APPENDIX 4D
HALF YEAR REPORT

Tyrian Diagnostics Limited
ACN 080 277 998

Current Reporting Period	**Half Year ended 31 December 2012**
Previous corresponding period	Half Year ended 31 December 2011

Results for announcement to the market				**$'000**
Revenue from continuing activities	Decreased	95%	to	22
Revenue and other income from continuing activities	Decreased	37%	to	278
Profit from continuing activities after tax attributable to members	Increased	104%	to	66
Profit for the period attributable to members	Increased	104%	to	66

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

NTA Backing

	31 December 2012	**31 December 2011**
Net tangible asset backing per ordinary share	**0.10 cents**	0.07 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.

Contents

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 2012 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*.

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 2012.

Directors

The following persons were directors of Tyrian Diagnostics Limited during the whole of the half-year to 31 December 2012 and up to the date of this report:

Roger Amos (Chairman)
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) Seeking and engaging with potential partners to further develop the company's proprietary DiagnostIQ platform for diagnostic testing;

c) Ongoing 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 2012 was $277,614 ($441,138 to 31 December 2011). The net group profit after tax in the half-year to 31 December 2012 was $65,923 (loss $(1,839,918) to 31 December 2011).

Cash Used in Operations

Net cash outflows from operating activities decreased from $2,188,054 in the previous corresponding period to $77,449 in the current half-year. The outflows in 2011 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.

These efforts resulted in entry into an exclusive licence agreement with SpeeDx Pty Ltd in December 2011, under which Tyrian received 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 also pays all ongoing patent and research and development costs related to this area.

During the current period, Tyrian continued to monitor progress by this group, including patent management.

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. In the current period, Tyrian agreed with Agenix Ltd to transfer this intellectual property to Agenix as part of a licence agreement on Tyrian's proprietary DiagnostIQ technology, as outlined in the next section.

Commercialising Tyrian's DiagnostIQ Technology

During 2012, Tyrian engaged with advisors to seek licensees for the company's proprietary DiagnostIQ technology for rapid and simple diagnostic testing. As a result of these efforts, agreement was reached with Australian diagnostic company Agenix Limited for a licence to the use of DiagnostIQ for medical applications. Terms for the licence require payment to Tyrian of Agenix shares, valued at a total of $500,000 at time of issue. Shares are to be issued to Tyrian in instalments up to June 2014.

The licensing contract takes effect upon the meeting of certain criteria by Agenix Limited, which as at 31 December 2012, had not yet been satisfied. As such, monies received by Tyrian at 31 December 2012 have been treated as deferred revenue (refer Note 7 in the Financial Statements).

Corporate Restructure

As previously announced, the company vacated its premises at North Ryde in November 2011 but continued to pay rent and outgoings in respect of these premises until the expiry of the lease on 31 December 2012. The company 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.

The company has now settled all outstanding rent and make-good obligations and a security deposit of $156,005 has been released for the company's use.

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) In October 2012 the company entered an agreement with Agenix Limited to licence to it certain of Tyrian's diagnostic technology for application in the development of medical diagnostics. Under the terms of the agreement, Agenix will acquire exclusive world-wide rights to the human health application for Tyrian's DiagnostIQ device. In consideration, Agenix will issue Tyrian with Agenix shares to a value up to $0.5 million, to be issued in instalments of Agenix shares or cash up to June 2014.

(b) In December 2012 the company terminated its lease at North Ryde and all rent and make-good obligations were settled.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No matter or circumstance has arisen since 31 December 2012 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

Roger Amos
Chairman

Sydney
21 February 2013

Auditor's Independence Declaration

As lead auditor for the review of Tyrian Diagnostics Limited for the half year ended 31 December 2012, 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.

Michelle Chiang
Partner
PricewaterhouseCoopers

Sydney
21 February 2013

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Consolidated statement of comprehensive income

For the half-year ended 31 December 2012

	Notes	Half-year 2012 $	2011 $
Revenue from continuing operations		21,872	422,117
Other income		255,742	19,021
Cost of goods sold		-	(20,976)
Employment costs	3	-	(1,168,154)
Occupancy Costs	3	52,166	(446,872)
Corporate & administration expenses		(238,575)	(357,023)
External research supplies & services		-	(25,446)
Impairment of property, plant & equipment	3	-	(119,765)
Depreciation and amortisation expenses		-	(20,086)
Patent costs		(25,160)	(99,344)
Foreign exchange losses		(122)	(8,530)
Profit / (Loss) before income tax		65,923	(1,825,058)
Income tax expense		-	(14,860)
Profit / (Loss) from continuing operations		65,923	(1,839,918)
Loss from discontinued operations		-	-
Profit / (Loss) for the half year attributable to members of Tyrian Diagnostics Limited		65,923	(1,839,918)
Other comprehensive income			
Exchange differences on translation of foreign operations		-	(8,649)
Other comprehensive income for the half year, net of tax		-	(8,649)
Total comprehensive profit / (loss) attributable to members of Tyrian Diagnostics Limited		65,923	(1,848,567)

Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the company:	**Cents**	**Cents**
Basic earnings per share	(0.0)	(0.2)
Diluted earnings per share	(0.0)	(0.2)

Earnings per share for loss attributable to the ordinary equity holders of the company:	**Cents**	**Cents**
Basic earnings per share	(0.0)	(0.2)
Diluted earnings per share	(0.0)	(0.2)

