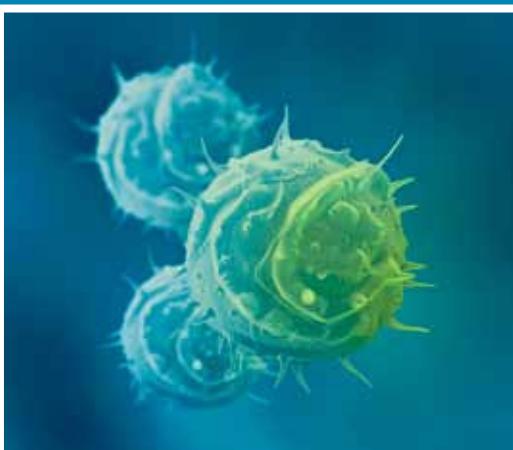


ANNUAL REPORT 3





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Dr Anna Lavelle
(Chief Executive Officer)
AusBiotech Ltd



Dr Deborah Rathjen
(Chairman)
Bionomics



Mr Lawrence Gozlan
Scientia Capital



Dr Meera Verma
Headland Vision



Mr Peter Turvey
Foursight Associates



Michelle Burke
Bristol-Myers Squibb



Dr Greg Roger
Cryptych





Dr Deborah Rathjen
AusBiotech Chair

> FROM THE CHAIR

The 2012–13 financial year was another solid period for the Australian biotechnology industry and for AusBiotech. During this time, AusBiotech was steadfast in its advocacy and active in its representation and support of the industry.

Access to capital

I was greatly heartened as payments under the R&D Tax Incentive began to flow to the sector, and proud of the role AusBiotech has played in a policy that has delivered at least \$45 million so far to biotechnology companies with turnover under \$20 million. I'd like to acknowledge the work that Dr Anna Lavelle and the AusBiotech team contributed to make this possible and the ongoing role they play in monitoring the implementation and commenting to the Federal Government.

The importance of this non-diluting capital was underscored when the calendar clicked over from 2012 to 2013, the large cap biotechs celebrated a brilliant year, as evidenced by the Bioshares Large Cap Index showing a rise of 60% for the year. However, it was also clear that the rest of the sector had faced a challenging time.

BioShares released their 2012 capital raising figure for the industry at \$256.9 million, which compared poorly to 2011 (at \$630 million) and illustrated the difficult year 2012 was for small biotechs. The result was not far from the low of the GFC in 2008 when only \$185 million was raised.

In this context, the leader board of ASX-listed biotech stocks continue their progress to market with clinical trials in phase III, new product approvals, market launches, and now building sales for products, making partnership deals and acquisitions. We saw a new biotech addition to the S&P/ASX 200 as Sirtex Medical Limited (SRX) joined industry majors Cochlear, CSL, ResMed and Mesoblast.

CEO Survey & Forum

AusBiotech again conducted the annual Biotechnology Industry Position Survey, launched in April 2013, and in June led a delegation of 18 of its member CEOs and directors to Parliament House for the fourth annual CEO Forum, which was addressed by a range of speakers on innovation policy and programs, including the Hon Greg Combet, the then Minister for Climate Change, Industry and Innovation. AusBiotech also held meetings with the then Opposition and departmental officials.

These activities provide a strong foundation for AusBiotech's advocacy and representation each year. The survey gives us a snapshot of the industry performance, priority issues and sentiment, while the forum gives us an invaluable opportunity

to hear about government programs in more detail and for a productive conversation on public policy issues that impact and shape the future of the biotechnology industry in Australia.

The survey revealed that amongst the most pressing public policy issues, respondents repeatedly expressed concern that the R&D Tax incentive would be reduced or withdrawn - and the industry urged further tax reform to provide incentives for manufacturing and to encourage long-term investment in home-grown technologies. This information informs and supports our advocacy work on your behalf.

More detail is provided later in this report on both the survey and forum. I commend those AusBiotech members that took the time to attend the forum, participate in the conversations and contribute to the survey.

Policy year in review

We saw an unprecedented number of government consultations, particularly on intellectual property laws, and AusBiotech contributed to significant Federal reviews such as the McKeon Report, the Productivity Commission review on compulsory licensing of patents and the Pharmaceutical Patents Review. See the "Government Affairs and Advocacy" section of this Report for further details.

The annual survey, noted above, also revealed that support is needed for innovative manufacturing. This has come to the fore as an important issue, particularly for pharmaceutical and medical device manufacturers, which are not especially assisted by the R&D Tax Incentive which phases out as a product or IP reaches commercialisation.

AusBiotech, on behalf of high-tech manufacturers, is urging a tax incentive to support export-oriented local production, based on locally developed IP. Such a program would, unlike a direct grant, require companies to actually generate economic benefits before they would be eligible for the incentive. Tax reform, as an extension of the R&D Tax Incentive, is the preferred path, and following consultation with AusBiotech members, discussions with members of Parliament has begun on the option of a 'patent box' incentive.



In February the Government released its long-awaited Industry and Innovation statement (Plan for Australian Jobs) and a \$1 billion package, to be funded by a cap on the R&D Tax Incentive (at \$20 billion). AusBiotech welcomed venture capital funds of \$350 million, 10 Industry Innovation Precincts worth \$500 million (two confirmed and a call for proposals for eight more) and support for pharmaceutical clinical trials.

With the recent federal election AusBiotech looks forward to progressing discussions on the patent box and many other initiatives to support the industry with the new Federal government.

Vale Emeritus Professor Nancy Millis AC

I would like to pay tribute to the truly remarkable Emeritus Professor Nancy Millis, who passed away on 29 September 2012 at the age of 90. We mourn her passing and extend our sympathies to her family and many close colleagues.

Professor Millis was a highly respected researcher, educator, and policy-maker who oversaw the development of science-based regulation of gene technology in Australia.

Her research in microbial physiology, fermentation technology and waste management also established her international reputation as one of Australia's leading scientists.

Her doctoral research in 1952 was on the microbial growth and fermentation in cider. She was a lecturer at Melbourne University's Microbiology Department from 1953 until 1988 and was the fourth ever woman to be appointed a Professor at the University of Melbourne.

She was chair of various federal committees relating the genetic research starting in 1980 and, ultimately, she built the system of voluntary oversight of this research in place until the Gene Technology Act 2000.

Professor Millis is one of only a handful of scientists to be honoured with her own "Australian Legends" postage stamp - in 2002 - and going one step better in 2006 the bacterium *Millisia brevis* was named in recognition of her contribution to water microbiology.

Professor Millis also served as Chancellor of LaTrobe University from 1992 to 2006. Along the way she was also recognised with both an MBE (Member of the Order of the British Empire) and an AC (Companion of the Order of Australia) and was renowned as a woman of formidable intellect, but also of warmth and humour.

The annual Millis Oration is a highpoint of the annual national AusBiotech conference and is appropriately named after this true pioneer of Australia's biotechnology

industry, more than a decade ago.

Professor Millis will be sadly missed.

Successful major events

AusBiotech has continued to deliver its calendar of high-quality industry events as well as adding new specialty events, creating important forums and networking opportunities for industry. The key points of AusBiotech's two largest annual events - AusBiotech and AusMedtech - are mentioned below and detailed later in this report. Earlier this year we held the inaugural Australia China Life Science Summit, in acknowledgment of the leading role China will take globally in the future of life sciences.

The event was held in Melbourne and attracted 136 key stakeholders from Australia and China to discuss China's life science industry landscape and was officially opened by Mr Shi Weiqiang, the Consul General for the People's Republic of China in Melbourne.

The program featured 41 speakers across 15 sessions, including former Premier of Victoria the Honourable John Brumby, and one of the world's largest law firms DLA Piper.

CEOs and senior biotech representatives spoke candidly about their personal experiences and provided valuable insights about doing business in China. Following the success of the Summit, plans are now underway for the next event, to be held in early 2014.

AusBiotech 2012

The national conference last October again showcased the great talent and intellectual capital within Australia's biotechnology industry. The event, supported by the Victorian Government and opened by the Minister for Technology, the Hon Gordon Rich-Phillips, attracted 1,234 participants across the events that made up the national conference. The event attracted 150 international visitors to Victoria from 25 countries, with the largest delegations from the USA, New Zealand the UK and Singapore.

AusMedtech 2013

In what was described as the best AusMedtech conference yet, Australia's premier medical technology conference recently wrapped up for another year amid messages of congratulations.

Held in Melbourne for the first time since the conference began six years ago, the event brought together key medtech executives in the Australian and international medical devices and diagnostics sector to discuss major issues and challenges in global medtech success, with a focus on emerging markets.



Board of Directors

This is my fifth annual report at Chairman and I am pleased to provide you with an update on the directors of AusBiotech. During the reporting period the Board welcomed Ms Michelle Burke, Bristol-Myers Squibb and Mr Lawrence Gozlan, Scientia Capital and bid farewell to Dr Mark Harvey, Dr Peter Isdale and Dr Paul Walton.

