APPENDIX 4D
HALF YEAR REPORT

Tyrian Diagnostics Limited
ACN 080 277 998

Current Reporting Period	**Half Year ended 31 December 2013**
Previous corresponding period	Half Year ended 31 December 2012

Results for announcement to the market				**$'000**
Revenue from continuing activities	Increased	1,325%	to	312
Revenue and other income from continuing activities	Increased	12%	to	312
Profit from continuing activities after tax attributable to members	Increased	65%	to	108
Profit for the period attributable to members	Increased	65%	to	108

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 2013	**31 December 2012**
Net tangible asset backing per ordinary share (cents)	**0.09 cent**	0.1 cent

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 2013
ACN 080 277 998

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 2013 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 2013.

Directors

The following persons were directors of Tyrian Diagnostics Limited during the whole of the half-year to 31 December 2013 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 partners to licence the company's patented molecular TB biomarker for development and commercialisation of tests to diagnose active TB;

b) Seeking and engaging with partners to further develop the company's proprietary DiagnostIQ platform for diagnostic testing;

c) Implementation of a corporate restructure to achieve immediate reduction of operating costs and ongoing review of company's strategic options. During the year the company has been actively involved in assessing a number of opportunities to maximise the value of the company's assets for the benefit of shareholders.

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 2013 was $311,671 ($277,614 to 31 December 2012). The net group profit after tax in the half-year to 31 December 2013 was $108,541 ($65,923 to 31 December 2012).

Cash Used in Operations

Net cash outflows from operating activities increased from $77,449 in the previous corresponding period to $88,979 in the current half-year.

Operations Review

Strategic Opportunities

The company, working with its advisors, TC Corporate has been actively involved in identifying and assessing a number of corporate opportunities to maximise the value of the company's remaining assets for the benefit of shareholders.

Commercialising the TB Intellectual Property

Tyrian continues in its management of licence s of its TB intellectual property for rapid protein and molecular diagnostic tests to companies developing new point-of-care diagnostic platforms with higher sensitivity of detection than current technologies.

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 being issued to Tyrian in instalments up to June 2014.

The licensing contract took effect upon the meeting of certain criteria by Agenix Limited which, in July 2013, had been satisfied. As such, monies received by Tyrian prior to July 2013 were treated as deferred revenue and in July 2013 the deferred revenue balance was transferred to revenue. Income from receipt and sale of shares in Agenix Limited has resulted in Tyrian reporting a profit for the half year ended 31 December 2013.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Company and the Group during the half-year ended 31 December 2013.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No matter or circumstance has arisen since 31 December 2013 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 5.

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

Roger Amos

Roger Amos
Chairman

Sydney
21 February 2014

Auditor's Independence Declaration

As lead auditor for the review of Tyrian Diagnostics Limited for the half-year ended 31 December 2013, 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 2014

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
*DX **77** Sydney, Australia*
T +61 2 8266 0000, F +61 2 8266 9999, www.pwc.com.au

Tyrian Diagnostics Limited and its controlled entities

Consolidated statement of comprehensive income

For the half-year ended 31 December 2013

	Notes	Half-year 2013 $	Half-year 2012 $
Revenue from continuing operations		311,671	21,872
Other income		-	255,742
Occupancy Costs	3, 6	-	52,166
Corporate & administration expenses		(185,543)	(238,575)
Patent costs		(17,587)	(25,160)
Foreign exchange losses		-	(122)
Profit before income tax		108,541	65,923
Income tax expense		-	-
Profit from continuing operations		108,541	65,923
Profit from discontinued operations		-	-
Profit for the half year attributable to members of Tyrian Diagnostics Limited		108,541	65,923
Total comprehensive profit attributable to members of Tyrian Diagnostics Limited		108,541	65,923

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

Earnings per share attributable to the ordinary equity holders of the company:	**Cents**	**Cents**
Basic earnings per share	0.0	0.0
Diluted earnings per share	0.0	0.0

