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

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Website: www.biotron.com.au

27 February 2015

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000 (18 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 2014. This Interim Financial Report should be read in conjunction with the Company's 30 June 2014 Annual Report.

Yours sincerely

Peter J. Nightingale
Company Secretary

pjn8031

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 2014**

Results for announcement to the market

Revenues from ordinary activities	Down	56%	to	19,975
Loss from ordinary activities after tax attributable to members	Down	16%	to	2,182,134
Net loss for the period attributable to members	Down	16%	to	2,182,134

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	1.0 cents	0.6 cents

BIOTRON LIMITED

A.B.N. 60 086 399 144

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

BIOTRON LIMITED

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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 2014 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.

Mr Hoy 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.

Dr Miller 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, non-executive director and chairman of AusBiotech Limited and director of the Australian Nuclear Science and Technology Organisation.

Dr Pond is currently on the boards of the Australian Academy of Technological Sciences and Engineering, of which she is vice-president, and Innovation Australia. 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 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 Starpharma Holdings Limited and a director of Aus Bio Limited, Heartware Inc, REVA Medical Limited and Virgin Australia Limited. He chairs Grahger Capital Securities, is a director of O'Connell Street Associates Pty Limited and is a member of the Advisory Board of 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 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, Nickel Mines Limited and Prospech Limited.

Mr Nightingale has been Company Secretary since 23 February 1999.

REVIEW OF OPERATIONS

Executive Summary

Biotron's strategy is to work towards a commercial outcome for shareholders by demonstration of positive data, from clinical trials and other supporting studies that will systematically grow the value of the Company. Focus has been on the planned, step-wise progression of the clinical development of the Company's lead antiviral drug, BIT225. Significant progress has been made with all the Company's clinical programs, which include clinical trials in HIV, Hepatitis C virus ('HCV') and HIV/HCV co-infected populations. Positive data have been reported at every step. BIT225 shows encouraging efficacy against both HIV and HCV in all clinical studies completed to date.

During the half-year period under review, significant progress has been achieved. Positive results have been reported from the Phase 2 HIV/HCV co-infected patient trial (BIT225-006). All HCV genotype 3 patients who completed dosing were cured of their HCV infection. The Phase 2, three-month dosing trial in HCV genotype 1 and 3 patients (BIT225-008), is fully enrolled.

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

- Report of positive data from the Phase 2 trial (BIT225-006) of BIT225 in patients co-infected with HIV and HCV, which showed that all genotype 3 patients who completed dosing were HCV-virus free 12 weeks after completing all drug treatment (known as SVR12), indicating that they were cured of HCV infection.
- Completion of enrolment of a longer term, 12 week dosing, Phase 2 trial (BIT225-008) of BIT225 in HCV genotype 1 and 3 patients.
- Report that BIT225 is able to reverse HIV-induced immune activation in HIV-infected patients.

- Showcasing the Company to the international investment community at various events in the USA and Australia.
- Successful completion of a fully underwritten rights issue, raising $4.06 million.

HCV and HIV Clinical Programs

As summarised below, significant progress has been made by the Company to date with clinical programs, which include clinical trials in HIV, HCV and HIV/HCV co-infected populations. BIT225 is in mid-stage clinical development with 7 clinical trials completed to date and one trial currently in progress. Encouraging efficacy results against both HCV and HIV in clinical studies completed to date, include:

- 100% of HCV genotype 1 patients receiving 400mg of BIT225 plus interferon and ribavirin (IFN/RBV) were HCV virus free at 48 weeks (BIT225-005), compared to 75% of controls who received IFN/RBV alone.
- 100% of HCV genotype 3 and HIV co-infected patients completing dosing with 300mg of BIT225 plus 48 weeks of IFN/RBV were HCV virus free 12 weeks after completing treatment (SVR12) (BIT225-006).
- BIT225 accelerated viral load reductions in HCV genotype 3 patients (BIT225-006).
- BIT225 shown to have HCV pan-genotype activity (i.e. activity against the 6 major strains of HCV) in *in vitro* laboratory studies.
- BIT225 shown to target HIV in monocyte reservoir cells, reducing virus production from these long-lived viral pools that are not cleared with current anti-HIV drugs (BIT225-004).
- BIT225 shown to reverse HIV-induced impairment of the immune system (BIT225-004).

BIT225 has a unique mode of action compared to other antiviral drugs in development. It works by targeting the assembly of virus particles and has dual activity against both HIV and HCV. Chronic viral diseases such as HCV and HIV need to be treated with two or more different classes of drugs in combination to stop the virus mutating and becoming resistant to treatment.