A brief introduction to our new directors - Michelle Burke, is Director of External Affairs at Bristol-Myers Squibb Australia (BMS), and has a long history of working with multinational pharmaceutical companies and participating in high profile policy issues through Medicines Australia, including those related to PBS reform and industry development. She has also worked with AusBiotech on more recent issues including biological medicines policies and opposition to the Private Members' (gene patent) Bill.

Many of our member companies are entering the later stages of development and are beginning to explore partnership opportunities with large, multinational pharmaceutical companies. Michelle brings extensive experience and knowledge around the needs of these international companies and also the pathways to commercialising and marketing new products.

In March 2013, AusBiotech announced the appointment of Mr Lawrence Gozlan as a non-executive director, bringing to the board global capital markets experience and specialist knowledge in life science investing.

Lawrence is the Chief Investment Officer and Founder of Scientia Capital, a specialised global investment fund focused exclusively in life sciences which manages investments for institutional investors, family offices and high net worth individuals. Prior to this, Lawrence was responsible for the largest biotechnology investment portfolio in Australia as the institutional biotechnology analyst at QIC (Queensland Investment Corporation), an investment fund with over AU\$60 billion under management. He previously was the senior biotechnology analyst at Foster Stockbroking, and advised numerous life sciences companies in corporate finance at Deloitte. He is a board member of several public and private healthcare companies.

AusBiotech also announced the retirement of three Board members during the period, Drs Paul Walton, Peter Isdale AM and Mark Harvey.

Dr Walton, while Senior Vice-President of Corporate Development at CSL Limited, joined the AusBiotech Board in October 2010, retiring at the 2012 AGM. Dr Isdale joined the Board in July 2010 and was the General

Manager – Research and Innovation, Corporate, with Transpacific Industries Group Ltd and retired at the 2012 AGM. Dr Harvey joined the board in May 2012, while working in investment management and venture capital as Partner with CM Capital Investments.

Drs Walton, Isdale and Harvey have provided invaluable leadership to our industry over many years, and during a challenging period, as governments reviewed many critical areas such as patent protection, research and development funding and policies to support clinical trials. They have provided their wisdom and insight to help us develop clear and effective positions on these issues.

As you will appreciate our Board is well equipped with the necessary experience and knowledge to provide practical and valuable leadership and services to our industry. The Board strives to respond to the current needs of our members as well as to proactively seek new opportunities to benefit our member companies.

On behalf of the Board, I'd like to thank the management and team at AusBiotech for their contribution and dedicated work. An organisation's success is the result of its people, without whom AusBiotech could not have achieved what it has.

As a member of AusBiotech, you can look forward to a Board and team, under Dr Anna Lavelle's leadership, that will be proactive, deliver results, be vigilant to issues impacting the industry and values your feedback and support.

DR DEBORAH RATHJEN CHAIRMAN



Dr Anna Lavelle
AusBiotech CEO

> FROM THE CEO

I'm exceptionally proud of Australia's growth as a leading location for biotechnology in the global context and the part AusBiotech has been able to play in supporting that performance. We presently have about 100 ASX-listed life sciences companies, with a market capitalisation of more than \$40 billion.

The Scientific American, Worldview Scorecard released in May 2013 rated Australia number seven in biotechnology in the world (up from number ten in 2012), measured by a combination of intellectual property, 'intensity', enterprise support, workforce, foundations, policy and stability measures.

Australia was "best in class", ranking number one globally for the 'best growth in public markets' and number two in 'greatest public company revenues' and the 'most public companies'.

Australia ranked number three globally for 'intensity', which is a measure of the country's effort in driving innovation, which is measured by the numbers of public companies, R&D spend and patent data.

POLICY ADVOCACY

In policy terms AusBiotech remained focussed on the roll-out of the R&D Tax Incentive, advanced manufacturing and greater access to venture capital funds. AusBiotech continued to monitor and respond where appropriate to the ongoing raft of patent reviews, consultations and inquiries in this area.

This financial year heralded the launch of the application form for the registration of R&D activities under the new R&D Tax Incentive, which opened on 1 July 2012 and claim began immediately afterward. Through this reporting period we saw substantial cash refunded to the sector, despite some turbulent times. Amongst the issues AusBiotech advocated for, the Business Tax Working Group recommended the limiting or removal of the Tax Incentive to pay for a lowering of the company tax rate, the Australian Tax Office delayed payments of cash refunds to some companies and a cap was placed on the Government announced a Tax Incentive for companies with turnover of \$20 billion to pay for its \$1 billion industry policy.

The Government combined the legislation for the \$20 billion cap with the legislation quarterly payments, which are due to begin on 1 January 2014. At the time of

writing the legislation had not been passed and the forthcoming Federal Election was expected to disrupt its passage.

In a new development this year, AusBiotech has joined with CropLife Australia, Grains Research and Development Corporation and the National Farmers' Federation to form a new industry group, the Agricultural Biotechnology Council of Australia (www.abca.com.au).

The Council has been established as a national coordinating organisation for the Australian agricultural biotechnology sector, to encourage informed debate on biotechnology through the provision of credible, balanced, science-based information. More on this initiative is contained later in this report.

This bolstering for advocacy in agricultural biotechnology adds to the support for the commercial and policy aspects of our industry, which are all working toward a legacy that will be valued by the community and enhance our quality of life – with new medicines, diagnostics, medical devices and food necessary for a healthy and prosperous Australia.

AusBiotech, CropLife Australia and ABCA, jointly put forward the successful bid to host the 15th Agricultural Biotechnology International Conference (ABIC) in Melbourne in 2015. The three organisations will work together to leverage this significant achievement and the many opportunities it presents for the advancement of agricultural biotechnology in Australia.

ABIC is the world's leading forum for the promotion of innovation in agricultural bioscience. AusBiotech has previously won the bid for ABIC and hosted the 2006 event. We look forward to working with a strong coalition to again showcase our 'home-grown' agbiotech developments to the world, working this time with CropLife and the newly-formed ABCA (of which we are a founding member) to really optimise the value of this event for Australia.



WORKING IN ASIA

Australia's position in the Asian Pacific Region in what has been dubbed the Asian Century, means biotechnology is poised in the right industry in the right region.

Over the past few years, Asia and the subcontinent have been investing staggering sums – billions of dollars – into biotechnology. The opportunities for Australian companies in Asia are real and imminent and the match between Asia and Australia is compelling. While our market and economy are relatively small in comparison, our achievements, our talent and our efficient way of doing business and our experience makes our companies attractive to foreign investors and partners.

For this reason AusBiotech applied for and was successful in two grants from Austrade under the Asia Century Business Engagement Plan, which will be completed over the next three years:

- AusBiotech/AusMedtech, with the support of FB Rice and Deloitte, won a grant to conduct the 'Australian Medical Devices & Diagnostics to China' project. The project aims to facilitate medical devices trade with China by breaking down the major barriers to entry: information about intellectual property (IP) provisions in China; and the types of business structures that are possible for Australian companies entering China for the first time.
- AusBiotech supported a bid by CropLife Australia, who won a grant to conduct 'Agricultural Biotechnology in Asia' with the aim of developing stronger links and relationships in key Asian markets for Australian agricultural produce and expertise. The project will facilitate the sharing of knowledge and promoting innovation in agricultural bioscience and develop a range of business opportunities.

BOARD ENHANCEMENT

AusBiotech, with funding from the Victorian Government, commenced a project to support life science boards and directors' development and promote best practice reporting and governance – further supporting the industry.

This initiative includes two important resources to support biotechnology companies: an updated Code of Best Practice for Reporting by Life Science Companies (the Code); and the development and distribution of a companion document focused on governance for new directors and unique issues facing directors moving into

life sciences for the first time – The Guide for Life Science Company Directors (the Guide).

The revised Code was launched in May 2013 by the Hon Gordon Rich Phillips and the companion document is expected to be launched in late 2013. More information is provided later in the Report.

PROACTIVE AND REACTIVE ADVOCACY

Patent box

The R&D Tax Incentive remains a top priority for the life sciences industry; however, later stage biotechnology and medical technology companies that manufacture are not especially assisted as it phases out as a product or IP reaches commercialisation. This is the point at which Australian IP is most vulnerable to being sold or moved overseas and the resulting community benefits lost. IP is highly-mobile and can be easily separated from the jurisdiction where it was developed and migrated to low-tax jurisdictions.

AusBiotech is leading the industry's push for further tax reform to provide an incentive for innovative manufacturing by pursuing a 'patent box' tax incentive to support export-oriented local production.

Nine nations (eight in Europe and China) have enacted 'patent box' regimes that provide incentives for firms to patent and produce – and to stay. The US is also in the process of introducing a patent box incentive. The most recent version of a patent box incentive has been introduced in the UK in April 2013, providing a 10% tax rate on revenues from patents (in contrast normal corporate tax rate of 26%).

Australia already supports the costly phase of innovation via the R&D tax incentive, only to lose out as companies take their IP off-shore to lower tax jurisdictions.

Support is growing for the proposed Australian Innovative Manufacturing (AIM) Incentive, a patent box incentive that will encourage hi-tech innovation and advanced manufacturing to stay in Australia and attract overseas interest.