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

Consolidated statement of financial position
31 December 2013

	Notes	31 December 2013 $	30 June 2013 $
ASSETS			
Current assets			
Cash and cash equivalents		826,356	915,335
Financial assets at fair value through profit or loss	5	57,079	39,338
Other assets		38,548	22,198
Total current assets		921,983	976,871
Total assets		921,983	976,871
LIABILITIES			
Current liabilities			
Trade and other payables		29,068	57,568
Deferred income - licence fees	7	-	134,929
Total current liabilities		29,068	192,497
Total liabilities		29,068	192,497
Net assets		892,915	784,374
EQUITY			
Contributed equity	4	123,625,663	123,625,663
Reserves		3,798,735	3,798,735
Accumulated losses		(126,531,483)	(126,640,024)
Parent entity interest		892,915	784,374

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 2013

Consolidated	Attributable to owners of Tyrian Diagnostics Limited			
	Contributed Equity $	Reserves $	Retained Earnings $	Total Equity $
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**
Balance at 1 July 2013	**123,625,663**	**3,798,735**	**(126,640,024)**	**784,374**
Profit for the half-year	-	-	108,541	108,541
Total comprehensive profit for the half-year	**-**	**-**	**108,541**	**108,541**
Balance at 31 December 2013	**123,625,663**	**3,798,735**	**(126,531,483)**	**892,915**

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

Consolidated statement of cash flows
For the half-year ended 31 December 2013

	Notes	Half-year 2013 $	2012 $
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		148,028	24,864
Release of security deposit	6	-	156,005
Payments to suppliers and employees (inclusive of goods and services tax)		(248,765)	(531,536)
		(100,737)	(350,667)
R&D tax incentive received		-	255,742
Interest received		11,758	17,476
Net cash outflow from operating activities		(88,979)	(77,449)
Cash flows from investing activities			
Proceeds from disposal of tangible, non-current assets		-	-
Net cash inflow from investing activities		-	-
Net increase (decrease) in cash and cash equivalents		(88,979)	(77,449)
Cash and cash equivalents at the beginning of the half-year		915,335	1,072,425
Cash and cash equivalents at end of the half-year		826,356	994,976

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 2013 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 2013 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 2013 the consolidated entity incurred a profit from continuing operations before tax of $108,541(2011: $65,923) and net cash outflows from operating activities of $88,979 (2012: $77,449).

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 2013 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	
	2013	**2012**
	$	**$**
Profit for the half-year includes the following items that are large or unusual because of their nature, size or incidence:		
Expenses		
Rental expenses – provision for onerous contract (Note 6)	-	(52,166)

4 Contributed equity

Movements in ordinary share capital:

Details	Number of shares	$
Balance at 1 January 2013	1,022,027,092	123,625,663
Balance as at 30 June 2013	**1,022,027,092**	**123,625,663**
Balance as at 31 December 2013	**1,022,027,092**	**123,625,663**

5 Financial assets at fair value through profit or loss

	2013 $	2012 $
Shares in Agenix Limited	**57,079**	-
	57,079	-

Pursuant to a licence agreement with Agenix Limited, Tyrian Diagnostics Limited held 3,171,047 shares in the listed company at 31 December 2013 (31 December 2012 – nil). These shares were issued at an average price of 2.25 cents per share and have been re-valued to a market price of 1.8 cents per share at 31 December 2013.

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. A security deposit of $156,005 was also released for the company's use.

There were no provisions required for onerous contracts in the period to 31 December 2013.

7 Deferred income – licence fees

During the half-year ended 31 December 2012, 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 took effect upon the meeting of certain criteria by Agenix Limited, which was satisfied during July 2013. As such, monies received by Tyrian prior to July 2013 that had previously been treated as deferred revenue were released to revenue during the current period.

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 2013

In the directors' opinion:

a. the financial statements and notes set out on pages 3 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 2013 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

Roger Amos
Chairman

Sydney
21 February 2014

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 2013 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 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 2013 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
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
*DX **77** Sydney, Australia*
T +61 2 8266 0000, F +61 2 8266 9999, www.pwc.com.au

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 2013 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

Michelle Chiang

Michelle Chiang
Partner

Sydney
21 February 2014

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
DX 77 Sydney, Australia
T +61 2 8266 0000, F +61 2 8266 9999, www.pwc.com.au