

APPENDIX 4D HALF YEAR REPORT

Tyrian Diagnostics Limited
ACN 080 277 998

Current Reporting Period	Half Year ended 31 December 2010
Previous corresponding period	Half Year ended 31 December 2009

Results for announcement to the market				\$'000
Revenue from continuing activities	Decreased	50%	to	656
Revenue and other income from continuing activities	Decreased	50%	to	677
(Loss) from continuing activities after tax attributable to members	increased	3%	to	(2,185)
(Loss) for the period attributable to members	increased	3%	to	(2,207)

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	Nil	Nil
Interim dividend	Nil	Nil

Record date for determining entitlements to the interim dividend	N/A
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NTA Backing

	31 December 2010	31 December 2009
Net tangible asset backing per ordinary share	0.5 cents	1.1 cents

A Review of operations is included in the Directors' Report of the attached Half Year Report of Tyrian Diagnostics Limited and its controlled entities.

This Appendix 4D is based on Financial Reports which have been subject to review.

Tyrian Diagnostics Limited and its Controlled Entities
Interim Financial Report – 31 December 2010
ACN 080 277 998

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The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by Tyrian Diagnostics Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Tyrian Diagnostics Limited and its controlled entities
Directors' report
For the half-year ended 31 December 2010

Your directors present their report on the consolidated entity consisting of Tyrian Diagnostics Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2010.

Directors

The following persons were directors of Tyrian Diagnostics Limited during the whole of the half-year to 31 December 2010 and up to the date of this report:

Roger Amos (Chairman)
Jenny Harry
Caroline Popper
Merilyn Sleigh

Principal activities

During the year the principal continuing activities of the consolidated entity consisted of:

- a) Independent validation of a lead diagnostic marker for a molecular diagnostic for Tuberculosis
- b) Screening of clinical sputum samples under a collaboration with US therapeutics company Aradigm Corporation to develop clinical assays for candidate diagnostic markers for chronic respiratory disease
- c) Successfully completing activities and submission dossiers for independent validation in Canada and the US of ReadRite Alpha-Amylase (**RR-AA**), a wheat quality test under development with BayerCrop Science AG,
- d) Successful completion of production of a second commercial batch of RR-AA by our contract manufacturer Pacific Biotech Co Ltd., Thailand
- e) Advancing the development of a second DiagnostIQ Point-of-Need (PoN) test for crop quality management with Bayer CropScience AG.

Comments on the operations and the results of those operations are set out below.

REVIEW AND RESULTS OF OPERATIONS

Consolidated Results

Revenue and Other Income from continuing operations to 31 December 2010 was \$677,304 (\$1,354,822 to 31 December 2009). The net group loss after tax in the half-year to 31 December 2010 was \$2,206,639 (\$2,145,603 to 31 December 2009).

Cash Used in Operations

Net cash outflows from operating activities decreased from \$2,686,431 in the previous corresponding period to \$1,824,281 in the current half-year.

Operations Review

Commercialising ReadRite Alpha Amylase

During the 2011 financial year the Company has continued to provide Bayer with manufactured RR-AA and to support Bayer's marketing strategy to achieve independent certification of this product for target markets. The first batch of the RR-AA test kits was successfully manufactured and supplied by Tyrian's outsourced manufacturer in Thailand. To support the market roll-out of RR-AA test to a number of foreign target markets, Bayer commissioned Tyrian to extend the ReadRite Reader software application to include four languages.

Advancing Development of a second Agricultural Product

In October 2010, Tyrian commenced detailed development of the second commercial test for Bayer, which follows as a result of positive feedback from Bayer on its initial prototype evaluation. This second crop quality test is closely linked to Bayer's ReadRite product portfolio strategy for the detection and management of grain quality.

Commercial Manufacturing Capability

In the first half of FY 2011 Tyrian continued with the technology transfer of the commercial manufacture of its DiagnostIQ™ products to Tyrian's commercial manufacturer, Pacific Biotech Co. Ltd. As part of these activities, a batch of 10,000 RR-AA test kits was successfully manufactured.