Regulatory and cost recovery

AusBiotech has worked extensively with the Therapeutic Goods Administration (TGA) on behalf of the membership, on a range of issues and continue to monitor and respond to issues of concern to the industry, such as fees, speed to approval, available resources to fulfill TGA plans – and notably on behalf of medical device members on MSAC issues. The change of leadership



at the TGA to Prof John Skerritt heralded a fresh conversation on issues of concern and a meeting with the AusBiotech Board.

AusBiotech was involved in working group and committees, on issues with potential burden on industry such as 'TGA reforms: A blueprint for TGA's future' and the new Australia New Zealand Therapeutic Products Agency.

AusBiotech along with our members Bayer CropSciences and Dairy Australia, as well as other industry groups including CropLife Australia and the Australian Food and Grocery Council, were instrumental in overturning a decision to increase FSANZ hourly cost recovery fees by 57%. AusBiotech had major concerns about the exceptionally short consultation period for such a serious and significant proposed change. AusBiotech recommended that FSANZ postpone any cost recovery arrangements altogether until the whole-of-government review has been completed and any new recommendations are clarified.

The Australian Government has now decided that additional work should be done to determine the appropriateness of the proposed increase and the new high-level health claims application fees and that there will then be a further opportunity for stakeholders to provide comment on any proposed arrangements before making a final decision.

Pharmaceutical Patents Review

The Pharmaceutical Patent Review was conducted by an IP Australia-appointed panel to "evaluate whether the system for pharmaceutical patents is effectively balancing the objectives of securing timely access to competitively priced pharmaceuticals, fostering innovation and supporting employment in research and industry". AusBiotech made a submission in response to the Review's Background and Suggested Issues Paper (November 2012) and appeared at the public hearings in February 2013. The Review's Draft Report was released in April. Further to AusBiotech's previous submissions, where we argued that the available patent extension period was already too short, AusBiotech was especially concerned by recommendation 5, (option 1) to remove the extension period and instead channel the savings to selected R&D; and (option 2) to limit extension of term provisions in Australia to expire when the equivalent patents in countries that are major trading partners expire.

Clinical trials insurance

At the start of this reporting period AusBiotech was advised that the Victorian Managed Insurance Authority (VMIA) was intending to increase the insurance requirements for commercial sponsors of human clinical trials in Victoria.

AusBiotech opposed the move when it became apparent that the VMIA intended to follow the criticised decision of NSW in early 2011 to increase (double) the minimum requirement for indemnity insurance from \$10 million to \$20 million – putting it at odds with the rest of the country and giving NSW the highest compulsory limits in the world.

Once cognisant of industry concern, the VMIA chose not to go ahead with the increase. The contentious move in NSW has already reduced the attractiveness of the state for clinical trials, and AusBiotech argued that it would be unwarranted and counterproductive for Victoria to follow.

I am heartened that Victoria did not proceed with the increased insurance requirement. The commercial decision to locate a trial is complex and any unnecessary hurdle disadvantages small indigenous companies and trials where a disease state is less common, thereby discouraging their attraction and disadvantaging local patient access.

AusBiotech continues to work with the NSW Government urging them to return to the previous requirements.

Export grants scheme

In May 2013 AusBiotech joined several industry groups to express concern over the Export Market Development Grants (EMDG) Amendment Bill.

The Bill will redirect export market promotion funding from the USA/Canada, European Union and United Kingdom markets to the East Asian area, with grants for years six, seven and eight being abolished for the all applicants except approved bodies. In addition, event providers will be completely removed from the EMDG scheme.

Of considerable concern is that there is no clear evidence that a market impact analysis has occurred to inform these changes, particularly how small and medium-sized business will be affected. Over 90 per cent of Australian biotech and medtech export markets reside in the US, Canada and the European Union.



Stoma Industry Group

In February 2013 AusBiotech was approached by a group of companies who had products listed on the Stoma Appliance Scheme (SAS), seeking advocacy on their behalf with the Department of Health and Ageing (DoHA) on a number of issues related to the scheme, including:

- Communication amongst industry, healthcare providers and associations;
- Clarity and transparency in the stated SAS objectives and timelines;
- Clarity on procedural fairness in the submission process and outcomes;
- Qualify evidence requirements that remain inconsistent with precedence set previously;
- Address unilateral concern about continued access to innovative products for patients.

Subsequently there have been a number of meetings with DoHA that have addressed many of these issues with favourable outcomes for our members in the Stoma Industry Group.

AUSEVENTS™

AusEvents™, AusBiotech's professional event organising division, continues to fill its pipeline, attracting new conferences and working on bids for as far out as 2020.

Of special note AusBiotech was pleased to win the bid for the 11th Annual World Congress of the Society for Brain Mapping and Therapeutics (SBMT), which will be held in Australia for the first time in March 2014.

The annual world congress is a multidisciplinary forum designed to facilitate cross-pollination amongst specialists and industry to further advances in brain and spinal cord mapping and image-guided therapies. This is a big win for Australia and AusBiotech is honoured to be asked to organise this important international event.

PARTNERSHIP WITH BEACON EVENTS

In a notable development for the AusBiotech Investment program (see more detail later in this Report) AusBiotech and Beacon Events, announced a partnership to deliver biotechnology investor meetings in Hong Kong and Sydney until 2015.

The Hong Kong-based Beacon Events, is the organiser of the largest resource sector investor event in the Asia

Pacific Region – Mines and Money. Our partnership with Beacon Events looks to its expertise in Hong Kong and providing finance and investment events for the resources sector, which is naturally converging with biotechnology as it shares the same investor profile.

STAFF AND COMMITTEES

AusBiotech's busy and dedicated staff has again risen to the challenge of delivering member services and programs as the staff size remained stable over the past year, with 14 positions.

During the period we welcomed Ms Alina Tooley National Manager: Programs, Ms Kirsty Whitehead, Conference and Events Manager, Ms Sharlene Gunatilake, Event Coordinator.

AusBiotech's work is supported by more than 100 volunteers that work around the country on state-based industry development and on advisory groups dedicated to specialist areas. During the year we were pleased to announce new Chairs for the Branch Committees in New South Wales, Amanda Turnill, and Queensland, Dr Ryan Parlett. We also appointed a new Chair for the AusFoodtech committee, Mr Derek Robinson.

Together, the Board, staff, committees and advisory groups all contribute to enable AusBiotech to be the dynamic and committed organisation that it is, supporting and growing the biotechnology industry in Australia and serving AusBiotech members.

OFFICE MOVE

The national head quarters of AusBiotech moved in August 2012 from Malvern to Level 4, 627 Chapel Street, South Yarra Victoria. The new location is on the City's fringe, near the Yarra River on vibrant Chapel Street. The building, which is next door to The Olsen [hotel] and opposite the Como Centre, has recently been renovated both internally and externally.

I would like to extend my sincere thanks to everyone who has contributed to the success of the industry and of AusBiotech this year. Together we have much to be proud of and ample motivation to achieve in the coming year. I welcome your continued support.

DR ANNA LAVELLE CHIEF EXECUTIVE OFFICER

PUBLIC POLICY FOUNDATION

AusBiotech engages with member CEOs and senior managers regularly to keep-up-to-date with industry sentiment, issues of concern, track trends in the sector and to brief members on changes in public policy of interest or concern.

Biotechnology Industry Position Survey 2013

The annual Biotechnology Industry Position Survey was conducted in early 2013 and built the foundation for advocacy work for the year ahead. Appropriate support from the Federal Government was the top-line issue for respondents, who urged the Government to support access to capital via policy instruments and programs.

The R&D Tax Incentive remains a top priority for the industry, with 66% of respondents having already seen the benefits of the policy or identified that it will have a positive impact in the future. Amongst the most pressing public policy issues, respondents repeatedly expressed concern that the R&D Tax incentive would be reduced or withdrawn - and the industry urged further tax reform to provide incentives for manufacturing and to encourage long-term investment in home-grown technologies.

Of the 24 companies that raised capital in 2012, an overwhelming 87.5% did so by issuing (diluting) equity. The capital raised was for the dominant purpose of research and development, working capital or commercialisation – all critical to the survival of a biotechnology company. The industry is keen to see the Government support non-diluting forms of capital, especially the in-tact preservation of the R&D Tax Incentive, and to continue beyond that with tax reform.

The majority of responding companies (60.7%) were manufacturing, with 37.5% manufacturing in Australia and 35.7% were manufacturing overseas, with a cross-over of 12.5% that manufacture both locally and overseas.

Consistent with our previous years' findings, the Australian operating environment (economic and public policy) remains a key concern with only 16% (24%:2012) of respondents identifying the environment as conducive to growing a biotechnology company, and 38% indicating that the operating environment was working against the growth of companies.

The competition for capital is high with 71% of companies planning to raise capital in the following 12 months. For a significant portion of companies the requirement to raise capital in the short term was apparent with 37% of companies holding less than 12 months' cash.

With capital at a premium, it is no surprise non-cash remuneration remained a significant component of most company's remuneration strategy, with only 20% of companies using cash-only remuneration strategies.

The expansionary sentiment towards employment persisted, with only 7% of companies planning to decrease staff numbers during 2013, whilst 55% flagged the intention to be a net hirer of staff.

