

Appendix 4D Half-Year Financial Report

Name of entity

ACTINOGEN LIMITED

ABN or equivalent company reference

14 086 778 476

Current Period: 1 July 2012 to 31 December 2012

(Previous corresponding period: 1 July 2011 to 31 December 2011)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenues from operations	Down	100%	to	0
Comprehensive Loss from operations after tax attributable to members	Down	98.26%	to	17,908
Comprehensive Loss for the period attributable to members	Down	98.26%	to	17,908

NTA Backing	31 December 2012 \$	31 December 2011 \$
Net tangible asset backing per ordinary share	.004	.01

BRIEF EXPLANATION OF THE ABOVE FIGURES

The company listed on the ASX during the 2008 year. The year ended 30 June 2012 was the company's fourth full year of operations.

The reduction in net tangible asset backing per ordinary share reflects the loss from operations during the year. The consolidated net loss of the company for the half year after income tax decreased to \$17,908 (2011: \$1,003,004).

The principal activity of the company has been to pursue biotech projects as set out in the Review of Operations. The company has continued to refine its current R&D programme with projects directed towards defining aspects mainly for commercialisation of a series of its discoveries. As part of this rationalisation process staff levels at the Company's laboratory have been reduced.

Dividend / Distribution Payments or Reinvestment Plans

Not applicable. No dividends have been paid or declared during the half - year ended 31 December 2012, in the previous year ended 30 June 2012 or in the previous corresponding period. The company does not propose to pay dividends.

Associates / Joint Ventures

Not applicable. Actinogen Limited has not engaged in the acquisition of associates nor has it engaged in any joint ventures in the half-year ended 31 December 2012.

Foreign Entities

Not applicable. Actinogen Limited does not have any international entities.

Modified Audit Opinion

Actinogen Limited has not received a modified audit opinion for the half-year ended 31 December 2012.

This report is based on the financial statements for the half-year ended 31 December 2012. The financial statements have been subject to a review by an independent auditor.



.....
Dr Zhukov Pervan

Date: 28 February 2013

ACTINOGEN LIMITED

ABN 14 086 778 476

**INTERIM FINANCIAL
STATEMENTS 2012**

For the Half-Year Ended 31 December 2012

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ACTINOGEN LIMITED

DIRECTORS REPORT

The directors present their report on the consolidated entity consisting of Actinogen Limited and the entities it controlled at the end of, or during the half year ended 31 December 2012.

Directors

The names of the directors of the company in office any time during or since the end of the half year are:

David Zohar – Executive Director (Appointed 26 March 1999)
Zhukov Pervan – Executive Chairman (Appointed 26 March 1999)
David Keast – Scientific Director (Appointed 1 November 2003)
Alan Morton – Non-Executive Director (Appointed 18 July 2007)
Simon England – Non-Executive Director (Appointed 18 July 2007)

Review of Operations

The principal activity of the company has been to pursue biotech projects. The consolidated net loss of the company for the half year after income tax was \$17,908 (2011: \$1,003,004).

Actinogen has continued to refine its current R&D programme with projects directed towards defining aspects mainly for commercialisation of a series of its discoveries. It has also reduced its R&D staff levels.

It's development of methodology to search it's actinomycetes library for isolates capable of killing Cancer Stem Cells (CSC) has been finalised and a protocol that screens for new "traditional" chemotherapeutic agents and ones capable of killing CSCs is now in place.

Actinogen has consolidated its R&D programme in three other areas it considers are rapidly approaching "commercial ready" and is now progressing to obtain commercial support to sell on or market products in these areas.

[1] Agricultural interests

(A) Plant growth hormones

Actinogen has three actinomycete isolates that have been shown to have the ability to synthesize plant growth hormones. The growth hormones have been identified and this area has progressed to pot trials in three areas. The isolates have been shown to induce significant plant growth, in particular with respect to root biomass using broad beans and wheat seeds as the target seeds; it has a field trial in progress on "woody" plants, young olive trees in a developing commercial olive grove; a "striking" trial on plant cuttings in progress and a further trial on horticulture seedlings, lettuce, planned.. The properties can be developed to enhance plant establishment and growth in the nursery industry, horticulture, the orchard industry and in broad-acre farming.

Actinogen is currently proceeding to the legal registration of this methodology and also has entered into discussions on bulk sample growth and marketing.

