to non-related parties and the issue of securities to directors on the same terms was approved at the EGM held on 18 January 2017 raising a further \$3.5 million with the issue of 11,185,001 shares for \$0.31 per share and 5,592,506 options with an exercise price of \$0.4425 expiring on 9 December 2018.

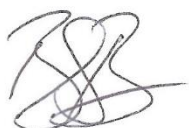
Auditor's Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 8 for the half-year ended 31 December 2016.

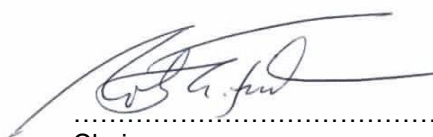
Rounding of Amounts

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
BRENTON BARNES



.....
Chairman
ROBERT ANDREW FINDER

Dated this 22nd day of February 2017

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 2016, 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 2016 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.

LBT INNOVATIONS LTD

ACN 107 670 673

INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

Emphasis of Matter

We draw attention to the following paragraph in Note 4 to the financial statements which describes the risk related to the intangible asset (Intellectual Property) of LBT Innovations Limited.

'The MicroStreak patents became non-exclusive in August 2015 with the termination of the original MicroStreak license with bioMérieux. There is a known demand from current PREVI Isola users and other potential laboratory customers for MicroStreak. It is the Directors' view that the re-commercialisation of MicroStreak is likely, however, until a definitive buyer or licensee is found the sum remaining in the balance sheet is at significant risk.'

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 2016 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 2016 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



Jon Colquhoun
Partner

Adelaide, 22 February 2017

**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 2016 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

**HLB Mann Judd
Chartered Accountants**

Adelaide, 22 February 2017



**Jon Colquhoun
Partner**

LBT INNOVATIONS LTD
ACN 107 670 673

STATEMENT OF PROFIT AND LOSS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	NOTE	31/12/16 \$000	31/12/15 \$000
Revenue	2(a)	551	5,545
Share of profit / (loss) of associates & joint ventures accounted for using the equity method		(20)	(100)
Consulting fees	2(b)	(98)	(38)
Employee benefits expense	2(c)	(406)	(591)
Depreciation and amortisation expense		(351)	(400)
General administration expense	2(d)	(103)	(88)
Legal		(4)	(47)
Marketing		(58)	(71)
Finance costs		0	(27)
Other expenses	2(a)	(289)	(621)
		<hr/>	<hr/>
Profit / (Loss) before income tax		(778)	3,562
Income tax (expense)/benefit		594	(622)
		<hr/>	<hr/>
Profit / (Loss) after income tax expense		(184)	2,940
		<hr/>	<hr/>
Profit / (Loss) for the period		(184)	2,940
		<hr/>	<hr/>
Other comprehensive income for the half year net of tax	8(b)	(21)	(21)
		<hr/>	<hr/>
Total comprehensive income / (loss) for the half-year		(205)	2,919
		<hr/>	<hr/>
Basic earnings per share (cents per share)		(0.18)	2.54
		<hr/>	<hr/>
Diluted earnings per share (cents per share)		(0.18)	2.54

(To be read with the accompanying notes)

LBT INNOVATIONS LTD
ACN 107 670 673

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	NOTE	31/12/16 \$000	30/06/16 \$000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		5,276	4,682
Trade and other receivables		668	525
Current tax asset		1,376	1,331
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		7,320	6,538
		<hr/>	<hr/>
NON-CURRENT ASSETS			
Plant & equipment		39	44
Investments accounted for using the equity method	11	1,357	1,399
Financial asset	5	855	80
Deferred tax asset		820	801
Intangible assets	4	22,339	20,583
		<hr/>	<hr/>
TOTAL NON-CURRENT ASSETS		25,410	22,907
		<hr/>	<hr/>
TOTAL ASSETS		32,730	29,445
		<hr/>	<hr/>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		1,711	1,965
Financial liabilities	6	141	511
		<hr/>	<hr/>
TOTAL CURRENT LIABILITIES		1,852	2,476
		<hr/>	<hr/>
NON CURRENT LIABILITIES			
Deferred tax liabilities		6,532	6,023
Financial liabilities	6	1,550	1,620
Provisions		36	136
		<hr/>	<hr/>
TOTAL NON CURRENT LIABILITIES		8,118	7,779
		<hr/>	<hr/>
TOTAL LIABILITIES		9,970	10,255
		<hr/>	<hr/>
NET ASSETS		22,760	19,190
		<hr/>	<hr/>
EQUITY			
Issued capital	7	17,547	13,152
Reserves	8	363	1,004
Retained earnings / (Accumulated Losses)		4,850	5,034
		<hr/>	<hr/>
TOTAL EQUITY		22,760	19,190
		<hr/>	<hr/>