AusBiotech delegation of CEOs to Parliament House

AusBiotech, its member CEOs and directors were again hosted at Parliament House for the fourth annual CEO Forum - a valuable opportunity for a productive conversation on public policy issues that impact upon and will shape the future of the biotechnology industry in Australia.

AusBiotech's delegation of board members visited Parliament House with 18 member CEOs and senior managers to meet with the Hon Greg Combet, the then Minister for Climate Change, Industry and Innovation, and receive updates on programs and speak with 16 senior government representatives. The updates from the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (DIICCSRTE), Department of Health and Ageing (DoHA), and the Therapeutic Goods Administration included:

- The Industry and Innovation statement;
- Industry Innovation Precincts;
- R&D Tax Incentive update and discussion on quarterly credits introduction;
- Venture Australia and plans for the Innovation Investment Fund's \$350 million allocated funding;
- TGA Reform and HTA Progress;
- Review of the Employee Share Scheme (ESS) (currently underway);
- Expediting clinical trial reform.

GOVERNMENT AFFAIRS AND ADVOCACY

AusBiotech maintained strong representation on behalf of industry, participating in a record number of consultations and making more submissions than ever in the history of the industry organisation. In addition to the annual trip to Canberra for the CEO Forum, AusBiotech worked with Ministers and senior government staff regularly, providing briefings and an industry voice on a range of public policy areas, including tax, investment, trade, patents, and regulatory issues. This financial year also saw renewed efforts in agricultural biotechnology with the establishment of the Agricultural Biotechnology Council of Australia (ABCA).

AusBiotech joins new Council to represent Australian agricultural biotechnology

A joint initiative of AusBiotech, CropLife Australia, Grains Research and Development Corporation and the National Farmers' Federation has launched the Agricultural Biotechnology Council of Australia (ABCA) to act as a national representative organisation for agricultural biotechnology.

ABCA was established in September 2012 to help shape a new era for Australian agriculture by encouraging informed debate on biotechnology through the dissemination of credible, balanced, science-based information.

Through the creation and sharing of research and knowledge, ABCA's work aims to place biotechnology and gene technology into context as another invaluable innovation for Australian agriculture; ensuring that science guides public policy for the future of farming in Australia.

Dr Anna Lavelle, CEO of AusBiotech, was appointed a non-executive director of ABCA to extend AusBiotech's work in supporting the development of the agricultural biotechnology sector in Australia.



(L-R) Victorian Minister for Technology, the Hon Gordon Rich-Phillips and AusBiotech Director, Lawrence Gozlan.



(L-R) The Hon John Brumby, former Victorian Premier and director of Huawei Technologies, Dr Anna Lavelle, CEO of AusBiotech and Mr Shi Weiqiang the Consul General for the People's Republic of China in Melbourne.



Victorian Minister for Technology, the Hon Gordon Rich-Phillips, spoke with delegates at AusMedtech before opening the event.



(L-R) Dr Arthur Brandwood, Dr Fred Davis, and Mr Warren Bingham pictured at Parliament House, Canberra.

Submissions

AusBiotech made submissions to governments on policy issues affecting the sector, with 15 submissions across a range of industry issues and consultations, including:

- 12 June 2013 – Comments to the TGA on the proposed amendments to the new regulatory framework for in vitro diagnostic medical devices (IVDs)
- 4 June 2013 – Submission to Senate Committee regarding the Export Market Development Grants (EMDG) Amendment Bill 2013
- 30 April 2013 – Submission to the Pharmaceutical Patents Review Draft Report
- 21 March 2013 – Submission to the TGA regarding pre-market assessment
- 21 February 2013 – Comments to the Australia New Zealand Therapeutic Products Agency (ANZTPA) on the document, 'ANZTPA implementation - Release of high level description of a possible joint regulatory scheme'
- 8 February 2013 – Response to the Productivity Commission Draft Report: Compulsory Licensing of Patents
- 24 January 2013 – Response to 'Continuation of the South Australian Moratorium on genetically modified (GM) crops'
- 21 January 2013 – Response to the Pharmaceutical Patents Review (Background and Suggested Issues Paper, November 2012)
- 5 December 2012 – Submission to Food Standards Australia New Zealand (FSANZ) in relation to cost recovery arrangements for applications relating to health claims
- 28 September 2012 – Response to the Productivity Commission Issues Paper: Compulsory Licensing of Patents
- 21 September 2012 – Response to the Business Tax Working Group Discussion Paper
- 10 September 2012 – Submission to the Prime Minister's Science, Engineering and Innovation Council regarding utilising Australia's substantial research capacity to contribute to national productivity growth through innovation.
- 31 August 2012 – Response to the Business Tax Division of The Treasury regarding the Consultation Paper re R&D Tax Incentive quarterly payments
- 3 August 2012 – Response to the discussion paper on the National Research Investment Plan (NRIP)
- 30 July 2012 – Response to the Manufacturing Industry Action Plan Taskforce regarding the Draft NSW Manufacturing Industry Action Plan.

AusBiotech on advisory and working groups

AusBiotech continued its representative work on various government working/advisory groups, including the Clinical Trials Action Group and the Pharmaceutical Industry Council. Dr Anna Lavelle continued as a Ministerial appointment to the 'R&D Tax Incentive Advisory Committee', remains a Ministerial appointment to the newly-launched Victorian Biotechnology Advisory Council and a board member of Research Australia.

BOARD ENHANCEMENT PROJECT

The 'Board Enhancement Project' was designed to support and enhance the governance of boards of directors leading life sciences companies. In addition to the 'best practice' message that the project's resulting documents will provide to investors and others, it also, very importantly, seeks to support and build the capability and understanding of less experienced directors or those new to life sciences.

Innovative, technology-focussed companies in the life science industry have different pressures, such as unique mandatory regulatory considerations and a different business cycle than many other industries. Directors of such companies therefore require additional, specialised knowledge that is not generally learned from available corporate governance materials or taught in mainstream governance courses.

Support for the project was provided by the Victorian Government and recommended by the Victorian Biotechnology Advisory Council. The project has two prongs (resulting in the two documents):

- Part 1: Revise and reproduce the *Code of Best Practice for Reporting by Life Science Companies* for ASX-listed companies; and
- Part 2: Produce the *Guide for Life Science Company Directors*, a practical guide for directors of public and private life sciences companies.

Revised disclosure code launched for ASX-listed life science companies

AusBiotech, in collaboration with the Australian Securities Exchange (ASX), released the revised *Code of Best Practice for Reporting by Life Science Companies (Edition 2)* in May 2013.

The update of the Code was launched by the (Victorian) Minister Gordon Rich-Phillips and aims to support the directors of Australian ASX-listed life science companies to adopt international best practice in reporting events to investors.

The Code also seeks to provide current and/or potential investors with a level of confidence in the life science company, through providing guidance on disclosure and appropriate reporting, as well as support for potential investors regarding clinical trials and other matters.

Continuous disclosure is an essential part of maintaining the integrity and efficiency of the listed life science sector, and has the added commercial benefit of helping life science companies in their communication with market participants.

The Code was first launched in 2006, and this revised Edition 2 involved a multi-disciplinary and cross-organisational Reference Group to ensure updates reflected current practice. A broad consultation process was also undertaken with investors and CEOs.

The updated Code is dedicated to the memory of Dr Mike Hirshorn, a significant leader in the Australian biotechnology industry. Dr Hirshorn tirelessly led the conception and development of Edition 1.

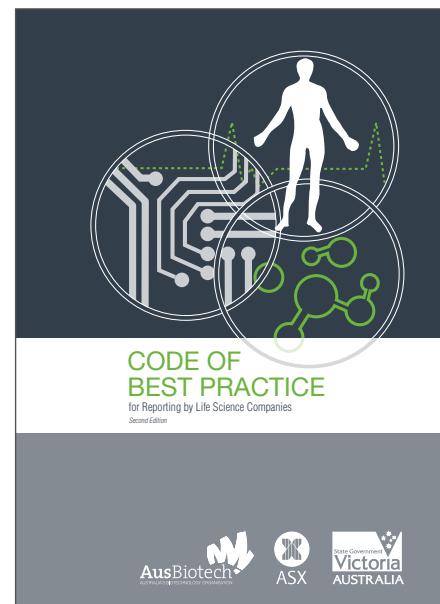
Copies of the Code can be obtained by visiting the AusBiotech website at www.ausbiotech.org

Guide for Life Science Company Directors nears completion

AusBiotech has been working with an Advisory Committee to develop the *Guide for Life Science Company Directors* (the Guide) as a supporting document to the newly-revised Code.

The Guide aims to support and enhance the governance of boards of directors leading public and private life science companies. It outlines for less experienced directors or those new to life sciences issues typical to life science companies that are generally not typical in other industries.

The Guide is in draft form with the consultation expected to be conducted between July and August, with launch in late October 2013.



MAJOR EVENTS

AusBiotech 2012

The AusBiotech 2012 national conference again showcased the great talent and intellectual capital within Australia's biotechnology industry.