(B) Saline tolerant actinomycetes

Actinogen has a small series of actinomycetes that are tolerant of up to at least 10% saline, in laboratory studies. In this series there are isolates that can also synthesize cellulases and others that produce anti-fungal agents. The combination of these properties provides for the development of a microbial product that has the potential not only to begin rehabilitation of salt affected soils through new humus production but one that also can aid cellulose digestion to provide nutrient to the organisms and aid in fungal control which is often a problem in the rehabilitation of these soils. Some informal preliminary commercial interest has been shown in this area with some minor discussion on further field type trials as a possibility.

ACTINOGEN LIMITED

DIRECTORS REPORT

(C) Biofumigation

There is current concern with the chemicals being used to control fungal pathogens in household lawns, sports fields, and horticulture in particular. Current chemicals used to control fungal infections are finding their way into the food chain and are also, in the case of lawns proving to produce reactive rashes on the feet etc of people. Some of the agents are bromine based and these are likely to be banned for use in the horticulture and orchard industries.

Actinogen has a series of isolates that synthesize volatile antifungal chemicals, including polyenes.

It has developed the concept of using these organisms to be sprayed onto the ground. The organisms should migrate into the ground and produce the volatile anti fungal agents to then rise through the plant biomass and effectively induce a biofumigation process.

Actinogen has now developed screening tests to select for actinomycetes producing volatile anti fungal agents directed against a series of plant fungal pathogens and has begun testing the bench model to detect the most active isolates in this area. Actinogen now wishes to obtain early commercial interest in this area to be able to rapidly develop pot and field trials. Some initial informal commercial interests have been shown.

[2] Cellulase(s) and Biofuel

Following the confirmation by CSIRO of Actinogen's results that an actinomycete isolate could digest cellulose and produce a low level of sugars which could become available for down-stream fermentation by yeasts into ethanol Actinogen has been researching methods to boost sugar production, find the best high cellulose containing substrates and testing new yeasts that ferment substrates other than simple sugars.

The cellulose sources will include bio-glycerol, the waste product from biodeisel production, straw, papers and other human green waste sources and are already coming on line.

Actinogen is currently seeking capital to develop this area to commercial level.

R&D in this area as recently led to the possible new approach to composting of domestic waste and patent development is under consideration.

[3] Antibiotics

(A):Actinogen now has a series of isolates that have been shown to produce antibiotic activity against a panel of Methicillin Resistant *Staph. Aureus* (MRSA) that is designed to exclude commonly used antibiotics. This series is now progressing to further analyses with the aim of excluding isolates that are producing any of the more obscure antibiotics.

Actinogen also has an isolate that is producing what appears to be producing a new antibiotic against an emerging pathogenic gram positive anaerobic bacterium. This area has been delayed due to possible interference problems from the HPLC system.

In addition it has a third isolate that is active against a panel of pathogenic *Candida* species.

This is of particular interest as it is often difficult to find anti fungal treatments that are effective against *Candida* infections that do not have some serious side effects.

Mass Spectral structural analysis to determine their uniqueness or relation to other known agents is in the planning stage

No further details can be released at this stage.

ACTINOGEN LIMITED

DIRECTORS REPORT

(B): Shikimic acid

Actinogen has recently discovered an actinomycete that has the ability synthesise Shikimic acid.

This acid is the basis for Tamiflu, currently combat the flu virus.

Structural studies are in progress and capital arising is also in progress to progress this area to commercialisation.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2012 has been received and is set out on page 4.

Signed in accordance with a resolution of the Directors, and is signed for on behalf of the Board by:



Dr Zhukov Pervan
Executive Chairman

28 February 2013
Perth Western Australia

ACTINOGEN LIMITED

AUDITORS INDEPENDENCE DECLARATION



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Phone (08) 6364 5076 www.rothsay.com.au

The Directors
Actinogen Ltd
Level 7
231 Adelaide Terrace
Perth WA 6000

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 31 December 2012 financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Graham R Swan (Lead auditor)

Rothsay Chartered Accountants

Dated 28 FEB 2013



Chartered Accountants

Liability limited by the Accountants Scheme, approved
under the Professional Standards Act 1994 (NSW).