(To be read with the accompanying notes)

LBT INNOVATIONS LTD
ACN 107 670 673

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	Issued Capital \$'000	Foreign Currency Translation Reserve \$'000	Option Reserve \$'000	Retained Earnings / (Accumulated Losses) \$'000	Total \$'000
Balance at 1 July 2015		13,187	228	812	1,457	15,684
Profit attributable to members		0	0	0	2,940	2,940
Shares issued during the period	7	45	0	0	0	45
Capital raising costs		(2)	0	0	0	(2)
Other comprehensive income	8(b)	0	(21)	0	0	(21)
Balance at 31 December 2015		<u>13,230</u>	<u>207</u>	<u>812</u>	<u>4,397</u>	<u>18,646</u>
Balance at 1 July 2016		13,152	192	812	5,034	19,190
Profit attributable to members		0	0	0	(184)	(184)
Shares issued during the period	7	3,534	0	0	0	3,534
Options exercised		1,066	0	(620)	0	446
Capital raising Costs		(205)	0	0	0	(205)
Other comprehensive income	8(b)	0	(21)	0	0	(21)
Balance at 31 December 2016		<u>17,547</u>	<u>171</u>	<u>192</u>	<u>4,850</u>	<u>22,760</u>

(To be read with the accompanying notes)

LBT INNOVATIONS LTD
ACN 107 670 673

CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	NOTE	31/12/16 \$000	31/12/15 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Licence payment		0	7,889
Royalty payments		(285)	(22)
Grants received		66	0
Payments to suppliers and employees		(837)	(977)
Research and development expense		(295)	(299)
Interest received		47	12
Research and development tax concession		1,108	1,618
		<hr/>	<hr/>
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES		(196)	8,221
		<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES			
Research and development (intangible asset)		(2,267)	(2,223)
Payment for plant and equipment		(6)	(14)
Loan to Joint Venture Company (Clever Culture Systems)		(662)	0
		<hr/>	<hr/>
NET CASH (USED IN) INVESTING ACTIVITIES		(2,935)	(2,237)
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Shares issued during the period		3,980	0
Capital raising costs during the period		(257)	(2)
Loan repaid		0	(1,000)
Interest paid		0	(29)
		<hr/>	<hr/>
NET CASH (USED IN) FINANCING ACTIVITIES		3,723	(1,031)
		<hr/>	<hr/>
NET INCREASE/(DECREASE) IN CASH HELD		592	4,953
Cash at beginning of period		4,682	1,818
Exchange rate adjustments		2	(100)
		<hr/>	<hr/>
CASH AT END OF PERIOD		5,276	6,671
		<hr/>	<hr/>

(To be read with the accompanying notes)

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

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 2016 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 22nd February 2017.

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 2016 and the corresponding interim reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

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:

	31/12/16 \$000	31/12/15 \$000
<i>Revenue comprises:</i>		
Licence payment	370	5,582
Interest revenue	37	45
Royalty revenue	0	(195)
Grant revenue	71	144
Foreign exchange gain / (loss)	3	(100)
Consulting income	70	69
	<hr/>	<hr/>
Total revenue	551	5,545
	<hr/>	<hr/>
<i>Other expenses comprises:</i>		
Audit fees	(22)	(16)
Patent and trade mark fees	(19)	(1)
Research and development	(94)	(183)
Travel and accommodation	(67)	(98)
Royalty expenses	0	(246)
Other expenses	(87)	(77)
	<hr/>	<hr/>
Total other expenses	(289)	(621)
	<hr/>	<hr/>
(b) Consulting fees include fees paid for R & D tax advice	(98)	(38)
(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	(406)	(591)
(d) <i>General administration expenses comprises:</i>		
Regulatory and Quality Assurance	0	0
Other general administration expenses	(103)	(88)
	<hr/>	<hr/>
Total general administration expenses	(103)	(88)
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

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

- (e) Revenue recognised for the prior period ending 31 December 2015 has been restated in relation to the accounting treatment for the proceeds of bioMérieux's termination of the original MicroStreak licence agreement and the granting of a new non-exclusive licence for one year through to 31 July 2016. The restatement is necessary to ensure compliance with Australian Accounting Standard, AASB 118: Revenue.

