

APPENDIX 4D HALF YEAR REPORT

Tyrian Diagnostics Limited
ACN 080 277 998

Current Reporting Period	Half Year ended 31 December 2011
Previous corresponding period	Half Year ended 31 December 2010

Results for announcement to the market				\$'000
Revenue from continuing activities	Decreased	36%	to	422
Revenue and other income from continuing activities	Decreased	35%	to	441
(Loss) from continuing activities after tax attributable to members	Decreased	16%	to	(1,840)
(Loss) for the period attributable to members	Decreased	16%	to	(1,840)

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 2011	31 December 2010
Net tangible asset backing per ordinary share	0.07 cents	0.50 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 2011
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 2011 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 2011

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 2011.

Directors

The following persons were directors of Tyrian Diagnostics Limited during the whole of the half-year to 31 December 2011 and up to the date of this report:

Roger Amos (Chairman)
Jenny Harry
Caroline Popper
Merilyn Sleigh

Principal activities

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

- a) Business development activities related to the commercialisation of the company's TB intellectual property including engaging with suitable potential partners to licence the company's patented molecular TB biomarker for development and commercialisation of tests to diagnose active TB and for the manufacture and distribution of the TB protein antibodies for research purposes;
- b) Following Bayer's decision to discontinue/change their strategy, negotiating with Bayer CropScience AG the final settlement for termination of its current agreements relating to the development, licensing and supply of DiagnostIQ tests and Readers for agriculture;
- c) Development of a prototype diagnostic test for chronic respiratory disease using its proprietary DiagnostIQ technology, and identification of clinical partners in North America and Australia for potential further development and clinical evaluation of this product;
- d) Seeking and engaging with potential partners to explore the opportunity for a joint venture for diagnostic applications in agriculture using the company's proprietary DiagnostIQ platform;
- e) Review of company's strategic options and implementation of a corporate restructure to achieve immediate reduction of operating costs.

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 2011 was \$441,138 (\$677,304 to 31 December 2010). The net group loss after tax in the half-year to 31 December 2011 was \$1,839,918 (\$2,206,639 to 31 December 2010).

Cash Used in Operations

Net cash outflows from operating activities increased from \$1,824,281 in the previous corresponding period to \$2,188,054 in the current half-year. These outflows included termination payments to all staff.

Operations Review

Commercialising the TB Intellectual Property

In the second half of 2011, Tyrian focussed on identifying an appropriate partner for further development and commercialisation of its proprietary marker for a molecular test to detect active TB. Tyrian worked with an external business development consultant in the US to

Tyrian Diagnostics Limited and its controlled entities
Directors' report continued
For the half-year ended 31 December 2011

assist with the identification of the most suitable partner/s. These efforts resulted in the entry into an exclusive licence agreement with SpeedX Pty Ltd in December 2011, under which Tyrian receives an up-front payment and will also receive milestone payments upon the achievement of regulatory and patent milestones, a percentage of sub-licensing revenues and royalties on net sales of products incorporating Tyrian's patented intellectual property. SpeedX will also pay all future patent and research and development costs related to this area.

The up-front payment from SpeedX has been accrued in the financial statements for the period and has been received by the company at the date of this report.

In December 2011, Tyrian entered into a distribution agreement with NeoClone LLC for the manufacture and distribution of Tyrian's antibodies for the detection of TB proteins. NeoClone will distribute the antibodies to parties interested in conducting research using Tyrian's antibodies and such parties would need to approach Tyrian for a licence to make and sell any commercial products utilising the antibodies.

Tyrian continued its efforts to licence its TB intellectual property for a rapid protein diagnostic test to companies developing new point-of-care diagnostic platforms with higher sensitivity of detection than current technologies. These discussions were ongoing at the date of this report.

Negotiations with Bayer CropScience AG

During the half year ended 31 December 2011, following a change in Bayer's strategy regarding its agricultural diagnostic products, Tyrian and Bayer commenced negotiations regarding the possible termination of some or all of their agreements for the development, commercialization and manufacture of agricultural diagnostic products using Tyrian's DiagnostIQ platform. These negotiations are ongoing.

