Biotron Limited
A.B.N. 60 086 399 144

Level 2, 66 Hunter Street
Sydney NSW 2000
Tel: (61-2) 9300 3344
Fax: (61-2) 9221 6333
E-mail: pnightingale@biotron.com.au
Website: www.biotron.com.au

21 February 2014

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000 (20 pages by email)

Dear Madam

HALF YEAR REPORTS

In accordance with Listing Rule 4.2A, I attach the Company's Appendix 4D and Interim Financial Report for the half year ended 31 December 2013. This Interim Financial Report should be read in conjunction with the Company's 30 June 2013 Annual Report.

Yours sincerely

Peter J. Nightingale
Company Secretary

pjn7656

Appendix 4D

Half Year Report

Name of entity

BIOTRON LIMITED

ABN or equivalent company reference	Financial year ended ('current period')
60 086 399 144	**31 DECEMBER 2013**

Results for announcement to the market

Revenues from ordinary activities	Down	66%	to	45,588
Loss from ordinary activities after tax attributable to members	Up	12%	to	2,609,844
Net loss for the period attributable to members	Up	12%	to	2,609,844

Dividends (distributions)	Amount per security	Franked amount per security
Final dividend Interim dividend	Nil¢ Nil¢	Nil¢ Nil¢
Previous corresponding period Final dividend Interim dividend	Nil¢ Nil¢	Nil¢ Nil¢

Record date for determining entitlements to the dividend. N/A

Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

Refer attached reports.

NTA backing	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	0.8 cents	2.6 cents

BIOTRON LIMITED

A.B.N. 60 086 399 144

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

BIOTRON LIMITED

CONTENTS

	Page
Directors' Report	1
Condensed Interim Statement of Profit or Loss and Other Comprehensive Income	7
Condensed Interim Statement of Financial Position	8
Condensed Interim Statement of Cash Flows	9
Condensed Interim Statement of Changes in Equity	10
Notes to the Condensed Interim Financial Statements	11
Directors' Declaration	14
Independent Auditor’s Review Report	15
Corporate Directory	16

BIOTRON LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their report together with the interim financial statements of Biotron Limited ('the Company') for the half-year ended 31 December 2013 and the review report thereon.

Directors

The names and particulars of the directors of the Company at any time during or since the end of the half-year are:

Mr Michael J. Hoy
Independent and Non-Executive Chairman

Mr Hoy has more than 30 years' corporate experience in Australia, the United Kingdom, USA and Asia. He is Chairman of Telesso Technologies Limited and Lipotek Pty Limited and a former director of John Fairfax Holdings Limited and FXF Trust.

He has been a director since 7 February 2000 and Chairman since 16 March 2000.

Dr Michelle Miller, BSc, MSc, PhD, GCertAppFin (Finsia)
Managing Director

Dr Miller has worked for over 20 years in the bioscience industry, with extensive experience in managing commercial bioscience research. She completed her PhD in the Faculty of Medicine at Sydney University investigating molecular models of cancer development. Her experience includes a number of years at Johnson & Johnson developing anti-HIV gene therapeutics through preclinical research to clinical trials. She has experience in early stage start-ups from time spent as an Investment Manager with a specialist bioscience venture capital fund.

She was appointed as Managing Director on 21 June 2002.

Dr Susan M. Pond AM, MD DSc, FTSE
Independent and Non-Executive Director

Dr Pond has a strong scientific and commercial background having held executive positions in the biotechnology and pharmaceutical industry for 12 years, most recently as chairman and managing director of Johnson & Johnson Research Pty Limited (2003 - 2009). She has held many previous board positions including as executive director of Johnson & Johnson Pty Limited and non-executive director and chairman of AusBiotech Limited.

Dr Pond is currently on the boards of the Australian Nuclear Science and Technology Organisation, Commercialisation Australia, the Centenary Institute and the Australian Academy of Technological Sciences and Engineering, of which she is vice-president. She is a Fellow of the Australian Institute of Company Directors.