Key estimates and assumptions

The value of deferred revenue was determined by the net present value of the estimated royalty revenue foregone from the date of termination and this portion of the termination fee has been brought to account over the non-exclusive license period mentioned above.

RESTATED STATEMENT OF PROFIT AND LOSS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Original Value 31/12/15 \$000	Adjustment \$000	Restated Value 31/12/15 \$000
Revenue	4,268	1,277	5,545
Other expenses	(1,983)	0	(1,983)
Profit / (Loss) before income tax	2,285	1,277	3,562
Income tax (expense)/benefit	(239)	(383)	(622)
Profit / (Loss) after income tax expense	2,046	894	2,940
Other comprehensive income for the half year net of tax	(21)	0	(21)
Total comprehensive income / (loss) for the half-year	2,025	894	2,919
Basic earnings per share (cents per share)	1.78	0.76	2.54

3 SEGMENT INFORMATION

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

LBT INNOVATIONS LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	31/12/16 \$000	30/06/16 \$000
4 INTANGIBLE ASSETS		
MicroStreak Option Fee at Cost	51	51
Less: Accumulated Amortisation	(42)	(41)
	<hr/> 9	<hr/> 10
MicroStreak Licence Fee at Cost	120	120
Less: Accumulated Amortisation	(96)	(92)
	<hr/> 24	<hr/> 28
Patent fees at Cost	247	247
Less: Accumulated Amortisation	(123)	(117)
	<hr/> 124	<hr/> 130
MicroStreak Development Cost	11,959	11,959
Less: Accumulated Amortisation	(3,885)	(3,574)
	<hr/> 8,074	<hr/> 8,385
APAS Development Costs	14,192	12,102
Less: Accumulated Amortisation	(84)	(72)
	<hr/> 14,108	<hr/> 12,030
TOTAL INTANGIBLE ASSETS	<hr/> 22,339	<hr/> 20,583

The MicroStreak® patents became non-exclusive in August 2015 with the termination of the original MicroStreak licence with bioMérieux. There is a known demand from current PREVI Isola users and other potential laboratory customers for MicroStreak. It is the Directors' view that the re-commercialisation of MicroStreak is likely, however, until a definitive buyer or licensee is found the sum remaining in the balance sheet is at significant risk.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

		31/12/16 \$000	30/06/16 \$000
5 FINANCIAL ASSET			
NON-CURRENT			
Loan to LBT's Joint Venture Company (Clever Culture Systems)		855	80
6 FINANCIAL LIABILITIES			
CURRENT			
Deferred Revenue		141	511
NON-CURRENT			
Deferred Revenue		1,550	1,620
7 ISSUED CAPITAL			
	No. of Shares		\$'000
Opening balance 1 July 2016	114,988,073		13,152
Share issue from exercise of options	2,400,000		446
Transfer cost of options exercised from reserves	0		620
Share issue from Tranche 1 securities issued 12 December 2016	11,399,990		3,534
Capital raising costs	0		(205)
Balance 31 December 2016	128,788,063		17,547
8 RESERVES			
		31/12/16 \$000	30/06/16 \$000
Option reserve of valuation of share options	8(a)	192	812
Foreign currency translation reserve	8(b)	171	192
		363	1,004

(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 investment in Clever Culture Systems (JV company).

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

9 DIVIDENDS

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

10 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.

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 2016 is not yet complete. Therefore the Investments accounted for using the JV method are unaudited.

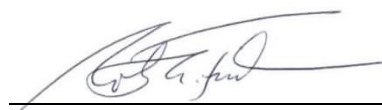
LBT Innovations Ltd has a 50% interest in the company.

DIRECTORS' DECLARATION

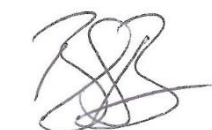
In accordance with a resolution of the directors of LBT Innovations Ltd, we state that:

In the opinion of the directors:

1. The financial statements and notes set out on pages 11 to 20 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 2016 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.



ROBERT ANDREW FINDER
Chairman



BRENTON BARNES
Director

Dated this 22nd day of February 2017