Developing a TB molecular diagnostic

During the first half of FY 2011 Tyrian progressed work with Dr Barry Kreiswirth at the Public Health Research Institute TB Centre, New Jersey USA to validate Tyrian's lead proprietary TB RNA marker as a candidate diagnostic for active TB based on detection in sputum. The outcome of this work has been the development of an assay using existing molecular technology for direct detection of Tyrian's lead TB diagnostic marker in sputum samples. Analysis of clinical sputum samples positive for active TB infection showed Tyrian's RNA marker to have competitive sensitivity compared to the current gold standard test (16S RNA, marketed by Gen-Probe) for diagnosis of active TB. Tyrian's assay is specific for detection of *Mycobacterium tuberculosis* over other disease-causing *Mycobacterium* bacteria

Tyrian is in the process of identifying an appropriate partner for further development and commercialisation of its proprietary marker for a molecular test to detect active TB.

Building a Product Franchise in Respiratory Diagnostics

Tyrian is well positioned to exploit its intellectual property in sputum-based point-of-care diagnostics to develop a product franchise in chronic obstructive pulmonary disease (COPD), to create an attractive long term value proposition for shareholders. During 2011, Tyrian has continued to build on its relationships with key opinion leaders in this field to identify and refine potential diagnostic products desired by medical practitioners and specialists.

Tyrian has established rapid assays for what it believes will be a key markers for the diagnosis and monitoring of different stages of COPD, further refining its ability to utilise sputum as a source of material for lung-specific diagnostics.

Tyrian has continued its collaboration with US company Aradigm Corporation, a specialty pharmaceutical company developing and commercialising a portfolio of drugs delivered by inhalation for the treatment of severe respiratory disease.

Aradigm is providing Tyrian with clinical sputum samples collected from patients in a Phase II trial of a treatment for bronchiectasis, a condition characterised by chronic lung infection and inflammation. The information generated may provide Aradigm with potential markers of the severity of the disease in patients being treated with its experimental therapy. For Tyrian, this research provides the first clinical data for establishing PoC tests for diagnosing and monitoring chronic respiratory disease.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Company and the Group during the financial year were as follows:

An increase in contributed equity of \$3,683,697 (from \$119,958,301 to \$123,512,478). This occurred predominantly as a result of the issue of 496,516,341 fully paid ordinary shares at \$0.008 each through a fully under-written non-renounceable rights issue to existing shareholders. The Company issued one attaching option and one commitment option for

Tyrian Diagnostics Limited and its controlled entities
Directors' report continued
For the half-year ended 31 December 2010

every five new shares subscribed for at the time of this issue of new shares. These attaching and commitment options have an exercise price of \$0.012 per share and will expire on 20 December 2013. A total of 199,006,544 listed attaching options were issued under the offer. The increase in equity is represented by cash received from the issue, net of capital raising costs. The cash received from the rights issue will be used to further develop the Group's diagnostic business.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No matter or circumstance has arisen since 31 December 2010 that has significantly affected, or may significantly affect:

- (a) the Consolidated Entity's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Consolidated Entity's state of affairs in future financial years.

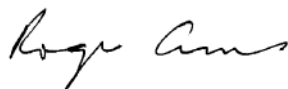
LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Further information on likely developments in the operations of the Consolidated Entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Consolidated Entity.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

This report is made in accordance with a resolution of the directors.



Roger Amos
Chairman

Sydney
24 February 2011

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Auditor's Independence Declaration

As lead auditor for the review of Tyrian Diagnostics Limited for the half-year ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of 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.

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



Susan Horlin
Partner
PricewaterhouseCoopers

Sydney
24 February 2011

Tyrian Diagnostics Limited and its controlled entities
Consolidated statement of comprehensive income
For the half-year ended 31 December 2010