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 2012

	Notes	31 December 2012 $	30 June 2012 $
ASSETS			
Current assets			
Cash and cash equivalents		994,976	1,072,425
Trade and other receivables		4,235	-
Other financial assets	5	-	156,005
Other assets		50,999	39,292
Total current assets		1,050,210	1,267,722
Total assets		1,050,210	1,267,722
LIABILITIES			
Current liabilities			
Trade and other payables		48,830	59,804
Provisions	6	-	291,184
Deferred income - licence fees	7	18,723	-
Total current liabilities		67,553	350,988
Non-current liabilities			
Total liabilities		67,553	350,988
Net assets		982,657	916,734
EQUITY			
Contributed equity	4	123,625,663	123,625,663
Reserves		3,798,735	3,798,735
Accumulated losses		(126,441,741)	(126,507,664)
Parent entity interest		982,657	916,734

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

Consolidated statement of changes in equity

For the half-year ended 31 December 2012

Consolidated	Attributable to owners of Tyrian Diagnostics Limited			
	Contributed Equity $	Reserves $	Retained Earnings $	Total Equity $
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	-	(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**
Balance at 1 July 2012	**123,625,663**	**3,798,735**	**(126,507,664)**	**916,734**
Profit for the half-year	-	-	65,923	65,923
Total comprehensive profit for the half-year	**-**	**-**	**65,923**	**65,923**
Balance at 31 December 2012	**123,625,663**	**3,798,735**	**(126,441,741)**	**982,657**

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 2012

	Notes	Half-year 2012 $	2011 $
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		24,864	262,039
Release of security deposit	5	156,005	-
Payments to suppliers and employees (inclusive of goods and services tax)		(531,536)	(2,709,577)
		(350,667)	(2,447,538)
R&D tax incentive received		255,742	207,195
Interest received		17,476	52,289
Net cash outflow from operating activities		(77,449)	(2,188,054)
Cash flows from investing activities			
Proceeds from disposal of tangible, non-current assets		-	36,130
Net cash inflow from investing activities		-	36,130
Net increase (decrease) in cash and cash equivalents		(77,449)	(2,151,924)
Cash and cash equivalents at the beginning of the half-year		1,072,425	3,158,142
Cash and cash equivalents at end of the half-year		994,976	1,006,218

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 2012 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 2012 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.

(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.

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 2012 the consolidated entity incurred a profit from continuing operations before tax of $65,923 (2011: loss $(1,825,058)) and net cash outflows from operating activities of $77,449 (2011: $2,188,054).

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. 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 2012 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.

(b) Principles of consolidation (continued)

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 Board of directors.

3 Profit for the half-year

	Half-year 2012 $	2011 $
Profit 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)
Restructuring costs – employment costs	-	1,155,399
Rental expenses – provision for onerous contract (Note 6)	(52,166)	279,056
Increase impairment of fixed assets	-	119,765

(i) During the half-year ended 31 December 2011, 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:

Details	Number of shares	$
Balance at 1 January 2012	1,022,027,092	123,625,663
Balance as at 30 June 2012	**1,022,027,092**	**123,625,663**
Balance as at 31 December 2012	**1,022,027,092**	**123,625,663**

5 Contingent liabilities

Guarantees

The Consolidated Entity had a contingent liability at 31 December 2011 in the form of a Guarantee given in respect of leased assets and leases for operating premises. The Guarantee amounted to $156,005 and was secured by deposits held as security by the lessors. This deposit was included in Other assets - Current. On 21 December 2012, upon settlement of all rent and make-good obligations with the landlord, the Consolidated Entity was released from this Guarantee as all performance obligations had been met. Accordingly, this deposit was transferred to Cash.

6 Provision for onerous contracts

During the half-year ended 31 December 2011, the company vacated its premises at North Ryde. The company was 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 exceeded the economic benefits expected to be received under it, the lease contract was 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 was fully recognised in this period and was measured as a provision.

During the half-year ended 31 December 2012 the company settled all its rent and make-good obligations with the landlord. This resulted in there being an excess provision of $52,166 and this was reversed to profit during the period.

7 Deferred income – licence fees

During the period, Tyrian entered into an agreement to licence to Agenix Limited certain diagnostic technology (DIQ Device) for application in the development of medical diagnostics. The licensing contract takes effect upon the meeting of certain criteria by Agenix Limited, which as at 31 December 2012, had not yet been satisfied. As such, monies received by Tyrian at 31 December 2012 have been treated as deferred revenue. This will be released to revenue as the revenue earning criteria are satisfied. Monies received to date are non-refundable.

8 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.

Directors' Declaration

31 December 2012

In the directors' opinion:

a. the financial statements and notes set out on pages 3 to 13 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 2012 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
21 February 2013

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 balance sheet as at 31 December 2012, and the statement of comprehensive income, the 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 (the consolidated entity). The consolidated entity comprises both Tyrian Diagnostics Limited 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 internal 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 2012 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*.

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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 2012 and of its performance for the half-year ended on that date; and

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

Matters relating to the electronic presentation of the reviewed financial report

This review report relates to the financial report of the Company for the half-year ended 31 December 2012 included on Tyrian Diagnostics Limited's web site. The company's directors are responsible for the integrity of the Tyrian Diagnostics Limited web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

PricewaterhouseCoopers

PricewaterhouseCoopers

Michelle Chiang

MW Chiang
Partner

Sydney
21 February 2013