Point-of-Care Diagnostic for Chronic Respiratory Disease

Tyrian continued to define and develop a prototype test for sputum-based assessment of Chronic Respiratory Disease. This included development of a simplified protocol for sputum processing and analysis of additional sputum samples from asthmatics to support existing data generated from bronchiectasis and cystic fibrosis samples. Analysis of the IP landscape for sample processing determined that clinical testing to refine parameters was required to maximize likelihood of successful patent protection. We identified potential clinical partners in Australia and North America for future testing. As at the end of the period, and as a result of the company's restructure, no work was possible on this project.

Efforts to establish a joint venture for agricultural diagnostics

During this period, Tyrian continued its efforts to attract potential partners to establish an Agri-diagnostic portfolio company to develop and commercialise products using the company's proprietary DiagnostIQ platform. Tyrian worked with business advisors in the US and Australia and identified several interested parties. Despite engaging in discussions and initial due diligence with several interested companies, the company was ultimately unsuccessful in securing a collaborator or investment partner for this venture.

Corporate Restructure

As announced in August 2011, the continued delay in commercialisation of the agricultural products licensed to Bayer and the subsequent change in Bayer's strategy regarding its agricultural diagnostic portfolio triggered an immediate review of the company's strategy. In the second half of 2011 the company implemented initiatives to reduce the company's operating costs including the sale of certain assets; vacating the company's facility at North Ryde; cessation of research and development work and termination of all employees. Restructuring costs related to the termination of employees were paid during this period.

Tyrian Diagnostics Limited and its controlled entities
Directors' report continued
For the half-year ended 31 December 2011

As a result of the restructure, the company's ongoing operating costs have been significantly reduced.

The company will continue to pay rent and outgoings in respect of its North Ryde premises until the expiry of the lease on 31 December 2012. The company has recognised a provision for future lease costs (including rent, outgoings and make-good requirements) during this period. This is described in Note 6 to the consolidated financial statements. Efforts to sub-lease the premises are in progress.

Strategic Options

The company continues to work with its advisors, TC Corporate, to identify corporate opportunities that will maximise the value of the remaining assets.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

- (a) The company undertook a strategic review which led to the cessation of all development of its programmes as the company focussed on (i) licensing or selling its intellectual property assets; (ii) reducing the company's ongoing operating costs and cash outflows; and (iii) exploring alternative strategic options for the future of the company to maximise shareholder value;
- (b) All employees were terminated in the second half of 2011. Employment costs relating to the termination of staff were paid during this half-year and totalled \$1,155,399. The notice period for remaining executives expires in February. Arrangements have been put in place for ongoing management of the company and its assets after that time;
- (c) In November 2011 the company vacated its premises at North Ryde. The company continues to pay rent and outgoings to the end of the lease on 31 December 2012;
- (d) All fixed assets were sold or disposed of during the half-year. Impairment costs totalling \$119,765 were incurred during this period.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No matter or circumstance has arisen since 31 December 2011 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.

Tyrian Diagnostics Limited and its controlled entities
Directors' report continued
For the half-year ended 31 December 2011

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 7.

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

A handwritten signature in black ink, appearing to read 'Roger Amos', written in a cursive style.

Roger Amos
Chairman

Sydney
23 February 2012



Auditor's Independence Declaration

As lead auditor for the review of Tyrian Diagnostics Limited for the half-year ended 31 December 2011, 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.

A handwritten signature in black ink, appearing to read 'S. Horlin', with a long horizontal flourish extending to the right.