	Notes	Half-year 2010 \$	2009 \$
Revenue from continuing operations		655,924	1,307,970
Other income		21,380	46,852
Cost of goods sold		(173,762)	(185,457)
Employment costs		(1,611,501)	(1,781,082)
Occupancy Costs		(136,065)	(486,482)
Corporate & administration expenses		(539,927)	(485,607)
External research supplies & services		(140,527)	(172,748)
Impairment of property, plant & equipment	3	-	(191,712)
Write back impairment on inventory	3	-	22,615
Depreciation and amortisation expenses		(82,827)	(113,317)
Patent costs		(91,111)	(61,483)
Foreign exchange losses		(86,447)	-
Other expenses		(87)	(22,533)
Loss before income tax		(2,184,950)	(2,122,984)
Income tax expense		-	-
Loss from continuing operations		(2,184,950)	(2,122,984)
Loss from discontinued operations	6	(21,689)	(22,619)
Loss for the half year attributable to members of Tyrian Diagnostics Limited		(2,206,639)	(2,145,603)
Other comprehensive income			
Exchange differences on translation of foreign operations		2,964	881
Other comprehensive income for the half year, net of tax		2,964	881
Total comprehensive loss attributable to members of Tyrian Diagnostics Limited		(2,203,675)	(2,144,722)

Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the company:	Cents	Cents
Basic earnings per share	(0.4)	(0.5)
Diluted earnings per share	(0.4)	(0.5)
Earnings per share for loss attributable to the ordinary equity holders of the company:	Cents	Cents
Basic earnings per share	(0.4)	(0.5)
Diluted earnings per share	(0.4)	(0.5)

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

Tyrian Diagnostics Limited and its controlled entities
Consolidated balance sheet
For the half-year ended 31 December 2010

	Notes	31 December 2010 \$	30 June 2010 \$
ASSETS			
Current assets			
Cash and cash equivalents		5,015,430	3,261,345
Trade and other receivables		224,887	574,093
Inventories		34,048	86,873
Other assets		113,627	78,725
Total current assets		5,387,992	4,001,036
Non-current assets			
Other financial assets		156,005	156,005
Property, plant and equipment		268,106	325,803
Intangible assets		2,696	6,921
Total non-current assets		426,807	488,729
Total assets		5,814,799	4,489,765
LIABILITIES			
Current liabilities			
Trade and other payables		466,838	457,701
Provisions		83,393	90,949
Deferred revenue		171,986	374,451
Total current liabilities		722,217	923,101
Non-current liabilities			
Provisions		210,338	230,391
Total non-current liabilities		210,338	230,391
Total liabilities		932,555	1,153,492
Net assets		4,882,244	3,336,273
EQUITY			
Contributed equity	4	123,512,478	119,958,301
Reserves		3,834,991	3,636,558
Accumulated losses		(122,465,225)	(120,258,586)
Parent entity interest		4,882,244	3,336,273

The above Consolidated balance sheet should be read in conjunction with the accompanying notes.

Tyrian Diagnostics Limited and its controlled entities
Consolidated statement of changes in equity
For the half-year ended 31 December 2010

	Attributable to owners of Tyrian Diagnostics Limited			Total Equity \$
	Contributed Equity \$	Reserves \$	Retained Earnings \$	
Consolidated				
Balance at 1 July 2009	115,464,260	3,572,738	(116,102,675)	2,934,323
Loss for the half-year	-	-	(2,145,603)	(2,145,603)
Exchange differences on translation of foreign operations	-	881	-	881
Total comprehensive profit/(loss) for the half-year	-	881	(2,145,603)	(2,144,722)
Transactions with owners in their capacity as owners:				
Employee performance rights	-	11,050	-	11,050
Contributions of equity, net of transaction costs	4,494,041	-	-	4,494,041
	4,494,041	11,050	-	4,505,091
Balance at 31 December 2009	119,958,301	3,584,669	(118,248,278)	5,294,692
Balance at 1 July 2010	119,958,301	3,636,558	(120,258,586)	3,336,273
Loss for the half-year	-	-	(2,206,639)	(2,206,639)
Exchange differences on translation of foreign operations	-	2,964	-	2,964
Total comprehensive profit/(loss) for the half-year	-	2,964	(2,206,639)	(2,203,675)
Transactions with owners in their capacity as owners:				
Employee performance rights	-	195,469	-	195,469
Contributions of equity, net of transaction costs	3,554,177	-	-	3,554,177
	3,554,177	198,433	(2,206,639)	1,545,971
Balance at 31 December 2010	123,512,478	3,834,991	(122,465,225)	4,882,244