The event, supported by the Victorian Government and opened by the Minister for Technology, the Hon Gordon Rich-Phillips, attracted 1,234 participants across the events that make up the national conference. The Melbourne event attracted 150 international visitors to Victoria from 25 countries, with the largest delegations from the USA, New Zealand the UK and Singapore.

The Business Matching Program was the big draw card once again with 2,609 meeting requests. Booths were at full capacity throughout the event, resulting in more than 460 meetings on the Wednesday alone.

The meeting with its key theme 'Realising the Value' gave delegates the opportunity to share information and ideas, to forge new relationships; and to work together towards a more prosperous and sustainable industry.

The sessions played host to a wide variety of thought-provoking and informative topics with 85 speakers, 20 of whom travelled from overseas, across a range of disciplines from human health to food safety, agricultural biotech to medtech.

In related events, 50 people attended the three BioPro Courses offered, 91 attended the public forum 'Re-seeing the Future', 136 attended the AusFoodtech Symposium and 399 attended the conference dinner, which was addressed by His Excellency, the Hon Alex Chernov AC QC, Governor of Victoria.

For the fourth year running AusBiotech hosted the Australasian Life Sciences Investment Summit (ALSiS), which was attended by 280 people, of which 150 were investors from 60 companies and almost 40% were international visitors who were here to find out more about 40 of Australia's most promising biotechnology investment opportunities.

In a day of awards and significant addresses the opening day at AusBiotech 2012 saw four prestigious awards announced in the Janssen 2012 Industry Excellence Awards and the national winner of the 2012 AusBiotech-GSK Student Excellence Award.

- Janssen 2012 Industry Excellence Award, Company of the Year: Starpharma
- Janssen 2012 Industry Excellence Award, Emerging Company of the Year: Vaxxas
- Janssen 2012 Industry Excellence Award, Industry Leadership award: Dr Andrew Baker (posthumous)
- National 2012 AusBiotech-GSK Student Excellence Award: Mr Connor O'Meara (The Queensland University of Technology)



(L-R) The Governor of Victoria, the Hon Alex Chernov, Chair of AusBiotech, Dr Deborah Rathjen and CEO of AusBiotech, Dr Anna Lavelle.



The AusBiotech 2012 student volunteers.



The winners of the Janssen 2012 Industry Excellence Awards with Janssen representatives (L-R) Chris Hourigan, Managing Director, Janssen; Steve Thomson from Brandon Capital accepted the award on behalf of winner of the Emerging Company of the Year Award, Vaxxas; Jackie Fairley, CEO, Starpharma, winner of the Company of the Year Award; Dr Andrew Baker (posthumous), was awarded the Industry Leadership Award. His wife Nancy accepted the award on his behalf; and Kathy Connell, senior manager, innovation and investment ANZ, Janssen.

AusMedtech 2013

AusMedtech 2013's move to Melbourne for the first time since the conference began six years ago was hailed a success. The event, held in May 2013, brought together key medtech executives in the Australian and international medical devices and diagnostics sector to discuss major issues and challenges in global medtech success, with a focus on emerging markets.

The event began with the Official Opening from the Minister for Technology, the Hon Gordon Rich-Phillips, who launched the *Code of Best Practice for Reporting by Life Science Companies*.

The event also featured the Conference Dinner key note address by Emeritus Professor David Penington AC about his experiences within the medical industry and how to translate medical research into products.

Over 300 delegates attended, including 113 from interstate as well as international guests from countries including Pakistan, the USA, Poland, India, China and New Zealand. Delegates came from a broad range of industry fields including medical device manufacturing, financial/investment services, government, IP/legal field, consulting, research and development, technology and universities.

BIO 2013 Chicago

New Zealand joined Australia for the first time in AusBiotech's annual mission to Bio2013, once again leading the Australian delegation of 175 people the world's largest biotechnology event.

This important global annual event, which was held in Chicago from 22 to 25 April 2013. The Australian and New Zealand contingent was complemented by strong government representation, notably Minister Gordon Rich-Phillips (Victorian Government), newly elected Minister Ian Walker (Queensland Government) the Hon Peter Beattie (Federal Government).

Australia was one of the top 10 largest international delegations in attendance, and joined 1,722 exhibitors across 60 state and international pavilions. The Australian Pavilion was one of 30 country pavilions within the exhibition hall.

AusBiotech hosted two important events for delegates, the ever-popular Wine Tasting Event, which was co-hosted with New Zealand, and the inaugural 'Aussie Afternoon Tea', to facilitate the international networking and engagement process.

AusEvents™

AusEvents™, a division of AusBiotech, is the product of many years of successful event organisation, engagement in the life sciences industry – and a professional conference organiser for life sciences and technology events.

During the reporting period AusEvents™ conducted Research Australia's philanthropy conference 2012 and won the bids to hold:

- Tech Transfer Summit Australia in Melbourne in September 2013;
- The 11th Annual World Congress of the Society for Brain Mapping and Therapeutics in Sydney in March 2014;
- AusBiotech (AusEvents), the Agricultural Biotechnology Council of Australia (ABCA) and CropLife Australia jointly won the bid to host the 15th Agricultural Biotechnology International Conference (ABIC) Conference in Melbourne in 2015.



SPECIAL INTEREST ADVISORY GROUPS



AusMedtech continued its work dedicated to the development, growth and prosperity of the Australian medical technology (device and diagnostics) industry, by providing the following initiatives to facilitate success in product development, manufacturing and commercialisation, and encouraging links between industry, research and governments. The AusMedtech National Advisory Committee is chaired by Mr Warren Bingham and supported by two state-based AusMedtech groups in NSW and Victoria.

Key highlights 2012/13:

- AusBiotech/AusMedtech, with partners FB Rice and Deloitte, won an Austrade Asia Century Business Engagement program grant to conduct the 'Australian Medical Devices to China' project. The project will run over three years and aims to facilitate medical devices trade with China by breaking down the major barriers to entry, providing much-needed information about intellectual property (IP) provisions in China and outline the types of business structures that are possible for Australian companies entering China for the first time.
- Two special interest expert panels were active in industry and stakeholder engagement under the AusMedtech National Advisory Committee:
 - Health Economics Expert Panel, chaired by Mr Warren Bingham;
 - Regulatory Affairs Expert Panel chaired by Dr Arthur Brandwood.
- More than 300 delegates attended the 6th annual AusMedtech national conference held in Melbourne on 15 - 16 May 2013.
- AusBiotech was represented by AusBiotech staff and industry members at the TGA RegTech Forum and IVD Working Group.
- AusBiotech was invited by the Department of Health and Ageing to attend the MSAC Roundtable.
- On 6 March 2013 an event was hosted by Dibbs Barker to discuss with members the TGA reforms to medical device assessments and a proposed joint agency with New Zealand – merging TGA with MedSafe to create ANZTPA.
- AusMedtech made submissions to governments on policy issues affecting the medtech industry (see Government affairs and advocacy & submissions).



The audience at AusMedtech 2013 listens intently



Emeritus Professor David Penington gave the dinner address at AusMedtech 2013



Hundreds gathered for the AusMedtech 2013 conference dinner

> 2012/2013 AUSBIOTECH HIGHLIGHTS



The Agricultural, Environmental and Industrial (AEI) Biotechnology National Advisory Group is dedicated to increasing the profile of the AEI sector, providing a voice for organisations working within the sector; and facilitating awareness of the key commercial issues facing the sector.

Key highlights 2012/13:

- AusBiotech, along with CropLife Australia and the Agricultural Biotechnology Council of Australia (ABC) prepared and won a bid to host the Agricultural Biotechnology International Conference (ABIC) in September 2015.
- AusBiotech in partnership with CropLife Australia was successful in obtaining an Austrade Grant from the Asian Century Business Engagement program over three years. The aim of the project is to develop stronger links and relationships in key Asian markets for Australian agricultural produce and expertise, facilitate the sharing of knowledge and promoting innovation in agricultural bioscience. In addition the project will develop a range of business opportunities for the Australian food and agricultural biotechnology industries.
- The AEI made a submission to South Australian government on “Continuation of the South Australian Moratorium on genetically modified (GM) crops” to advocate on behalf of the ag-biotech industry impacted (see Government affairs and advocacy & submissions).



The AusFoodtech National Advisory Group continued its work to provide a voice for the Australian functional food and nutraceutical sector by representing the views and interests of member organisations at a political level to increase funding support of innovative research, including clinical trials, within the sector.

Key highlights 2012/13:

- AusBiotech along with other industry groups were successful through advocacy work in having a decision to increase FSANZ cost recovery fees overturned.
- AusBiotech was invited to join the Food Industry Innovation Precinct as a Foundation Member.
- AusFoodtech made submissions to governments on policy issues affecting the foodtech industry (see Government affairs and advocacy & submissions).



AUSBIOTECH INVESTMENT

AusBiotech Investment continued to build its offering of national and international investor events as a global platform for Australian life sciences companies to showcase their company's offering for partnership and investment.

AusBiotech & Beacon to partner on key investment events

In late 2012 AusBiotech and Beacon Events, organiser of the largest resource sector investor event in the Asia Pacific Region – Mines and Money - announced a partnership to deliver biotechnology investor meetings in Hong Kong and Sydney until 2015.