Dr Pond holds a first class honours degree in Bachelor of Medicine and Surgery from the University of Sydney and a doctor of medicine degree from the University of New South Wales. She has obtained specialist clinical credentials in internal medicine, clinical pharmacology and clinical toxicology and has held academic appointments at the University of California, San Francisco and the University of Queensland before joining industry.

Dr Pond was appointed as a director on 7 March 2012.

Mr Robert B. Thomas BEc, MSDIA, SF Fin, FICD
Independent and Non-Executive Director

Mr Thomas has over 35 years' experience in the securities industry, with Potter Partners (now UBS), County NatWest and Citigroup.

He is the chairman of TAL Limited (formerly Tower Australia Limited) and a director of Virgin Australia Limited, Heartware Limited and REVA Medical Limited. He chairs Grahger Capital Securities and Aus Bio Limited and is the president of the Library Council of NSW and a director of O'Connell Street Associates Pty Limited. He is also a member of the Advisory Board Inteq Limited.

Mr Thomas has a Bachelor of Economics degree from Monash University (1963 - 1966). He has been a member of the Securities Institute of Australia since 1976 and was appointed as a Fellow to the Institute in 1997. He is a Master Stockbroker and is a Fellow of the Institute of Company Directors.

Mr Thomas was appointed as a director on 7 March 2012.

Dr Denis N. Wade
Independent and Non-Executive Director

Dr Wade has been involved for over 40 years with the development of research based pharmaceuticals and medical devices in both industry and academia. He has been a director of several private and public companies in the healthcare sector, including Heartware Limited and subsequently Heartware International Inc., since December 2004. He was a director and chairman of Gene Shears Pty Limited and, from 1987 until his retirement in 2002, was managing director and chairman of Johnson & Johnson Research Pty Ltd, a research and development company of Johnson & Johnson Inc. He was also a member of the J&J Corporate Office of Science and Technology. Prior to that, Dr Wade was the Foundation Professor of Clinical Pharmacology at the University of New South Wales and served as a member of a number of state and federal bodies related to the drug industry, including the P3 Committee.

He is a former chairman of the Australian Academy National Committee for Pharmacology, the Australasian Society for Clinical and Experimental Pharmacology and Toxicology and a former chairman of the Clinical Pharmacology Section of the International Union of Pharmacology.

Dr Wade holds a first class honours degree in Medicine and Science from the University of Sydney and a Doctorate of Philosophy from the University of Oxford. He was awarded an Honorary Doctorate of Science by the University of New South Wales and is a Fellow of the Royal Australasian College of Physicians and of the Australian Academy of Technological Sciences and Engineering. In 1999 he was made a Member of the Order of Australia.

Dr Wade was appointed as a director on 30 April 2010.

Mr Bruce Hundertmark BE (Chemical)
Independent and Non-Executive Director

Mr Hundertmark is an independent businessman and company director with a wide range of experience in diverse business operations. He has specialised in recent years in high technology based company start-up operations and in promoting the formation of venture capital companies including News Datacom Research Limited in Israel, News Datacom Limited in Hong Kong and both PT Indo Bio Products and PT Indo Bio Fuels in Indonesia.

He has been a director of numerous private and publicly listed companies including US Consultants Inc., News International plc, Sky Television plc, Prudential Cornhill Insurance Limited, Harris Scarfe Limited, Bernkastel Wines Limited, Codan Limited, Samic Limited and Investment & Merchant Finance Corporation Limited.

He holds a Bachelors Degree in Engineering (Chemical) from the University of Adelaide and has completed studies to bachelors degree level in economics at the University of Queensland and chemistry at the University of Adelaide. He has worked in the UK, the USA, Japan, Bahrain, Qatar and Indonesia for extensive periods of time in various positions.

Mr Hundertmark was appointed as a director on 16 March 2000 and ceased to be a director on 8 November 2013.

Mr Peter J. Nightingale
Company Secretary

Mr Nightingale graduated with a Bachelor of Economics degree from the University of Sydney and is a member of the Institute of Chartered Accountants in Australia. He has worked as a chartered accountant in both Australia and the USA.