ACTINOGEN LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half year ended 31 December 2012

	Note	31.12.2012 \$	31.12.2011 \$
Revenue from continuing operations	2	-	30,201
Other income	2	6,567	10,898
Laboratory expenses		(202,604)	(236,434)
Finance Costs		(457)	(590)
Administration		(107,423)	(137,727)
Trademarks & patents		-	(100)
Depreciation		(7,220)	(9,699)
Employee expense		4,457	(248,729)
Impairment of available for sale financial assets		(1,500)	(720)
Impairment of goodwill		-	(667,464)
Loss Before Income Tax		(308,180)	(1,260,364)
Income tax benefit/(expense)	3	290,272	257,360
Loss for the half-year		(17,908)	(1,003,004)
Comprehensive Income			
Changes in the fair value of available for sale financial assets		-	(27,920)
Other comprehensive income for the half-year net of tax		-	(27,920)
Total comprehensive loss for the half-year		(17,908)	(1,030,924)
Earnings per share for (loss) attributable to the ordinary equity holders of the company			
Basic loss per share (cents)		(0.02)	(1.61)

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

ACTINOGEN LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

	Note	31.12.2012 \$	30.06.2012 \$
CURRENT ASSETS			
Cash and cash equivalents		296,843	203,735
Trade and other receivables		12,493	81,999
TOTAL CURRENT ASSETS		<u>309,336</u>	<u>285,734</u>
NON-CURRENT ASSETS			
Available for sale financial assets	9	5,000	26,660
Property, plant and equipment		130,156	137,376
Intangible assets		16,029	16,029
TOTAL NON-CURRENT ASSETS		<u>151,185</u>	<u>180,065</u>
TOTAL ASSETS		<u>460,521</u>	<u>465,799</u>
CURRENT LIABILITIES			
Trade and other payables		112,439	118,809
TOTAL CURRENT LIABILITIES		<u>112,439</u>	<u>118,809</u>
TOTAL LIABILITIES		<u>112,439</u>	<u>118,809</u>
NET ASSETS		<u>348,082</u>	<u>346,990</u>
EQUITY			
Contributed equity		5,795,407	5,776,407
Reserves		4,788,623	4,788,623
Accumulated losses		(10,235,948)	(10,218,040)
TOTAL EQUITY		<u>348,082</u>	<u>346,990</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

ACTINOGEN LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2012

	Contributed Equity \$	Accumulated Losses \$	Option Reserve \$	Available- for-sale Investments Revaluation Reserve \$	Total \$
2011					
Balance as at 1.07.2011	4,920,468	(8,688,884)	4,788,623	25,920	1,046,127
Total comprehensive income for the half-year					
Loss for the half-year	-	(1,003,004)	-	-	(1,003,004)
Other comprehensive income					
Change in fair value of available for sale financial assets	-	-	-	(27,920)	(27,920)
Total other comprehensive income for the half-year	-	-	-	(27,920)	(27,920)
Total comprehensive income for the half-year	-	(1,003,004)	-	(27,920)	(1,030,924)
Transactions with equity holders in their capacity as equity holders					
Shares issued during the half-year	679,357	-	-	-	679,357
Capital raising costs	-	-	-	-	-
Balance as at 31.12.2011	5,599,825	(9,691,888)	4,788,623	(2,000)	694,560

ACTINOGEN LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2012

	Contributed Equity \$	Accumulated Losses \$	Option Reserve \$	Available- for-sale Investments Revaluation Reserve \$	Total \$
2012					
Balance as at 1.07.2012	5,776,407	(10,218,040)	4,788,623	-	346,990
Total comprehensive income for the half-year					
Loss for the half-year	-	(17,908)	-	-	(17,908)
Other comprehensive income					
Change in fair value of available for sale financial assets	-	-	-	-	-
Total other comprehensive income for the half-year	-	-	-	-	-
Total comprehensive income for the half-year	-	(17,908)	-	-	(17,908)
Transactions with equity holders in their capacity as equity holders					
Shares issued during the half-year	19,000	-	-	-	19,000
Capital raising costs	-	-	-	-	-
Balance as at 31.12.2012	5,795,407	(10,235,948)	4,788,623	-	348,082

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

ACTINOGEN LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2012

	Note	31.12.2012 \$	31.12.2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		-	15,054
Interest received		4,134	10,898
Payments to suppliers and employees		(242,618)	(677,326)
Transaction costs relating to acquisition of subsidiary		-	(2,000)
Research and development tax offset		290,272	-
Net cash inflow/(outflow) from operating activities		51,788	(653,374)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net proceeds from sale of subsidiary		-	234
Net proceeds from sale of available for sale financial assets		22,320	-
Net cash inflow from investing activities		22,320	234
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares		19,000	-
Net cash inflow from financing activities		19,000	-
Net increase/(decrease) in cash and cash equivalents		93,108	(653,140)
Cash and cash equivalents at beginning of the half-year		203,735	861,185
CASH AND CASH EQUIVALENTS AT END OF THE HALF-YEAR		296,843	208,045

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

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of Preparation

These consolidated general purpose financial statements for the interim half-year reporting period ended 31 December 2012 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These consolidated interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, this report is to be read in conjunction with the annual statements for the year ended 30 June 2012 and any public announcements made by Actinogen 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 corresponding interim reporting period, except as set out below.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The financial statements have been prepared on a going concern basis.