The Hong Kong-based Beacon Events, serves the increasingly important emerging markets of Asia, providing cutting-edge, market-driven programs and synergy with AusBiotech's move into the fast-growing investment hub in Hong Kong.

Hong Kong, with its direct access to China, is developing as a pivotal hub in the Asia Pacific region, and this is especially important from an Australian perspective as a regional neighbour. Private investment by Chinese and Hong Kong-based venture capitalists has burst forth in recent years, peaking at \$1 billion in 2010 and reaching \$573 million in 2011. The average Chinese VC investment in life sciences in 2011 was \$ 25 million, compared to \$10 million in the US.

While there are already numerous examples of Sino-Australian partnership in life sciences, evidenced in part by the 50 Hong Kong fund managers currently investing in Australian public biotech companies, we expect this interest to grow vastly in the coming years.

The inaugural Hong Kong investment event, Asia Biotech Invest, was held 3 – 5 June 2013 at Sheraton Hong Kong Hotel & Towers, Kowloon, Hong Kong.

Showcase calendar

AusBiotech Investment held the following investor showcases around the world:

- Australian Life Science Investment Showcase: New York
Thursday 18 April 2013, Ernst & Young Corporate Headquarters, 5 Times Square, New York, United States
- Cowen's 2013 Asia Pacific Life Science Showcase
Monday 7 January 2013 (annexed to JP Morgan Healthcare conference)
Sir Francis Drake Hotel, San Francisco, United States
- Australasian Life Science Investment Summit 2012
Friday 2 November (part of the AusBiotech 2012 conference)
Melbourne Convention & Exhibition Centre, Melbourne, Victoria
- Emerging Company Showcase (with Wholesale Investor)
Thursday 22 November 2012
PricewaterhouseCoopers offices, Freshwater Place, Level 19, 2 Southbank Blvd, Melbourne
- Capital Showcase Sydney 2012 (with Wholesale Investor)
Monday 17 September 2012 PwC Offices, Darling Park Tower 2, Level 10, 201 Sussex Street, Sydney

**AusBiotech Ltd
ABN 87 006 509 726
Directors Report
For the Year Ended 30 June 2013**

Your Directors present this report on the company for the financial year ended 30 June 2013.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Dr Anna Lavelle
Dr Deborah Rathjen
Dr Peter Isdale – resigned 1/11/12
Dr Meera Verma
Dr Paul Walton – resigned 1/8/12
Dr Greg Roger
Mr Peter Turvey
Dr Mark Harvey - appointed 1/8/12 and resigned 2/4/13
Ms Michelle Burke – appointed 1/11/12
Mr Lawrence Gozlan – appointed 13/2/13

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

AusBiotech's mission

AusBiotech's mission is to foster a growing, strong and profitable biotechnology and life science industry in Australia through representation, advocacy and the provision of services and benefits to its members to help the industry realise its nationally important economic potential.

AusBiotech's vision

AusBiotech's vision is to be the leading Australian industry body representing and advocating for organisations doing business in and with the global life sciences economy.

Goals

- Strengthen AusBiotech's reputation as the voice of biotechnology in Australia.
- Enjoy growing support from members through knowledge of what our members want and the ability to deliver on their expectations.
- Be recognised as Australia's primary facilitator of life science investment partnerships.
- Ensure the biotechnology industry is increasingly perceived by government as a key and growing economic and social driver.
- Lead the development of life science and medical technology industry policy in Australia.
- Be a sustainable and financially sound organisation.
- Position AusBiotech for long-term growth, recognising the importance of its people.

Strategic objectives for 2013-2016

- Ensure global engagement is strong in established markets in North America and Europe;
- Harness the opportunity in rising Asian biotech development demand;

AusBiotech Ltd
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Directors Report
For the Year Ended 30 June 2013

- Leverage the rapidly changing dynamics of the Australian industry to raise biotechnology's profile and support from governments;
- Strengthen the AusBiotech business model by identifying opportunities to grow the revenue base and provide for professional executive growth in the organisation.

Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short and long-term objectives are being achieved.

Information on Directors

Dr Deborah Rathjen	<ul style="list-style-type: none"> - Chair (non-executive) - Bachelor of Science (Hons), PhD, MAICD, FTSE - Company building and financing, mergers and acquisitions, therapeutic product research and development, business development and licensing and expertise in cell biology specifically inflammation, infection and cancer
Dr Anna Lavelle	<ul style="list-style-type: none"> - Executive Director and Chief Executive Officer - PhD in Genetics, GAICD - Chief Executive Officer of the company since 2005
Dr Greg Roger	<ul style="list-style-type: none"> - Director - MB, BS (medical degree) and M Eng. (Res) - Nearly 30 years of medical device development, medical practice and 20 years of corporate entrepreneurship.
Qualifications	
Experience	
Special Responsibilities	<ul style="list-style-type: none"> - Member of the Risk & Audit Committee
Dr Peter Isdale	<ul style="list-style-type: none"> - Director - Bachelor of Arts (Hons), PhD, MAICD, JP (C. Dec) - Peter is Group Manager – Research & Innovation at Transpacific Industries Group Limited
Qualifications	
Experience	
Special Responsibilities	<ul style="list-style-type: none"> - Member of the Risk & Audit Committee
Dr Meera Verma	<ul style="list-style-type: none"> - Director - PhD Biochemistry, FTSE, FAICD - Meera works as a strategic management consultant with over 25 years experience in the biotechnology sector. She has held executive management roles in product development, manufacturing and site operations.
Qualifications	
Experience	
Special Responsibilities	<ul style="list-style-type: none"> - Chair of the Risk & Audit Sub-Committee
Mr Peter Turvey	<ul style="list-style-type: none"> - Director - BA/LLB, MAICD - Peter is formerly General Counsel and Company Secretary of CSL. He was heavily involved in CSL's acquisitions and divestments and the protection and licensing of the company's intellectual property.
Qualifications	
Experience	
Special Responsibilities	<ul style="list-style-type: none"> - Member of the Risk & Audit Sub-Committee

AusBiotech Ltd
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Directors Report
For the Year Ended 30 June 2013

Ms Michelle Burke	- Director
Qualifications	- Bachelor of Science (Hons)
Experience	- Michelle has 20 years experience in the pharmaceutical industry including clinical research, medical affairs, business development, commercial and public affairs. She is currently Director, External Affairs for Bristol-Myers Squibb.
Mr Lawrence Gozlan	- Director
Qualifications	- Bachelor of Science (Hons)
Experience	- Lawrence has worked in corporate finance at Deloitte, sell-side biotech analyst at Foster Stockbroking, buy-side biotech analyst at QIC, CEO of Scientia Capital.
Dr Mark Harvey	- Director
Qualifications	- Bachelor of Science (Hons), PhD, MBA
Experience	- Mark is Adjunct Professor at The University of Queensland. He is a partner with CM Capital Investment.

Meeting of Directors

During the financial year, 7 meetings of directors were held and 5 meetings of the Risk & Audit Sub-Committee were held. Attendances by each director were as follows

	Directors' Meetings		Risk & Audit Sub-Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended
Dr Deborah Rathjen	7	6		
Dr Anna Lavelle	7	6		
Dr Greg Roger	7	6	5	1
Dr Peter Isdale	2	2	2	1
Dr Meera Verma	7	6	5	5
Mr Peter Turvey	7	7	5	5
Ms Michelle Burke	5	5		
Mr Lawrence Gozlan	3	3		
Dr Mark Harvey	5	4		

**AusBiotech Ltd
ABN 87 006 509 726
Directors Report
For the Year Ended 30 June 2013**

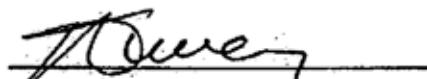
The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$4 each towards meeting any outstanding obligations of the entity. At June 30 2013, the total amount that members of the company are liable to contribute if the company is wound up is \$2,600 (2012: \$2,044).

Auditor's Independence Declaration

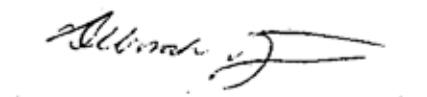
The auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 21 of the financial report.

Signed in accordance with a resolution of the Board of Directors.