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

Tyrian Diagnostics Limited and its controlled entities
Consolidated statement of cash flows
For the half-year ended 31 December 2010

	Notes	Half-year 2010 \$	2009 \$
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		600,723	752,509
Payments to suppliers and employees (inclusive of goods and services tax)		(2,612,332)	(3,488,757)
		(2,011,609)	(2,736,248)
Income tax refund received		138,350	-
Interest received		48,978	49,817
Net cash outflow from operating activities		(1,824,281)	(2,686,431)
Cash flows from investing activities			
Payments for property, plant and equipment		(20,905)	(113,743)
Proceeds from disposal of physical, non-current assets		-	11,780
Proceeds from disposal of investments		-	28,787
Net cash inflow from investing activities		(20,905)	(73,176)
Cash flows from financing activities			
Proceeds from issues of shares		3,972,131	4,976,580
Share issue transaction costs		(337,327)	(482,538)
Net cash inflow from financing activities		3,633,044	4,494,042
Net increase (decrease) in cash and cash equivalents		1,787,858	1,734,435
Cash and cash equivalents at the beginning of the half-year		3,261,345	3,437,926
Effects of exchange rate charges on cash and cash equivalents		(33,773)	(16,482)
Cash and cash equivalents at end of the half-year		5,015,430	5,155,879

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

1 Summary of significant accounting policies

These general purpose financial statements for the interim half year reporting period ended 31 December 2010 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by Tyrian Diagnostics Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and the corresponding interim reporting period.

Comparative information has been reclassified where appropriate to ensure comparability with the current reporting period.

(a) Basis of preparation of half-year financial report

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Compliance with IFRS

Australian Accounting Standards include the Australian equivalents to the International Reporting Standards (AIFRS). Compliance with AIFRS ensures that the consolidated and parent entity financial statements and notes of Tyrian Diagnostics Limited comply with International Financial Reporting Standards (IFRS).

Comparatives

Comparative information in these financial statements has been restated to reflect the impact of discontinued operations and other changes in presentation in the current period.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by certain financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

Going Concern

During the period ended 31 December 2010 the consolidated entity incurred a loss from continuing operations before tax of \$2,184,950 (2009: \$2,122,984) and net cash outflows from operating activities of \$1,824,281 (2009: \$2,686,431)

In December 2010 the Company completed a fully-underwritten non-renounceable pro-rata

Tyrian Diagnostics Limited and its controlled entities
Notes to the financial statements continued
31 December 2010

rights issue of 496,516,341 shares at an issue price of \$0.008, and successfully raised approximately \$4 million before transaction costs (refer note 4).

In light of the successful capital raising activities, and having regard to cash-flow forecasts prepared by the Company, the directors believe the Consolidated Entity and Company will continue as a going concern for a period of 12 months from the date of the Directors' Report, and consequently will realise assets and settle liabilities and commitments in the ordinary course of business and at the amounts stated in the financial statements. The financial statements have therefore been prepared on a going concern basis.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Tyrian Diagnostics Limited ("company" or "parent entity") as at 31 December 2010 and the results of all subsidiaries for the half-year then ended. Tyrian Diagnostics Limited and its subsidiaries together are referred to in this financial report as the Group or the Consolidated Entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the individual financial statements of Tyrian Diagnostics Limited, investments in subsidiaries are accounted for at cost less impairment charges.

2 Segment reporting

AASB 8 *Operating Segments* requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting to key decision makers to evaluate segment performance and decide how to allocate resources to segments. This has resulted in the company being considered as one reportable segment.

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker has been identified as the chief executive officer.