Both markets are large and growing. The worldwide anti-HCV drug market is forecast to grow from the current US$4.7 billion to US$19 billion by end of the decade. HIV drug sales in the major markets, which include the USA, Europe and Japan, were US$11.9 billion in 2013. Due to growth in the HIV drug market, stimulated by new drug launches and increasing prevalence of HIV, this market is projected to reach US$16.8 billion by 2020.

The Company aims to position BIT225 to maximise its chances of being licensed for use in combination with other anti-HCV drugs. To this end, a series of clinical trials have been undertaken in different HCV patient populations, designed to determine BIT225's anti-HCV activity profile. As demonstrated by the above summary of results of clinical trials, BIT225 has shown encouraging activity against HCV.

BIT225 is being positioned to fill treatment gaps that are being left by other new HCV drug classes, in particular in HCV genotype 3 and HIV/HCV co-infected patients. In trials to date, BIT225 has been used in combination with existing drugs IFN/RBV, which are being replaced with new, safer HCV drugs used in combination. To be considered for inclusion in future HCV drug combinations treatment regimes, BIT225 will need to be tested in patients in combination with other new HCV drugs.

Despite advances in HIV treatments, significant hurdles remain. The incidence of infections is on the rise, with rates in Australia at a 20-year high. New diagnoses were up over 10% in the last 12 months and there are estimated to be up to 10,000 Australians who do not know that they are HIV positive. In the USA, over 1.1 million people are living with HIV infection, with almost 1 in 6 unaware of their infection.

Reservoirs of HIV exist in patients despite treatment with current anti-HIV drugs. Biotron's BIT225 has shown that it can target HIV in one of the main reservoirs, with the potential to reduce viral burdens in patients, and reverse HIV-induced impairment of the immune system. BIT225 is able to cross the blood-brain barrier, and may have an impact on HIV-associated dementia.

During the first half of the current financial year, the Company has progressed BIT225 along the path to commercialisation. Clinical data from BIT225-006 HIV/HCV trial supports ongoing development of BIT225, in particular for treatment of HCV genotype 3. Other new classes of HCV drugs are not as effective against this type of HCV, and there is a real need for alternative classes of HCV drugs that can reduce the treatment time for genotype 3.

The completion of enrolment in the Phase 2 HCV 3-month dosing trial is a key milestone for the Company. This trial is important as it will provide key data for future dosing regimens with BIT225, as well as important longer-term dosing safety data. It will also provide additional efficacy data against HCV genotypes 1 and 3. It is anticipated that preliminary data, from the end of BIT225 dosing time point, will be available in the second quarter of 2015, with additional data from later time points available in the second half of 2015.

Next Steps

The Company's objective is to progress its HIV and HCV programs, with specific focus on ensuing the programs comply with USA Food and Drug Administration ('FDA') regulatory guidelines, to position BIT225 within the HCV and HIV drug landscapes.

As detailed in the Prospectus released with the recent successful Rights Issue, Biotron proposes to continue to progress these programs through to a commercial outcome. A key milestone on this commercialisation pathway is the filing of Investigational New Drug ('IND') applications with the USA FDA. IND filings are necessary to undertake clinical trials in the USA and are key steps on the process towards final drug approvals.

In parallel with undertaking preparatory activities associated with the IND filings, the Company plans to progress discussions with potential partners, as well as with agencies with the aim of obtaining non-equity funding for the proposed IND trials.

For the second half of the financial year, the Company will be focused on completing specific activities that are prerequisites for filing IND applications for BIT225. These include:

- Undertaking drug-drug interaction studies of BIT225 with other HCV drug(s) to be used in combination in the proposed IND trial.
- Modelling pharmacokinetic data from previous trials to determine optimal BIT225 dose and frequency in the IND trial.
- Additional *in vitro* laboratory studies of BIT225's antiviral activity, including studies with other HCV drugs.

The results of these studies will assist with positioning BIT225 in the commercial HCV and HIV landscapes.

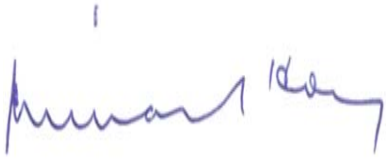
Subsequent Events

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 5 and forms part of the Directors' Report for the half-year ended 31 December 2014.