Mr Peter Turvey
Director



Dr Deborah Rathjen
Director



Dated this 3rd day of October 2013

AusBiotech Ltd
ABN 87 006 509 726
For the Year Ended 30 June 2013

Statement of Profit and Loss and Comprehensive Income

	Note	2013	2012
		\$	\$
Revenue from Ordinary Activities			
Membership Fees		880,405	909,384
Conferences		2,331,651	2,305,666
Branch Income		63,146	183,284
Government Funded Projects - NCRIS		30,394	98,558
Communications		63,905	32,110
State Government Projects		43,500	33,333
Export Market Development Grants		57,301	34,607
Other Revenue		52,972	41,243
		<u>3,523,274</u>	<u>3,638,185</u>
Non-operating Revenue			
Interest Received		19,594	29,398
	2	<u>3,542,868</u>	<u>3,667,583</u>
Expenses from Ordinary Activities			
Employee Benefits Expense	3	693,549	727,978
Depreciation and Amortisation Expenses		101,137	64,985
Conferences	3	1,926,651	2,129,931
Government Funded Projects Expend. - NCRIS	3	30,394	161,496
Communications		53,622	36,737
Rent		52,847	106,858
Travelling		99,072	114,360
Professional Fees		205,295	131,400
IT Support		76,408	39,854
Other Expenses		257,691	244,046
	2	<u>3,496,666</u>	<u>3,757,645</u>
Profit/(Loss) before Income Tax	4	46,202	(90,062)
Income Tax Expense		-	-
Profit/(Loss) after Income Tax		<u>46,202</u>	<u>(90,062)</u>

The accompanying notes form part of these audited financial statements

AusBiotech Ltd
ABN 87 006 509 726
As at 30 June 2013

Statement of Financial Position

	Note	2013	2012
		\$	\$
Current Assets			
Cash and Cash Equivalents	5	776,685	1,544,503
Trade and Other Receivables	8	279,496	234,465
Deposits and Prepayments	9	141,053	102,276
Current Tax Assets		2,587	9,010
Total Current Assets		1,199,821	1,890,254
Non-Current Assets			
Property, Plant and Equipment	10	133,840	87,295
Total Non-Current Assets		133,840	87,295
Total Assets		1,333,661	1,977,549
Current Liabilities			
Trade and Other Payables	11	73,041	187,749
Current Tax Liabilities	12	75,820	47,674
Provisions	13	130,966	77,676
Other	14	940,262	1,586,080
Total Current Liabilities		1,220,089	1,899,179
Non-Current Liabilities			
Provisions and Other	14	29,000	40,000
Total Non-Current Liabilities		29,000	40,000
Total Liabilities		1,249,089	1,939,179
Net Assets		84,572	38,370
Equity			
Retained Earnings	15	84,572	38,370
Total Equity		84,572	38,370

The accompanying notes form part of these audited financial statements

AusBiotech Ltd
ABN 87 006 509 726
For the Year Ended 30 June 2013

Statement of Changes in Equity

	Retained Earnings \$	Total \$
Balance as at 30th June 2011	128,432	128,432
Profit/(Loss) attributable to the entity for the year ended 30th June 2012	(90,062)	(90,062)
Balance as at 30th June 2012	<u>38,370</u>	<u>38,370</u>
Profit/(Loss) attributable to the entity for the year ended 30th June 2013	46,202	46,202
Balance as at 30th June 2013	<u>84,572</u>	<u>84,572</u>

The accompanying notes form part of these audited financial statements

AusBiotech Ltd
ABN 87 006 509 726
For the Year Ended 30 June 2013

Cash Flow Statement

	Note	2013	2012
		\$	\$
Receipts from Customers		3,477,714	3,948,674
Payments to Suppliers and Employees		(4,117,444)	(5,183,731)
Interest Received		19,594	29,398
Net Cash Inflow (Outflow) from Operating Activities	6	(620,136)	(1,205,659)
 Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment		(147,682)	(17,548)
Net Cash Inflow (Outflow) from Investing Activities		(147,682)	(17,548)
 Net increase / (decrease) in cash held		(767,818)	(1,223,207)
 Cash and cash equivalents as at 1 July		1,544,503	2,767,710
 Cash and Cash equivalents as at 30 June		776,685	1,544,503

The accompanying notes form part of these audited financial statements

**AusBiotech Ltd
ABN 87 006 509 726
For the Year ended 30 June 2013**

Notes to the Financial Statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers AusBiotech Ltd as an individual not-for-profit entity. AusBiotech Ltd is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report is presented in Australian dollars. The report is authorized for issue by the Directors on the date of the Directors' Declaration.

The principal activity of the company is the provision of services and activities in developing biotechnology in Australia and globally.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Reporting Basis and Conventions

The financial report has been prepared on a going concern and an accruals basis, except for the cash flow information, and is based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, and financial assets and financial liabilities.

Accounting Policies

(a) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. The company has no bank overdrafts.

(b) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognized represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

AusBiotech Ltd
ABN 87 006 509 726
For the Year ended 30 June 2013

Notes to the Financial Statements

(c) Employee Benefits

Provision is made for the company's liability for employee benefits arising from the services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The company has no freehold land and buildings.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, is depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The estimated effective lives used for each class of depreciable assets are:

Plant and Equipment	3 to 7 Years
Office Furniture	10 years

The assets carrying values are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

AusBiotech Ltd
ABN 87 006 509 726
For the Year ended 30 June 2013

Notes to the Financial Statements

An asset's carrying account is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

(e) Foreign Currency Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction.

(f) Income Tax

The company is exempt from income tax.

(g) Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist.

Financial Assets at Fair Value through Profit and Loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Financial Instruments: Recognition and Measurement. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method. The company has no such loans.

AusBiotech Ltd
ABN 87 006 509 726
For the Year ended 30 June 2013

Notes to the Financial Statements

Held to Maturity Investments

These investments have fixed maturities. The company has no held to maturity investments.

Available-for-sale Financial Assets

Available-for-sale financial assets include any financial assets not included in the above categories.

Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derivative Instruments

Derivative instruments are measured at fair value. The company has no derivative instruments.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models. The company has no such investments.

Derecognition

Financial assets are derecognized where the contract for the receipt of cash flows ceases and financial liabilities where related obligations are discharged, or cease.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(i) Research and Development

Expenditure during the research phase of a project is recognised as an expense when incurred.

Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

AusBiotech Ltd
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For the Year ended 30 June 2013

Notes to the Financial Statements

(j) Revenue and Other Income

Interest revenue is recognized on a proportional basis taking into account the interest rates applicable to the financial assets.

Membership fees revenue is apportioned over the applicable period.

Revenue from the rendering of a service is recognized upon the delivery of the service to the customers.

Grants and sponsorship revenue are recognized when the entity has control and all conditions satisfied.

All revenue is stated net of the amount of goods and services tax (GST).

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(l) Trade and Other Receivables

These represent the principal amounts due at balance date. They are non-interest bearing and collectable on 30-90 day terms.

(m) Trade and Other Payables

These represent the principal amounts outstanding at balance date, non-interest bearing and at cost.

(n) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(o) Impact of New and Revised Accounting Standards not yet effective

There have been a number of new and amended Accounting Standards issued by the AASB that are not yet effective. The company has decided not to early adopt any of the new and amended pronouncements.

(p) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates - Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

AusBiotech Ltd
ABN 87 006 509 726
For the Year Ended 30 June 2013

Notes to the Financial Statements

	2013	2012
	\$	\$
2. Business Venture		
The marketing business venture with Aspermont Limited ended in September 2011.		
Included in total revenue of \$3,667,583 in 2012 and total expenditure of \$3,757,645		
in 2012 are the following transactions relative to the business venture		
Revenue		
Communications	-	10,069
Other	-	5,250
	<hr/>	<hr/>
	<hr/>	<hr/>
	<hr/>	<hr/>

Expenditure		
Communications	-	21,832
Subscriptions Transfer	-	8,750
	<hr/>	<hr/>
	<hr/>	<hr/>

Net Loss	-	(15,263)
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3. Employee Benefits Expense

The total amount of Employee Benefits Expense prior to part re-classification is:

	1,561,142	1,601,470
Re-classification is as follows:		
Included under Conferences	837,199	711,996
Included under Government Funded Project - NCRIS	30,394	161,496
Remaining under Employee Benefits Expense	693,549	727,978
	<hr/>	<hr/>
	<hr/>	<hr/>

4. Profit/(Loss)

Profit/(Loss) from ordinary activities before income tax expense has been determined after accounting for:

Charging as Expense		
Movement in Provisions		
Depreciation		
- Depreciation of Property, Plant and Equipment	83,726	64,985
- Scrapping of Assets due to moving Head Office	17,411	-
Net Expenses Resulting from Movement in Provisions	<hr/>	<hr/>
	<hr/>	<hr/>
Remuneration of Auditor		
- Audit & review of financial reports	23,000	20,020
	<hr/>	<hr/>
	<hr/>	<hr/>

Crediting as Income		
Interest from:		
- Other Corporations	19,594	29,398
Total Interest Revenue	<hr/>	<hr/>
	<hr/>	<hr/>

These notes should be read in conjunction with the attached Auditor's Report.

