

BIOTECH CAPITAL LIMITED

ABN 45 091 979 172

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED

31 DECEMBER 2009

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BIOTECH CAPITAL LIMITED ABN 45 091 979 172

CORPORATE DIRECTORY

Principal and registered office in Australia	BioTech Capital Limited Level 9, The Quadrant 1 William Street PERTH WA 6000 T +61 413 056 328 F +61 8 9327 1778
Directors	Kathryn Therese Greiner Harry Karelis Antony Basten Alastair John Davidson
Company Secretary	Baden Maxwell Bowen
Bankers	Westpac Banking Corporation
Share Register	Advanced Share Registry 110 Stirling Highway NEDLANDS WA 6009 PO Box 1156 NEDLANDS WA 6909 T (08) 9389 8033 F (08) 9389 7871
Auditor	PKF Chartered Accountants Level 7, BGC Centre 28 The Esplanade PERTH WA 6000
Solicitors	Dibbs Barker Level 8, Angel Place 123 Pitt Street SYDNEY NSW 2000
Internet Address	www.biotechcapital.com.au

BIOTECH CAPITAL LIMITED ABN 45 091 979 172

INTERIM FINANCIAL REPORT

DIRECTOR'S REPORT

Your directors submit the financial report of the economic entity for the half-year ended 31 December 2009.

Directors

Kathryn Therese Greiner
Harry Karelis
Antony Basten
Alastair John Davidson

Review of Operations

The following is a review of operations for the six-month period to 31 December 2009:

The company has bought back 4,615,889 of its own shares at a cost of \$1,258,430.

The loss includes a loss on impairment of unlisted investments of \$1,500,000 (2008: \$2,719,506).

BIOTECH CAPITAL LIMITED ABN 45 091 979 172

INTERIM FINANCIAL REPORT

DIRECTOR'S REPORT

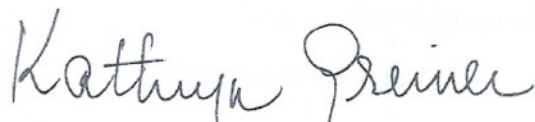
Auditor's Declaration of Independence

A copy of the auditor's declaration under section 307c in relation to the half year is attached.

Rounding of Amounts

The Company is a company of the kind referred to in ASIC Class Order 98/0100, relating to the round off of amounts in the directors' and financial report. Amounts in the directors' and financial report have been rounded off to the nearest thousand dollars in accordance with that class order.

This report is signed in accordance with a resolution of the Board of Directors.



KT Greiner AO
Director

Dated this 17th day of February 2010

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of BioTech Capital Limited for the half year ended 31 December 2009, 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.

PKF
Chartered Accountants

Conley Manifis
Partner

Dated at Perth, Western Australia on this 17th day of February 2010.

Tel: 61 8 9278 2222 | Fax: 61 8 9278 2200 | www.pkf.com.au
West Australian Partnership | ABN 39 542 778 278
Level 7, BGC Centre | 28 The Esplanade | Perth | Western Australia 6000 | Australia
PO Box Z5066 | St Georges Terrace | Perth | Western Australia 6831

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BIOTECH CAPITAL LIMITED ABN 45 091 979 172

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	31 December 2009 \$000's	31 December 2008 \$000's
Revenue from continuing operations		
Fair value movement on financial assets	1,601	-
Other Revenue	57	196
Total revenue from continuing operations	1,658	196
Expenses from continuing operations		
Impairment loss on listed investments	-	(2,064)
Impairment loss on unlisted Investments (Note 4)	(1,500)	(2,719)
Management fees	(272)	(287)
Other expenses	(163)	(161)
Total expenses from continuing operations	(1,935)	(5,231)
Loss from continuing operations before income tax expense	(277)	(5,035)
Income tax benefit relating to continuing operations	-	-
Net Loss from continuing operations after income tax	(277)	(5,035)
Other comprehensive income		
Net fair value gains on available for sale financial assets	3,367	-
Income tax on items of other comprehensive income	-	-
Other comprehensive income for the period, net of tax	3,367	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,090	(5,035)
Basic earnings per share (cents per share)	(0.34)	(5.99)
Diluted earnings per share (cents per share)	(0.34)	(5.99)

The accompanying notes form part of this financial report

BIOTECH CAPITAL LIMITED ABN 45 091 979 172

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

	31 December 2009 \$000's	30 June 2009 \$000's
CURRENT ASSETS		
Cash and cash equivalents	1,422	2,180
Trade and other receivables	23	11
Deferred tax assets	-	-
Held to maturity financial assets	-	851
TOTAL CURRENT ASSETS	1,445	3,042
NON-CURRENT ASSETS		
Available for sale financial assets	23,877	20,409
TOTAL NON-CURRENT ASSETS	23,877	20,409
TOTAL ASSETS	25,322	23,451
CURRENT LIABILITIES		
Trade and other payables	117	77
Current tax liabilities	-	-
TOTAL CURRENT LIABILITIES	117	77
NON-CURRENT LIABILITIES		
Deferred tax liabilities	-	-
TOTAL NON-CURRENT LIABILITIES	-	-
TOTAL LIABILITIES	117	77
NET ASSETS	25,205	23,374
EQUITY		
Issued Capital (Note 2)	40,025	41,283
Accumulated Losses	(18,187)	(17,909)
Other Reserves	3,367	-
TOTAL EQUITY	25,205	23,374