As a director or company secretary Mr Nightingale has, for more than 25 years, been responsible for the financial control, administration, secretarial and in-house legal functions of a number of private and public listed companies in Australia, the USA and Europe including Bolnisi Gold N.L., Callabonna Uranium Limited, Cockatoo Coal Limited, Mogul Mining N.L., Pangea Resources Limited, Perseverance Corporation Limited, Sumatra Copper & Gold plc, Timberline Minerals, Inc. and Valdora Minerals N.L. Mr Nightingale is currently a director of ASX listed Augur Resources Ltd, Planet Gas Limited and unlisted public companies Equus Resources Limited and Nickel Mines Limited.

Mr Nightingale has been Company Secretary since 23 February 1999.

REVIEW OF OPERATIONS

Executive Summary

The period under review has seen continued advancement across the Company's antiviral drug development program. Biotron continues to actively promote its technologies and engage with potential international partners. The Company remains focused on achieving a commercial outcome of its programs.

There has been a focus on the planned, step-wise progression of the clinical development of the Company's lead drug, BIT225. Significant progress has been achieved, with completion of a Phase 2 trial in patients co-infected with HIV and Hepatitis C virus (HCV) (BIT225-006) and commencement of a Phase 2, three-month dosing trial in HCV genotype 1 and 3 patients (BIT225-008). Positive interim data have been reported from the HIV/HCV co-infected patient trial. All HCV genotype 3 patients who completed dosing recorded undetectable virus at the three months time point. Additionally, a trial comparing the new capsule formulation of BIT225 with the powder formulation used in previous trials demonstrated that the capsules delivered a significantly higher amount of drug to patients given the same dose. In late 2013, an independent study showed that BIT225 had pan-genotype activity, with good *in vitro* activity against all major HCV genotypes.

A summary of significant events achieved in this first half of the financial year includes:

- Completion of a Phase 2 trial of BIT225 in patients co-infected with HCV and HIV and reporting of positive interim data that showed all genotype 3 patients who completed dosing were free of virus at the three months time point.
- Commencement of a longer term, 12 week dosing, Phase 2 trial of BIT225 in HCV genotype 1 and 3 patients.
- Demonstration that the newly developed capsule formulation of BIT225 resulted in 1.6 fold improvement in drug levels.
- Presentation of data from the Phase 2 HIV/HCV co-infected and the Phase 1b/2a HIV trials at major international scientific conferences.
- Showcasing the Company to the international investment community at various events in the USA, Asia and Australia.

Individual Clinical Trial Programs

HCV Clinical Program

In 2011/12, Biotron performed a 28 day dosing, Phase 2a clinical trial of BIT225 in patients infected with HCV genotype 1. This trial was a crucial study for Biotron, with the results validating the Company’s approach to the treatment of this disease.

One hundred percent of patients who were treated with 400mg of BIT225 in combination with IFN/RBV, the currently approved treatment for HCV, had no detectable virus at 48 weeks, compared to 75% of patients who received only IFN/RBV.

The current treatment of IFN/RBV is associated with debilitating side effects in a large proportion of patients and is ineffective in around 50% of cases. Genotype 1 patients make up the majority of HCV infections in the Western world and are the hardest to treat.

In the USA alone, an estimated 4 million people have been infected with HCV with 2.7 million suffering from chronic infection. Worldwide, 185 million people are infected (3% of the world's population). HCV causes inflammation of the liver, which, apart from the acute disease, may lead to cirrhosis, liver cancer and, ultimately, liver failure.

The HCV drug market is expected to grow to more than three times its current size by 2018 and to exceed US$20 billion by the end of decade.

The pharmaceutical industry is currently focused on developing several new classes of drugs, known as direct acting antiviral (DAA) drugs. In a clinical setting, BIT225 would most likely be used in combination with these other anti-HCV drugs, subject to continuing positive results and approvals.

BIT225 represents a first-in-class drug for the treatment of HCV, targeting the p7 protein. In addition to having the potential to be used in combination with IFN/RBV to improve patient outcomes, BIT225 could also be used in combination with emerging classes of DAA drugs.