2. Revenue	31.12.2012	31.12.2011
From Continuing Activities	-	30,201
	-	30,201
Other Income		
Interest Income	1,032	10,898
Profit on Sale of Assets	2,433	-
Other	3,102	-
	<u>6,567</u>	<u>10,898</u>

3. Income Tax Benefit	31.12.2012	31.12.2011
Research and development tax offset	290,272	257,360
	<u>290,272</u>	<u>257,360</u>

4. Dividends

No dividends were paid or proposed during the half year ended 31 December 2012.

5. Segment Information

The company's sole operations are within the biotech industry within Australia.

Given the nature of the company, its size and current operations management does not treat any part of the company as a separate operating segment. Internal financial information used by the company's decision makers is presented on a "whole of entity" manner without dissemination to any separately identifiable segments.

The company management operate the business as a whole without any special responsibilities for any separately identifiable segments of the business.

Accordingly the financial information reported elsewhere in this financial report is representative of the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

6. Contingent Liabilities

The Directors are not aware of any contingent liabilities or assets as at 31 December 2012 (2011: Nil).

7. Events occurring after the Reporting Period

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of the entity in subsequent reporting periods.

8. Equity securities issued

	2012 Shares	2011 Shares	2012 \$	2011 \$
Issue of ordinary shares during the half year				
Issue of shares for acquisition of subsidiary	-	31,000,003	-	679,357
Issue of shares from rights issue	601,998	-	19,000	-
	601,998	31,000,003	19,000	679,357

9. Available for Sale Financial Assets

	31.12.2012	30.06.2012
Listed investments at fair value	5,000	26,660
Fair value	5,000	26,660
At beginning of period	26,660	73,640
Acquisitions	-	-
Fair value adjustments	-	(25,920)
Disposals	(22,320)	-
Profit on Disposal	2,160	-
Impairment of available for sale financial assets	(1,500)	(21,060)
At end of period	5,000	26,660

10. Related Party Transactions

The following related party transactions occurred during the half year with Director related entities.

Consulting fees of \$910 (excl GST) were paid to Lawton Gillon, which is a director related entity of Simon England.

The company utilises rental premises and facilities from Iron Mountain Mining Ltd, a director related entity of David Zohar. Costs incurred were \$3,737 (excl GST) during the half year ended 31 December 2012.

ACTINOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

The company held available for sale financial assets during the half-year in the following related parties:

- 500,000 shares in Eagle Nickel Ltd, a director related entity of David Zohar and Dr Pervan. These shares were on hand at half-year end. The cost of these shares was \$150,000 and the fair value at the end of the period was \$5,000 (June 2012: \$6,500).
- The company sold all remaining shares in Iron Mountain Mining Ltd on 15 October 2012 for \$22,320. The cost of these shares was \$60,480 and the fair value at June 2012 was \$20,160.

ACTINOGEN LIMITED

DIRECTORS' DECLARATION

In the director's opinion:

- (a) The financial statements and notes set out on pages 5 to 12 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 its performance for the half-year ended on that date, 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 declaration is made in accordance with a resolution of the Directors.



Dr Zhukov Pervan
Executive Chairman

28 February 2013
Perth, Western Australia



Level 18, Central Park Building, 152-158 St Georges Terrace, Perth WA 6000
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Independent Review Report to the Members of Actinogen Ltd

The financial report and directors' responsibility

The interim financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Actinogen Ltd for the half-year ended 31 December 2012.

The Company's directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

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 interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the financial position as at 31 December 2012 and the 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 Actinogen Ltd, 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 Actinogen Ltd is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the financial position as at 31 December 2012 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.


Rothsay


Graham R Swan
Partner

Dated 28 Feb 2013



Chartered Accountants

Liability limited by the Accountants Scheme, approved
under the Professional Standards Act 1994 (NSW).