The accompanying notes form part of this financial report

BIOTECH CAPITAL LIMITED ABN 45 091 979 172

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	31 December 2009 \$000's	31 December 2008 \$000's
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	41	196
Other income received	15	-
Management fees paid	(267)	(291)
Payments to suppliers	(140)	(167)
Net cash (used in) operating activities	(351)	(262)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Investments	-	(617)
Net cash (used in) investing activities	-	(617)
CASH FLOW FROM FINANCING ACTIVITIES		
Share buyback payment	(1,258)	-
Proceeds from Issue of Shares	-	-
Net cash (used in) financing activities	(1,258)	-
Net (decrease) in cash held	(1,609)	(879)
Cash at 1 July 2009	3,031	6,010
Cash at 31 December 2009	1,422	5,131

The accompanying notes form part of this financial report

BIOTECH CAPITAL LIMITED ABN 45 091 979 172

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	Issued Capital \$'000	Retained Earnings (Accumulated Losses) \$'000	Other Reserves \$'000	Total \$'000
At 1 July 2008	41,637	(13,576)	-	28,061
Profit (loss) for the period	-	(5,035)	-	(5,035)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	(5,035)	-	(5,035)
Transactions with owners in their capacity as owners				
Share Buyback Program	-	-	-	-
At 31 December 2008	41,637	(18,611)	-	23,026
At 1 July 2009	41,283	(17,910)	-	23,373
Profit (loss) for the period	-	(277)	-	(277)
Other comprehensive income	-	-	3,367	3,367
Total comprehensive income for the period	-	(277)	3,367	3,090
Transactions with owners in their capacity as owners				
Share Buyback Program	(1,258)	-	-	(1,258)
At 31 December 2009	40,025	(18,187)	3,367	25,205

The accompanying notes form part of this financial report

BIOTECH CAPITAL LIMITED ABN 45 091 979 172

NOTES TO FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2009

Note 1: Basis of preparation

The financial report of BioTech Capital Limited for the half-year ended 31 December 2009 was authorised for issue in accordance with a resolution of the directors on 17 February 2010. BioTech Capital Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

The half-year financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standards AASB 134: Interim Financial Reporting.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2009 and any publications made by BioTech Capital Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies have been consistently applied by the entities in the economic entity and are consistent with those applied in the 30 June 2009 annual report, except for the adoption of amending standards mandatory for annual periods beginning on or after 1 July 2009, as noted below.

The half-year financial report has been prepared on a historical cost basis, except for financial assets that have been measured at fair value.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

Changes in Accounting Policies and Disclosures

In the half-year ended 31 December 2009, the Company has reviewed all of the new and revised standards and interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2009. The company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and are effective for the current financial reporting period. It has been determined by the Company that there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and, therefore no change is necessary to the Company's accounting policies.

The company has also adopted the revised AASB 101 'Presentation of Financial Statements' which separates owner and non-owner changes in equity. As a consequence the statement of comprehensive income has been presented by the consolidated entity and related disclosures have been made in the half year financial report.

BIOTECH CAPITAL LIMITED ABN 45 091 979 172

**NOTES TO FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31
DECEMBER 2009**

Note 1: Basis of preparation (continued)

Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the consolidated entity for the half year ending 31 December 2009. Management are in the process of assessing the impact of the adoption of these standards and interpretations on the consolidated entity.

Note 2: Issued Capital

	31 December 2009 \$000's	30 June 2009 \$000's
Opening Balance	41,283	41,637
Share Buyback / Cancellation	(1,258)	(354)
Closing Balance	40,025	41,283

Note 3: Contingent Liabilities

There has been no change in contingent liabilities since the last annual reporting date.

Note 4: Impairment Loss on Unlisted Investments

The Directors reviewed the unlisted investments and decided to record an impairment loss of \$1,500,000 (2008: \$2,719,506) for the half-year ended 31 December 2009.

Note 5: Subsequent Events

Subsequent to 31 December 2009, the company has bought back a further 822,000 of its shares at a cost of \$244,213. No other matters have arisen between the end of the half-year ended 31 December 2009 and the date of this report, in the opinion of the directors of the company, that will affect significantly the operations of the entity, the results of those operations, or the state of the affairs of the entity, in subsequent financial years.

Note 6: Operating Segments Information

BioTech Capital Limited operates in predominantly one business segment being the investment in entities operating in life science / biotechnology sectors. The company operates in one geographical segment being Australia.

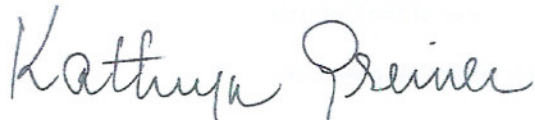
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DIRECTOR'S DECLARATION

In the opinion of the directors:

1. The financial statements and notes of the company, are in accordance with the Corporations Act 2001:
 - a) Comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - b) give a true and fair view of the company's financial position as at 31 December 2009 and of its performance for the half-year ended on that date.
2. 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 Board of Directors.



KT Greiner AO
Director

Dated this 17th day of February 2010

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF BIOTECH CAPITAL LIMITED.

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of BioTech Capital Limited, which comprises the condensed statement of financial position as at 31 December 2009, and the condensed statement of comprehensive income, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement or description of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2009 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 BioTech Capital 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.

Tel: 61 8 9278 2222 | Fax: 61 8 9278 2200 | www.pkf.com.au
West Australian Partnership | ABN 39 542 778 278
Level 7, BGC Centre | 28 The Esplanade | Perth | Western Australia 6000 | Australia
PO Box Z5066 | St Georges Terrace | Perth | Western Australia 6831

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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 half-year financial report of BioTech Capital Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2009 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*.

PKF
Chartered Accountants

Conley Manifis
Partner

Date at Perth, Western Australia on this 17th day of February 2010.