The new DAA drugs are being trialled in 12 week dosing studies. To be competitive, Biotron needs to demonstrate safety and efficacy of BIT225 with this extended period of dosing. To date, Biotron has focused on demonstrating activity against HCV genotype 1, which has the greatest unmet medical need. However, potential opportunities and treatment gaps exist in other genotypes and it is important to assess efficacy of BIT225 against these, in particular genotype 3.

To this end, Biotron has commenced a larger Phase 2 trial of BIT225 in patients infected with HCV genotypes 1 and 3. Patients will receive BIT225 for 12 weeks, in combination with IFN/RBV.

The 60 patient trial is expected to run through the first half of 2014, with preliminary data available in the second half of the year, subject to optimal patient recruitment rates.

This trial is using a new, improved formulation of BIT225 in capsule form suitable for use in extended trials in larger patient populations. Previous trials have used BIT225 in a powder form, suspended prior to dosing in a taste masking liquid. A study in healthy volunteers during 2013 showed that the bioavailability of BIT225 (i.e. the amount of drug that enters the circulation system and is able to have an active effect) increased by about 1.6 fold when delivered by the new capsules. This is likely to result in a more convenient dosing regimen and less variability in response.

During the current financial year, Biotron anticipates filing an Investigational New Drug (IND) application for BIT225 with the USA Federal Drug Agency. This is a key milestone for the Company's path towards successful commercialisation of its technology. Based on advice received from international advisors, the three month dosing trial and the anticipated IND filing will best position BIT225 for licensing to a major pharmaceutical company.

As is the case in a significant unmet market, developing a drug to treat HCV is a very competitive environment and numerous trials are being conducted by other companies to treat HCV with and without IFN and/or RBV. The position of BIT225 will not be fully ascertained until at least the conclusion of the three month trial described above.

HIV Clinical Program

BIT225 is also active against HIV, the virus that causes AIDS. Biotron has successfully completed a Phase 1b/2a clinical trial of BIT225 in HIV infected patients who have not previously received anti-retroviral drugs.

The Phase 1b/2a trial successfully demonstrated that BIT225 targets HIV replication in monocyte cells in treated patients. These cells become infected with HIV and are the seeds of hidden HIV pools in patients, setting up long lived macrophage reservoir cell populations in various sites in the body. The trial showed that BIT225 significantly reduces virus levels in these cells.

The results suggest that BIT225 has the potential to be included in future HIV eradication or cure strategies and may provide a means of halting the ongoing cycle of infection from these long lived cells.

In addition, the trial also showed for the first time that BIT225 is able to cross the blood-brain barrier. This is important as it means BIT225 may be a potential therapeutic option for the treatment of AIDS related dementia, which affects up to 24% of people in Western world HIV populations.

These results provide hope to the millions of HIV patients around the globe.

HIV/HCV Co-Infection Clinical Program

In late 2013, the Company completed a Phase 2 trial of BIT225 in patients co-infected with HCV and HIV. BIT225 is uniquely placed due to its dual anti-HCV and anti-HIV activity.

This trial was designed to generate efficacy data in this unique, specific population with a significant unmet medical need, as well as to extend the data to other HCV genotypes, including genotype 3. Additionally, the trial was designed to provide detailed pharmacokinetic and safety data on BIT225 in the presence of other anti-HIV drugs.

Interim data from this trial have demonstrated that all HCV genotype 3 patients were clear of virus at the three months time point. Patients continue to be monitored.

The proportion of patients infected with both HIV and HCV is significant and this co-infected group offers particular challenges to treatment with current therapies. HCV is a more serious disease in HIV positive patients and is a leading cause of death in these patients. It has been estimated that between 25% and 40% of HIV positive patients in the USA are co-infected with HCV. These people have a significantly worse prognosis than mono-infected patients.

There are no existing therapies capable of targeting both HCV and HIV. BIT225 has demonstrated robust data in both indications in Phase 2a trials. The data to date is encouraging, which suggests that BIT225 could be the first drug in a new class with dual virus targeting capabilities.

Biotron's trials in HCV and HIV patients are important steps in the Company's development programs. Demonstration that BIT225 can attack these viruses in patients is a major value addition for the Company. The latest results further validate the potential of BIT225 for treatment of both patient populations.