Tyrian Diagnostics Limited and its controlled entities
Notes to the financial statements continued
31 December 2010

3 Loss for the half-year

	Half-year 2010 \$	2009 \$
Loss for the half-year includes the following items that are unusual because of their nature, size or incidence:		
Expenses		
Share based payments	(195,469)	(11,050)
Write back impairment on inventory	-	22,615
Increase impairment of fixed assets	-	(191,712)
Income		
Gain on sale of investment	-	28,822

4 Contributed equity

Movements in ordinary share capital:

Date	Details	Number of shares	Issue price	\$
01.01.10	Opening balance	498,516,341		119,958,301
	Balance as at 30 June 2010	498,516,341		119,958,301
24.12.10	Share Issue – Rights issue	496,516,341	0.008	3,972,131
Various	Capital raising costs, net of tax	n/a	n/a	(417,954)
	Balance as at 31 December 2010	995,032,682		123,512,478

5 Contingent liabilities

Guarantees

The Consolidated Entity had contingent liabilities at 31 December 2009 and 31 December 2010 in the form of Guarantees given in respect of leased assets and leases for operating premises. The guarantees amounted to \$156,005 (2009: \$156,005), and were secured by deposits held as security by the lessors.

The operating lease over the Group's Sydney operating premises was renewed effective 1 January 2010. The Group expects to continue to meet all payment obligations required by the lease agreement governing its Sydney operating premises, and does not expect to make any payment under the current guarantee or any future guarantee. Further, upon completion of handover procedures, the Group expects the deposit held in respect of the current lease to be released and made available to the Group.

Tyrian Diagnostics Limited and its controlled entities
Notes to the financial statements continued
31 December 2010

6 Discontinued operation

(a) Description

In September 2008 the Group ceased all research activities and terminated all staff at the Group's Boston office, which was operated by a wholly-owned subsidiary, Proteome Systems Inc. The Group completed the closure of the Boston operating premises in October 2009.

(b) Financial performance and cash flow information

The financial performance and cash flow information presented are for the six months ended 31 December 2010.

	Half-year 2010	2009
	\$	\$
Operating results		
Revenue and other income	-	1,058
Operating expenses	(21,689)	(23,677)
Operating loss before income tax	(21,689)	(22,619)
Income tax expense	-	-
Operating loss after income tax of discontinued operations	(21,689)	(22,619)
Loss from discontinued operations	(21,689)	(22,619)
Cash flow		
Net cash inflow/ (outflow) from ordinary activities	(11,331)	84,126
Net cash inflow from investing activities	-	450
Net cash outflow from financing activities	(76,965)	-
Net increase/ (decrease) in cash generated by discontinued operations	(88,296)	84,576

(c) Carrying amounts of assets and liabilities

The carrying amounts of assets and liabilities included in the 31 December 2010 consolidated financial statements are as follows:

	31 December 2010	30 June 2010
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	3,497	98,392
Total current assets	3,497	98,392
Total assets	3,497	98,392
LIABILITIES		
Current liabilities		
Trade and other payables	184	219
Total current liabilities	184	219
Total liabilities	184	219

7 Events occurring after the balance sheet date

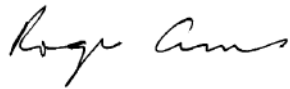
The consolidated entity is not aware of any matters or circumstances which are not otherwise dealt with in the financial statements that have significantly, or may significantly, affect the operations of the consolidated entity, the results of its operations or the state of the consolidated entity in subsequent years.

Tyrian Diagnostics Limited and its controlled entities
Directors' Declaration
31 December 2010

In the directors' opinion:

- (a) the financial statements and notes set out on pages 3 to 15 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Tyrian Diagnostics Limited will be able to pay its debts as and when they become due and payable, as discussed in Note 1 to the financial statements.

This declaration is made in accordance with a resolution of the directors.



Roger Amos
Chairman

Sydney
24 February 2011

Independent auditor's review report to the members of **Tyrian Diagnostics Limited**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Tyrian Diagnostics Limited, which comprises the consolidated balance sheet as at 31 December 2010 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Tyrian Diagnostics Limited Group (the consolidated entity). The consolidated entity comprises both Tyrian Diagnostics Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) 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 an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 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 Tyrian Diagnostics Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide

**Independent auditor's review report to the members of
Tyrian Diagnostics Limited (continued)**

assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

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 half-year financial report of Tyrian Diagnostics Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 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*.



PricewaterhouseCoopers



Susan Horlin
Partner

Sydney
24 February 2011