

28th January 2015

December 2014 Quarterly Update and Appendix 4C

Highlights

- **Positive strong cash position;**
- **Favourable Forex conditions for US and EU based customers;**
- **New sales received in January 2015.**

Bioxyne Limited (the Company) maintained a strong cash position for the quarter from a structured low operating cost base.

Cash collections from the probiotics business (PCC®) remained strong for the quarter and totalled A\$373,000 (\$929,000 YTD). Cash collection is a function of the timing from the date of sales invoices.

As previously advised to shareholders, the Company has commenced a marketing review of our core probiotics business. Mr. Ian Brown was appointed in September 2014 to undertake this review and during the quarter activities included:

- Travelled to Europe to meet with our manufacturer and distributor, Ch Hansen to review and identify market segment opportunities;
- Engaged with our key US based distributor NuSkin to review and identify market opportunities;
- Attended a national Food and Nutrition conference in Tasmania to continue dialogue with industry participants;
- Undertaken a comprehensive review of the business drivers of the PCC® business.

The investment in the marketing review was reflected in the cash outgoings during the quarter.

Initial reports confirm that our PCC® probiotic business is robust and capable of growth. It should be noted that the Company's probiotic business is in the supply of our active probiotic strain to other retail consumer products, and there is a time lag for current marketing activities to be realised into sales.

The accumulating cash balance enables the Company to also consider new opportunities to grow shareholder value.

For more information, please contact:

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Chairman

Bioxyne Limited

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Bioxyne Limited

ABN

97 084 464 193

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from customers	373	929
1.2 Payments for		
(a) staff costs	-	-
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) cost of goods sold	(109)	(401)
(f) other working capital	(279)	(519)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	3	4
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid		
1.7 Other (R&D Tax Concession Proceeds)	-	
Net operating cash flows	(13)	12

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	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(13)	12
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other		
Net investing cash flows	-	-
1.14 Total operating and investing cash flows	(13)	12
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from issue of convertible notes		
1.18 (Repayment)/Proceeds of borrowings		
1.19 Dividends paid		
1.20 Cost of issuing equity		
Net financing cash flows	-	-
Net increase (decrease) in cash held	(13)	12
1.21 Cash at beginning of quarter/year to date	1,078	992
1.22 Exchange rate adjustments	28	89
1.23 Cash at end of quarter	1,093	1,093

+ See chapter 19 for defined terms.

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Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	77
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	N/A	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

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Reconciliation of cash

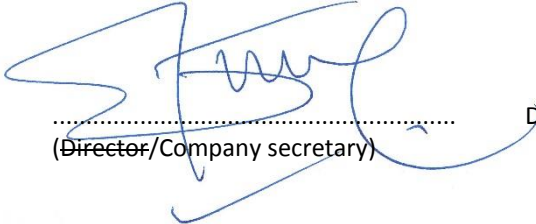
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	1,093	1,078
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		1,093	1,078

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	-
5.2	Place of incorporation or registration	-
5.3	Consideration for acquisition or disposal	-
5.4	Total net liability	-
5.5	Nature of business	-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 28 January 2015
(Director/Company secretary)

Print name: Jarrod T White

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Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.