Susan Horlin
Partner
PricewaterhouseCoopers

Sydney
23 February 2012

Tyrian Diagnostics Limited and its controlled entities
Statement of comprehensive income
For the half-year ended 31 December 2011

	Notes	Half-year 2011 \$	2010 \$
Revenue from continuing operations		422,117	655,924
Other income		19,021	21,380
Cost of goods sold		(20,976)	(173,762)
Employment costs	3	(1,168,154)	(1,611,501)
Occupancy Costs	3	(446,872)	(136,065)
Corporate & administration expenses		(357,023)	(539,927)
External research supplies & services		(25,446)	(140,527)
Impairment of property, plant & equipment	3	(119,765)	-
Depreciation and amortisation expenses		(20,086)	(82,827)
Patent costs		(99,344)	(91,111)
Foreign exchange losses		(8,530)	(86,447)
Other expenses		-	(87)
Loss before income tax		(1,825,058)	(2,184,950)
Income tax expense		(14,860)	-
Loss from continuing operations		(1,839,918)	(2,184,950)
Loss from discontinued operations		-	(21,689)
Loss for the half year attributable to members of Tyrian Diagnostics Limited		(1,839,918)	(2,206,639)
Other comprehensive income			
Exchange differences on translation of foreign operations		(8,649)	2,964
Other comprehensive income for the half year, net of tax		(8,649)	2,964
Total comprehensive loss attributable to members of Tyrian Diagnostics Limited		(1,848,567)	(2,203,675)

Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the company:	Cents	Cents
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Basic earnings per share	(0.2)	(0.4)
Diluted earnings per share	(0.2)	(0.4)

Earnings per share for loss attributable to the ordinary equity holders of the company:	Cents	Cents
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Basic earnings per share	(0.2)	(0.4)
Diluted earnings per share	(0.2)	(0.4)

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

Tyrian Diagnostics Limited and its controlled entities
Consolidated statement of financial position
31 December 2011

	Notes	31 December 2011 \$	30 June 2011 \$
ASSETS			
Current assets			
Cash and cash equivalents		1,006,218	3,158,142
Trade and other receivables		171,425	449,724
Inventories		-	19,170
Other assets	5	220,201	112,999
Total current assets		<u>1,397,844</u>	<u>3,740,035</u>
Non-current assets			
Other financial assets		-	156,005
Property, plant and equipment		-	204,792
Intangible assets		-	1,933
Total non-current assets		<u>-</u>	<u>362,730</u>
Total assets		<u>1,397,844</u>	<u>4,102,765</u>
LIABILITIES			
Current liabilities			
Trade and other payables		75,007	628,320
Provisions	6	419,056	133,336
Deferred revenue		141,429	333,735
Total current liabilities		<u>635,492</u>	<u>1,095,391</u>
Non-current liabilities			
Provisions		-	245,155
Total non-current liabilities		<u>-</u>	<u>245,155</u>
Total liabilities		<u>635,492</u>	<u>1,340,546</u>
Net assets		<u>762,352</u>	<u>2,762,219</u>
EQUITY			
Contributed equity	4	123,603,163	123,603,163
Reserves		3,641,561	3,801,510
Accumulated losses		(126,482,372)	(124,642,454)
Parent entity interest		<u>762,352</u>	<u>2,762,219</u>

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 2011

	Attributable to owners of Tyrian Diagnostics Limited			Total Equity \$
	Contributed Equity \$	Reserves \$	Retained Earnings \$	
Consolidated				
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
Balance at 1 July 2011	123,603,163	3,801,510	(124,642,454)	2,762,219
Loss for the half-year	-	-	(1,839,918)	(1,839,918)
Exchange differences on translation of foreign operations	-	(8,649)	-	(8,649)
Total comprehensive profit/(loss) for the half-year	-	(8,649)	(1,839,918)	(1,848,567)
Transactions with owners in their capacity as owners:				
Employee performance rights (Note 3)	-	(151,300)	-	(151,300)
Contributions of equity, net of transaction costs	-	-	-	-
	-	(159,949)	(1,839,918)	(1,999,867)
Balance at 31 December 2011	123,603,163	3,641,561	(126,482,372)	762,352