Other Antiviral Agents

Biotron has a portfolio of clinical and preclinical antiviral programs developing drugs targeting HCV, HIV, Dengue virus and Influenza virus. At present, focus is on the development of HCV and HIV clinical trials. Resources will be committed to additional projects once the more advanced programs have been successfully commercialised or as resources become available.

Outlook for the Next 12 Months

As set out above, the past six months has seen impressive progress across Biotron's antiviral drug development program. It is anticipated that Biotron will continue to significantly advance its activities and, by 30 June 2014, the Company expects to have:

- completed and analysed efficacy, pharmacokinetic and resistance data, complete with one year follow up, on participants in the Phase 2 HIV/HCV co-infection BIT225 and IFN/RBV combination trial;
- completed recruitment in a 12 week Phase 2 trial of BIT225 against a wider range of HCV genotypes; and
- prepared and submitted an IND application for BIT225 to the USA Federal Drug Agency.

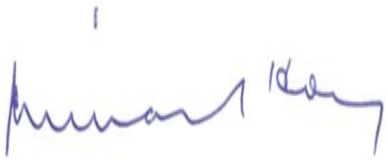
Subsequent Events

No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Lead Auditor’s Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor’s independence declaration is set out on page 6 and forms part of the Directors' Report for the half-year ended 31 December 2013.

This report has been signed in accordance with a resolution of the Directors and is dated 21 February 2014:



Michael J. Hoy
Chairman

Lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2013, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Adam Twemlow
Partner

21 February 2014
Brisbane

BIOTRON LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Notes	31 December 2013 $	31 December 2012 $
Administration and consultants' expenses		**(251,297)**	(177,953)
Depreciation		**(4,025)**	(3,850)
Direct research and development expenses		**(1,868,840)**	(1,745,037)
Employee and director expenses		**(408,356)**	(407,102)
Legal expenses		**(11,010)**	(12,105)
Rent and outgoings expenses		**(32,505)**	(30,939)
Other expenses from ordinary activities		**(79,399)**	(80,717)
Operating loss before financing income		**(2,655,432)**	(2,457,703)
Interest income		**45,588**	132,221
Net finance income		**45,588**	132,221
Loss before tax		**(2,609,844)**	(2,325,482)
Income tax expense		**-**	-
Loss for the period		**(2,609,844)**	(2,325,482)
Other comprehensive income for the period		**-**	-
Total comprehensive loss for the period		**(2,609,844)**	(2,325,482)
Basic and diluted loss per share	7	**(1.14) cents**	(1.02) cents

The above condensed interim statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes to the condensed interim financial statements.

BIOTRON LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	31 December 2013 $	30 June 2013 $
Current assets		
Cash and cash equivalents	**2,148,918**	4,792,437
Trade and other receivables	**2,383**	1,723
Other assets	**54,906**	48,518
Total current assets	**2,206,207**	4,842,678
Non-current assets		
Plant and equipment	**21,475**	23,511
Total non-current assets	**21,475**	23,511
Total assets	**2,227,682**	4,866,189
Current liabilities		
Trade and other payables	**186,117**	218,824
Employee entitlements	**176,299**	172,255
Total current liabilities	**362,416**	391,079
Total liabilities	**362,416**	391,079
Net assets	**1,865,266**	4,475,110
Equity		
Issued capital	**32,548,656**	32,548,656
Reserves	**522,000**	522,000
Accumulated losses	**(31,205,390)**	(28,595,546)
Total equity	**1,865,266**	4,475,110

The above condensed interim statement of financial position is to be read in conjunction with the accompanying notes to the condensed interim financial statements.

BIOTRON LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	31 December 2013 $	31 December 2012 $
Cash flows from operating activities		
Cash receipts from R&D tax benefit	**-**	503,700
Payments for research and development	**(1,946,462)**	(1,591,710)
Cash payments in the course of operations	**(740,656)**	(630,438)
Cash absorbed by operations	**(2,687,118)**	(1,718,448)
Interest received	**45,588**	132,221
Net cash used in operating activities	**(2,641,530)**	(1,586,227)
Cash flows from investing activities		
Payments for property plant and equipment	**(1,989)**	(4,258)
Net cash used in investing activities	**(1,989)**	(4,258)
Net decrease in cash and cash equivalents	**(2,643,519)**	(1,590,485)
Cash and cash equivalents at 1 July	**4,792,437**	7,891,781
Cash and cash equivalents at 31 December	**2,148,918**	6,301,296

The above condensed interim statement of cash flows is to be read in conjunction with the accompanying notes to the condensed interim financial statements.