AusBiotech Ltd
ABN 87 006 509 726
For the Year Ended 30 June 2013

Notes to the Financial Statements

	2013	2012
	\$	\$
5. Cash and Cash Equivalents		
Cash at Bank	699,205	848,626
Bank guarantees (note 19)	77,480	59,540
Cash at Bank - NCRIS (note 4(a))	-	636,337
	<u>776,685</u>	<u>1,544,503</u>
 (a) Cash at Bank (National Collaborative Research Infrastructure Strategy) is a specific Government funding account for the NCRIS project		
Funds received (including bank interest)	648,337	1,953,170
Funds expended - participants and management fees	648,337	1,316,833
	<u>-</u>	<u>636,337</u>
 b) Cash at Bank (Education Investment Fund) is a specific Government funding account for the EIF project		
Funds received (including bank interest)	-	76,376
Funds expended - participants and management fees	-	76,376
	<u>-</u>	<u>-</u>
 Cash Reconciliation		
Cash and Cash Equivalents	<u>776,685</u>	<u>1,544,503</u>
	<u>776,685</u>	<u>1,544,503</u>
 6. Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit/(Loss) after Income Tax		
Profit/(Loss) after Income Tax	46,202	(90,062)
 Adjustments for Non-Cash components in Loss:		
Depreciation	83,726	63,530
Net Loss on Disposal of Property, Plant and Equipment	17,411	1,455
 Changes in Assets and Liabilities		
(increase)/decrease in Trade and Other Receivables	(77,385)	604,277
increase/(decrease) in Trade and Other Payables	(772,380)	(1,780,167)
increase/(decrease) in Provisions	82,290	(4,692)
 Net Cash Inflow (Outflow) from Operating Activities	<u>(620,136)</u>	<u>(1,205,659)</u>

These notes should be read in conjunction with the attached Auditor's Report.

AusBiotech Ltd
ABN 87 006 509 726
For the Year Ended 30 June 2013

Notes to the Financial Statements

	2013	2012
	\$	\$
7. Liquidity Risk		
Liquidity risk is the risk that the company will encounter difficulty in meeting its financial obligations. Liquidity risk is monitored to ensure sufficient monies are available to meet the company's contractual obligations as and when they fall due. This process involves the updating of cash flow forecasts, profit forecasts and regular reviews by management and those in governance.		
8. Trade and Other Receivables		
Trade Debtors	241,246	234,465
Other Receivables	38,250	-
Total Trade and Other Receivables	279,496	234,465
The company does not have any material credit risk exposure to any single receivable or group of receivables.		
9. Deposits and Prepayments		
Deposits	28,461	63,063
Prepayments	112,592	39,213
	141,053	102,276
10. Property, Plant and Equipment		
Computer Equipment	109,680	95,870
Less Accumulated Depreciation	83,799	81,418
	25,881	14,452
Computer Systems & Software	120,578	115,078
Less Accumulated Depreciation	107,487	63,483
	13,091	51,595
Office Equipment	15,117	27,399
Less Accumulated Depreciation	10,718	23,184
	4,399	4,215
Furniture and Fittings	101,584	31,661
Less Accumulated Depreciation	11,115	14,628
	90,469	17,033
Total Plant and Equipment	133,840	87,295

These notes should be read in conjunction with the attached Auditor's Report.

AusBiotech Ltd
ABN 87 006 509 726
For the Year Ended 30 June 2013

Notes to the Financial Statements

	2013	2012
	\$	\$
11. Trade and Other Payables		
Trade Creditors	30,606	151,022
Other Creditors	36,449	28,544
Superannuation Payable	5,986	8,183
	<u>73,041</u>	<u>187,749</u>
12. Current Tax Liabilities		
GST Collected	75,820	47,674
	<u>75,820</u>	<u>47,674</u>
13. Provisions - Current Liabilities		
Provision for Annual Leave	100,935	65,432
Provision for Long Service Leave	30,031	12,244
	<u>130,966</u>	<u>77,676</u>
14. Provisions and Other - Current Liabilities (except where noted non-current)		
Prepaid Memberships / Grants / Sponsorships / Conferences (includes \$40,000 non-current in 2012)	940,262	989,743
NCRIS Prepaid Government Funds	-	480,000
NCRIS Bank Interest - No Entitlement	-	156,337
Provision for Long Service Leave (non-current)	29,000	-
	<u>969,262</u>	<u>1,626,080</u>
15. Retained Earnings		
Retained Earnings at the Beginning of the Financial Year	38,370	128,432
Net Profit/(Loss) after tax	46,202	(90,062)
Retained Earnings at the End of the Financial Year	<u>84,572</u>	<u>38,370</u>
16. Members' Guarantee		

The company is limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$4 each towards meeting any outstanding obligations of the company. The number of members is 650 (2012: 511)

AusBiotech Ltd
ABN 87 006 509 726
For the Year Ended 30 June 2013

Notes to the Financial Statements

	2013	2012
	\$	\$
17. Key Management Personnel		
Directors' remuneration		
There is no income and benefits received or due and receivable by directors of the company other than the CEO who must be a director under the Constitution. The income and benefits received or due and receivable by key management of the company (inclusive of CEO), and including insurance premiums to indemnify liabilities are:		
Total Compensation		
Short term benefits	667,160	648,248
Other long term benefits	92,248	26,582
Total	759,408	674,830
18. Auditor's Remuneration		
Proctor Major & Co Pty Ltd were the auditors of AusBiotech Ltd		
Audit and review of financial reports	23,000	20,020
	23,000	20,020
19. Contingent Liabilities		
Bank guarantee in favour of third party for future conference	23,480	23,480
Bank guarantee in favour of third party for rental of premises	54,000	36,060
	77,480	59,540
20. Company Details		
The registered Office of the company is:		
AusBiotech Ltd Level 4, 627 Chapel St, South Yarra, Victoria, 3141		
The principal place of business is:		
AusBiotech Ltd Level 4, 627 Chapel St, South Yarra, Victoria, 3141		

These notes should be read in conjunction with the attached Auditor's Report.

**AusBiotech Ltd
ABN 87 006 509 726
For the Year Ended 30th June 2013**

Directors Declaration

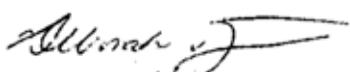
The Directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 19, are in accordance with the *Corporations Act 2001*:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the entity.
2. In the Directors' opinion 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:



Mr Peter Turvey
Director



Dr Deborah Rathjen
Director

Dated this 3rd day of October 2013

**AusBiotech Ltd
ABN 87 006 509 726
For the Year Ended 30 June 2013**

**Auditor's Independence Declaration
Under Section 307C of the Corporations Act 2001**

To the Directors of AusBiotech Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of AusBiotech Ltd for the year ended 30 June 2013 there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



Kevin Frederick Proctor – Registered Company Auditor
Proctor Major & Co Pty Ltd
164 Waverley Road, Malvern East VIC 3145

Dated this 2nd day of October 2013

AusBiotech Ltd
ABN 87 006 509 726
Independent Audit Report
to the Members of
AusBiotech Ltd

Report on the Financial Report

We have audited the accompanying financial report, being a general purpose financial report of AusBiotech Ltd (the company), which comprises the Statement of Financial Position as at 30th June, 2013 and the Statement of Profit and Loss and Comprehensive income, Statement of Changes in Equity, and Statement of Cash Flows for the year ended on that date, a Summary of Significant Accounting Policies and other explanatory notes and the Directors' Declaration.

Directors' Responsibility for the Financial Report

The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Opinion

In our opinion the financial report of AusBiotech Limited is in accordance with the Corporations Act 2001, including:

- i. Giving a true and fair view of the company's financial position as at 30th June, 2013 and of its performance for the year ended on that date; and
- ii. Complying with the Australian Accounting Standards and the Corporations Regulations 2001.


 Kevin Frederick Proctor
 Registered Company Auditor
 Proctor Major & Co Pty Ltd
 164 Waverley Rd, East Malvern, VIC, 3145
 Dated this 4th day of October 2013

AUSBIOTECH STAFF AND OFFICE BEARERS

As at 30 June 2013

Chief Executive Officer

Chief Operating Officer

Executive Assistant

Media & Communications Manager

Investment Program Manager

Member Services Manager

National Manager: Programs

Events Manager

Events Manager

Event Coordinator

Finance Assistant

Company Secretary

Web and Data Administrator

AP/NSW Representative

Dr Anna Lavelle Tel: (03) 9828 1400; Email: alavelle@ausbiotech.org

Mr Glenn Cross Tel: (03) 9828 1402; Email: gcross@ausbiotech.org

Ms Jo Beamsley Tel: (03) 9828 1404; Email: jbeamsley@ausbiotech.org

Ms Lorraine Chiroiu Tel: (03) 9828 1414; Email: lchiroiu@ausbiotech.org

Ms Hayley Laing Tel: (03) 9828 1435; Email: hlaing@ausbiotech.org

Ms Tanya Daw Tel: (03) 9828 1431; Email: tdaw@ausbiotech.org

Ms Alina Tooley Tel: (03) 9828 1425; Email: atooley@ausbiotech.org

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Mr Richard Alderson Tel: (03) 9828 1400; Email: ralderson@ausbiotech.org

Ms Harshini Bellana Tel: (03) 9828 1432; Email: hbellana@ausbiotech.org

Mr Stephen Pattillo Tel: 0412 709 800; Email: stephenpattillo@bigpond.com

BRANCH Chairs



NSW Branch

Ms Amanda Turnill (Baker and McKenzie)
Email: amanda.turnill@bakermckenzie.com



QLD Branch

Dr Ryan Parlett (Deloitte)
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SA Branch

Dr Andrew Milligan (BioSA)
Email: andrew.milligan@bioinnovationsa.com.au



VIC Branch

Vacant



TAS Branch

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WA Branch

Mr Brian Leedman (pSivida Corp)
Email: bleedman@psivida.com

ADVISORY GROUPS



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Email: derek@agritechnology.com.au



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