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 cash flow statement
For the half-year ended 31 December 2011

	Notes	Half-year 2011 \$	2010 \$
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		262,039	600,723
Payments to suppliers and employees (inclusive of goods and services tax)		(2,709,577)	(2,612,332)
		(2,447,538)	(2,011,609)
Income tax refund received		207,195	138,350
Interest received		52,289	48,978
Net cash outflow from operating activities		(2,188,054)	(1,824,281)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(20,905)
Proceeds from disposal of physical, non-current assets		36,130	-
Net cash inflow from investing activities		36,130	(20,905)
Cash flows from financing activities			
Proceeds from issues of shares		-	3,972,131
Share issue transaction costs		-	(339,087)
Net cash inflow from financing activities		-	3,633,044
Net increase (decrease) in cash and cash equivalents		(2,151,924)	1,787,858
Cash and cash equivalents at the beginning of the half-year		3,158,142	3,261,345
Effects of exchange rate charges on cash and cash equivalents		-	(33,773)
Cash and cash equivalents at end of the half-year		1,006,218	5,015,430

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 2011 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 2011 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 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 2011 the consolidated entity incurred a loss from continuing operations before tax of \$1,825,058 (2010: \$2,184,950) and net cash outflows from operating activities of \$2,188,054 (2010: \$1,824,281)

In light of the cost reduction strategies undertaken, 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 2011 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 2011

3 Loss for the half-year

	Half-year 2011	2010
	\$	\$

Loss for the half-year includes the following items that are large or unusual because of their nature, size or incidence:

Expenses

Share based payments (i)	(151,300)	195,469
Restructuring costs – employment costs	1,155,399	-
Rental expenses – provision for onerous contract	279,056	-
Increase impairment of fixed assets	119,765	-

(i) During the half-year, unvested employee performance rights issued under the Performance Rights Share Plan were forfeited upon the termination of all staff. Expenses previously incurred in relation to these unvested performance rights were reversed during the period.

4 Contributed equity

Movements in ordinary share capital:

Date	Details	Number of shares	Issue price	\$
01.01.11	Opening balance	995,032,682		123,473,642
31.01.11	Share issue – to CEO in lieu of cash bonus	6,021,898	0.008	48,175
31.01.11	Share issue – to executives and director in lieu of cash bonuses and directors fees respectively	11,620,848	0.007	81,346
31.01.11	Share issue – PRSP (i)	4,644,090	-	-
	Balance as at 30 June 2011	1,017,319,518		123,603,163
Balance as at 31 December 2011		1,017,319,518		123,603,163

(i) The Company issued shares to employees in satisfaction of performance rights that vested during the period. The performance rights were issued under the Performance Rights Share Plan.

5 Contingent liabilities

Guarantees

The Consolidated Entity had contingent liabilities at 31 December 2010 and 31 December 2011 in the form of Guarantees given in respect of leased assets and leases for operating premises. The guarantees amounted to \$156,005 (2010: \$156,005), and were secured by deposits held as security by the lessors. These deposits are included in Other assets - Current.

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 (refer Note 6) 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.

6 Provision for onerous contracts

During the half-year, the company vacated its premises at North Ryde. The company is required to pay rent and outgoings to the end of the lease on 31 December 2012. As the unavoidable costs of meeting the obligations under the lease contract now exceed the economic benefits expected to be received under it, the lease contract is considered to be onerous in accordance with paragraphs 66-69 of AASB 137 "Provisions, Contingent Liabilities, and Contingent Assets". Accordingly the present obligation under the lease contract has been fully recognised in this period and measured as a provision.

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 2011

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 2011 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
23 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 2011 and the statement of comprehensive income, statement of changes in equity and 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 a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the 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 2011 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. 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*.

PricewaterhouseCoopers, ABN 52 780 433 757

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

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 2011 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

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'S. Horlin', with a long horizontal flourish extending to the right.

Susan Horlin
Partner

Sydney
23 February 2012