BIOTRON LIMITED

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

Attributable to equity holders of the Company	**Issued Capital $**	**Option Premium Reserve $**	**Accumulated Losses $**	**Total $**
Balance at 1 July 2012	32,548,656	465,692	(24,744,801)	8,269,547
Total comprehensive income for the period				
Loss for the period	-	-	(2,325,482)	(2,325,482)
Other comprehensive income	-	-	-	-
Transaction with owners, recorded directly in equity				
Share based payment transaction	-	56,308	-	56,308
Balance at 31 December 2012	32,548,656	522,000	(27,070,283)	6,000,373
Balance at 1 July 2013	32,548,656	522,000	(28,595,546)	4,475,110
Total comprehensive income for the period				
Loss for the period	-	-	(2,609,844)	(2,609,844)
Other comprehensive income	-	-	-	-
Balance at 31 December 2013	**32,548,656**	**522,000**	**(31,205,390)**	**1,865,266**

The above condensed interim statement of changes in equity is to be read in conjunction with the accompanying notes to the condensed interim financial statements.

1. REPORTING ENTITY

Biotron Limited (the 'Company') is a company domiciled in Australia. The Company is primarily involved in the research and development of new treatments for serious viral diseases such as HIV and Hepatitis C.

The annual financial statements of the Company as at and for the year ended 30 June 2013 are available upon request from the Company's registered office at Level 2, 66 Hunter Street, Sydney, NSW, 2000 or at www.biotron.com.au.

2. STATEMENT OF COMPLIANCE

The condensed interim financial statements are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

The Company's condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the 30 June 2013 annual financial statements and any public announcements by the Company during the half-year in accordance with continuous disclosure obligations arising under the *Corporations Act 2001.*

These condensed interim financial statements were authorised for issue by the directors on 21 February 2014.

3. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied in these condensed interim financial statements are the same as those applied in the financial statements as at and for the year ended 30 June 2013. The following changes in accounting policies are also expected to be reflected in the financial statements as at and for the year ending 30 June 2014.

Changes in accounting policies

The Company has adopted the following amendment with a date of initial application of 1 July 2013.

Annual Improvements to Australian Accounting Standards 2009–2011 Cycle.

The amendment to AASB 134 clarifies that the Company needs to disclose the measures of total assets and liabilities for a particular reportable segment only if the amounts are regularly provided to the Company's chief operating decision maker, and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment. No additional disclosure has been required as a result of this amendment.

4. ESTIMATES

The preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2013, with the exception of going concern, as detailed in note 5.

5. GOING CONCERN

The condensed interim financial statements have been prepared on a going concern basis which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business.

The Company has incurred a trading loss of $2,609,844 in the half-year ended 31 December 2013 and has accumulated losses of $31,205,390 as at 31 December 2013. The Company has cash on hand of $2,148,918 at 31 December 2013 and used $2,641,530 of cash in operations for the half-year ended 31 December 2013. These conditions give rise to a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. The ongoing operation of the Company is dependent on:

- the Company raising additional funding from shareholders or other parties; and/or
- the Company reducing expenditure in line with available funding.

The directors have prepared cash flow projections that support the ability of the Company to continue as a going concern. These cash flow projections assume the Company obtains sufficient additional funding from shareholders or other parties. If such funding is not achieved, the Company plans to reduce expenditures significantly.

In the event that the Company does not obtain additional funding and/or reduce expenditure in line with available funding, it may not be able to continue its operations as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the condensed interim financial statements.

6. CAPITAL AND RESERVES

The Company did not issue any new ordinary shares during the half-year ended 31 December 2013 or the half-year ended 31 December 2012. There were no amounts unpaid on the shares issued in prior periods and there were no material share issue costs.