This report has been signed in accordance with a resolution of the Directors and is dated 27 February 2015:



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 2014, 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

27 February 2015
Brisbane

BIOTRON LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Notes	31 December 2014 $	31 December 2013 $
Administration and consultants' expenses		**(226,232)**	(251,297)
Depreciation		**(8,479)**	(4,025)
Direct research and development expenses		**(1,440,859)**	(1,868,840)
Employee and director expenses		**(389,428)**	(408,356)
Legal expenses		**(27,434)**	(11,010)
Rent and outgoings expenses		**(43,205)**	(32,505)
Other expenses from ordinary activities		**(66,472)**	(79,399)
Operating loss before financing income		**(2,202,109)**	(2,655,432)
Interest income		**19,975**	45,588
Net finance income		**19,975**	45,588
Loss before tax		**(2,182,134)**	(2,609,844)
Income tax expense		**-**	-
Loss for the period		**(2,182,134)**	(2,609,844
Other comprehensive income for the period		**-**	-
Total comprehensive loss for the period		**(2,182,134)**	(2,609,844)
Basic and diluted loss per share	6	**(0.90) cents**	(1.14) 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 2014

	31 December 2014 $	30 June 2014 $
Current assets		
Cash and cash equivalents	**3,060,208**	1,764,181
Trade and other receivables	**9,559**	-
Other assets	**15,133**	35,033
Total current assets	**3,084,900**	1,799,214
Non-current assets		
Plant and equipment	**56,247**	64,726
Total non-current assets	**56,247**	64,726
Total assets	**3,141,147**	1,863,940
Current liabilities		
Trade and other payables	**99,171**	295,327
Employee entitlements	**173,908**	179,317
Total current liabilities	**273,079**	474,644
Total liabilities	**273,079**	474,644
Net assets	**2,868,068**	1,389,296
Equity		
Issued capital	**35,391,650**	32,548,656
Reserves	**1,339,912**	522,000
Accumulated losses	**(33,863,494)**	(31,681,360)
Total equity	**2,868,068**	1,389,296

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 2014

	31 December 2014 $	31 December 2013 $
Cash flows from operating activities		
Payments for research and development	**(1,654,937)**	(1,946,462)
Cash payments in the course of operations	**(729,917)**	(740,656)
Cash absorbed by operations	**(2,384,854)**	(2,687,118)
Interest received	**19,975**	45,588
Net cash used in operating activities	**(2,364,879)**	(2,641,530)
Cash flows from investing activities		
Payments for property plant and equipment	**-**	(1,989)
Net cash used in investing activities	**-**	(1,989)
Cash flows from financing activities		
Proceeds from issue of shares and options	**4,059,599**	-
Cost of Issue of shares and options	**(398,693)**	-
Net cash provided by financing activities	**3,660,906**	-
Net increase/(decrease) in cash and cash equivalents	**1,296,027**	(2,643,519)
Cash and cash equivalents at 1 July	**1,764,181**	4,792,437
Cash and cash equivalents at 31 December	**3,060,208**	2,148,918

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 2014

Attributable to equity holders of the Company

	Issued Capital $	Option Premium Reserve $	Accumulated Losses $	Total $
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
Balance at 1 July 2014	32,548,656	522,000	(31,681,360)	1,389,296
Total comprehensive income for the period				
Loss for the period	-	-	(2,182,134)	(2,182,134)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	**-**	**-**	**(2,182,134)**	**(2,182,134)**
Contribution by and distribution to owners				
Ordinary shares/options issued	3,241,687	817,912	-	4,059,599
Cost of shares/options issued	(398,693)	-	-	(398,693)
Balance at 31 December 2014	**35,391,650**	**1,339,912**	**(33,863,494)**	**2,868,068**

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 2014 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 2014 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 27 February 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

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 2014.

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 2014.

5. GOING CONCERN

The financial statements have been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business.

During the half-year ended 31 December 2014, the Company incurred a net loss before tax of $2.18 million and recorded net cash outflows from operating activities of $2.36 million. In November 2014, the Company raised $4.06 million by the issue of 50,732,654 new fully paid ordinary shares and 50,732,654 listed options. As at 31 December 2014, the Company had net assets of $2.87 million including cash of $3.06 million.

The Directors have prepared cash flow projections for the coming 12 months that support the ability of the Company to continue as a going concern. These cash flow projections include significant research and development expenditure and assume the Company maintains expenditure in line with the level of funding available.

6. CAPITAL AND RESERVES

During the half year, the Company raised $4.06 million by issuing 50,732,654 new fully paid ordinary shares and 50,732,654 listed options by way of rights issue entitlement and incurred issue cost of $398,694. There are no amounts unpaid in relation to the above issue.

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

7. LOSS PER SHARE

	31 December 2014 $	31 December 2013 $
Basic and diluted loss per share have been calculated using:		
Net loss for the period	**2,182,134**	2,609,844
Weighted average number of ordinary shares	**242,436,197**	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

During the half-year ended 31 December 2014, 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 2013 - $72,000). There were no amounts outstanding at 31 December 2014 and 31 December 2013.

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 2014.

For the half-year ended 31 December 2014, there were no share based payment expenses (half-year ended 31 December 2013 - nil).

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 6 to 11, 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 2014 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 27 February 2015:

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 2014, 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 2014 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 2014 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*.

KPMG

Adam Twemlow
Partner

KPMG
27 February 2015
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.