No dividends were declared or paid by the Company during the current or prior period.

7. LOSS PER SHARE

	31 December 2013 $	31 December 2012 $
Basic and diluted loss per share have been calculated using:		
Net loss for the period	**2,609,844**	2,325,482
Weighted average number of ordinary shares	**228,296,944**	228,296,944

As the Company is loss making, none of the potentially dilutive options on issue are currently dilutive in the calculation of total earnings per share.

8. RELATED PARTIES

Key management personnel and director transactions

The following key management person holds a position in another entity that results in him having control or joint control over the financial or operating policies of that entity, and that entity transacted with the Company during the half-year ended 31 December 2013 as follows:

- During the half-year ended 31 December 2013, Peter J. Nightingale had a controlling interest in an entity, MIS Corporate Pty Limited, which provided full administrative services, including rental accommodation, administrative staff, services and supplies, to the Company. Fees paid to MIS Corporate Pty Limited during the half-year, which were in the ordinary course of business and on normal terms and conditions, amounted to $72,000 (31 December 2012 - $72,000). There were no amounts outstanding at 31 December 2013 and 31 December 2012.

9. SHARE BASED PAYMENTS

The Company has a share option program that entitles key management personnel to be granted options in the Company. The terms and conditions of the share option program are disclosed in the financial statements as at and for the year ended 30 June 2013.

There were no options issued during the half-year ended 31 December 2013 or the half-year ended 31 December 2012.

For the half-year ended 31 December 2013, there was no share based payment expense arising from options issued (half-year ended 31 December 2012 - $56,308).

10. SEGMENT REPORTING

The Company operates solely in the biomedical industry in Australia.

11. SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

BIOTRON LIMITED

DIRECTORS' DECLARATION

In the opinion of the directors of Biotron Limited ("the Company"):

(a) the condensed interim financial statements and notes, set out on pages 7 to 13, are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

(ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; 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.

This report has been signed in accordance with a resolution of the directors and is dated 21 February 2014:

Michael J. Hoy
Chairman

Michelle Miller
Managing Director

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

We have reviewed the accompanying interim financial report of Biotron Limited (the 'Company'), which comprises the condensed interim statement of financial position as at 31 December 2013, condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the half-year ended on that date, notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Interim Financial Report
The directors of the Company are responsible for the preparation of the interim 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 interim 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 interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports 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 interim 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 2013 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Biotron Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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.*

Conclusion
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Biotron Limited 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 2013 and of its performance for the half-year ended on that date; and
b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material uncertainty regarding continuation as a going concern
Without modifying our conclusion, we draw attention to note 5, 'Going Concern' in the interim financial report. The conditions disclosed in note 5, including the need to raise additional funding from shareholders or other parties; and/or reducing expenditure in line with available funding, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the interim financial report.

KPMG

Adam Twemlow
Partner

KPMG
21 February 2014
Brisbane

BIOTRON LIMITED

CORPORATE DIRECTORY

Directors:

Mr Michael J. Hoy (Chairman).
Dr Michelle Miller (Managing Director).
Dr Susan M. Pond.
Mr Robert B. Thomas.
Dr Denis N. Wade.

Company Secretary:

Mr Peter J. Nightingale.

Registered Office:

Level 2, 66 Hunter Street
SYDNEY NSW 2000
Phone: 61-2 9300 3344
Fax: 61-2 9221 6333
E-mail: enquiries@biotron.com.au
Homepage: www.biotron.com.au

Principal Administration Office:

Suite 19, 56 Delhi Road
NORTH RYDE NSW 2113
Phone: 61-2 9805 0488
Fax: 61-2 9805 0688

Share Registrar:

Computershare Investor Services Pty Limited
117 Victoria Street
WEST END QLD 4101
Phone: 61-7 3237 2100
Fax: 61-7 3229 9860

Auditors:

KPMG
Level 16, Riparian Plaza
71 Eagle Street
BRISBANE QLD 4000

Home Exchange:

ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Solicitors:

Minter Ellison
88 Phillip Street
SYDNEY NSW 2000

Biotron Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.