CELLMID LIMITED

ABN 69 111 304 119

ASX APPENDIX 4D
RESULTS FOR ANNOUNCEMENT TO THE MARKET
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

Name of Entity	Cellmid Limited
ABN	69 111 304 119
Half year ended	31 December 2015
Previous corresponding period	31 December 2014

The following information should be read in conjunction with both the Financial Report for the year ended 30 June 2015 and the Interim Financial Report for the half year ended 31 December 2015 and the attached auditors' review report.

This Appendix 4D is prepared in accordance with ASX Listing Rule 4.2A.3.

Financial Results

				31 Dec 2015 $
Revenue from ordinary activities for the period	Up	103%	To	$1,393,643
Loss from ordinary activities after tax for the period attributable to members	Up	72.79%	To	($1,728,141)
Net Loss after tax for the period attributable to members	Up	72.79%	To	($1,728,141)

No interim dividend was paid and it is not proposed to pay any dividends.

Net Tangible Assets

	Current Period 31 Dec 2015	Previous Period 31 Dec 2014
Net tangible assets per ordinary share	0.43 cents	0.50 cents

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ASX APPENDIX 4D
RESULTS FOR ANNOUNCEMENT TO THE MARKET
FOR THE HALF YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

The company did not gain or lose control over any entities during the half year period.

REVIEW OF OPERATIONS

Revenue for the Consolidated Entity increased by 103% to $1,393,643 for the six months ending 31 December 2015 (31 December 2014: $685,183). The Consolidated Entity incurred an after tax loss attributed to members of $1,728,141 for the half year ending 31 December 2015 (31 December 2014: loss of $1,000,119), however has continued to make significant progress in all key business divisions (Midkine Business and Consumer Health Business) as follows:

MIDKINE BUSINESS

DIAGNOSTICS

Bladder cancer license – Pacific Edge Biotechnology Limited

The Consolidated Entity licensed its cancer diagnostic patents to Pacific Edge Biotechnology Limited ("Pacific Edge") in 2010 for the use in their bladder cancer diagnostic test. The test was launched in Australia and New Zealand in 2012 and Pacific Edge reported on the opening of their USA based laboratory in September 2012. Cxbladder® was launched in the USA in March 2013 after Pacific Edge received their CLIA certification for its laboratories.

During the half year ended 31 December 2015 Pacific Edge paid to the Consolidated Entity $61,660 in royalties in relation to their license and during the half year announced the release of Cxbladder® Monitor, its third new product in a suite of tests for the detection and management of bladder cancer.

The introduction of Cxbladder® Monitor rounds out the Cxbladder® family of products with a one-stop-shop solution from preliminary evaluation of haematuria to diagnosis and monitoring. Within the urological evaluation universe Cxbladder tests represent an adjunct to cystoscopy and provide additional tools for clinicians to make diagnosis and post-treatment surveillance for recurrence of bladder cancer more efficient and cost effective.

The new Cxbladder® Monitor is now available in New Zealand and will be launched in other markets progressively over 2016 and 2017, starting with the USA later in 2016.

Diagnostic license in Japan – Fujikura Kasei Co. Ltd

In February 2013 the Consolidated Entity signed an Option to License Agreement with Fujikura Kasei Co. Ltd ("Fujikura") for the use of its midkine (MK) antibodies in Fujikura's latex diagnostic platform and for the use of a MK diagnostic test for the early diagnosis of cancer in Japan only. In July 2013 Fujikura decided to exercise the option to license the Consolidated Entity's technology and paid a license fee of AUD$440,000.

During the half year ended 31 December 2015 Fujikura continued its clinical validation of the latex MK diagnostic test in collaboration with clinical facilities securing the requisite tissue selection.

Lung cancer diagnostic test - Celera-Quest license

The Consolidated Entity signed a license agreement with Celera-Quest in 2009 enabling Celera-Quest to use MK as one of six biomarkers in their test for the early diagnosis, prognosis and disease management of lung cancer.

The Consolidated Entity received an upfront payment at the time of signing, and a milestone payment will become payable by Celera-Quest at the time of regulatory clearance. In addition to the license and milestone fee the Agreement also provides for the payment of royalties on sales made by Celera-Quest.

On their latest report Celera-Quest advised that they continue to work diligently towards the launch of a lung cancer diagnostic test which includes MK.

The Consolidated Entity has the right, since 31 October 2014, to make the license non-exclusive to Celera-Quest. The Consolidated Entity did not receive a report from Celera-Quest and did not elect to make the license non-exclusive during the reporting period.

MK diagnostic collaborations with third parties

During the half year ended 31 December 2015 the Consolidated Entity continued to pursue several ongoing collaborations for the development of screening, prognostic or companion diagnostic products in multiple cancer indications.

MK diagnostic projects in-house

The Consolidated Entity's MK diagnostic projects have continued to deliver valuable human data in cancer, kidney disease and exercise physiology during the half year validating therapeutic and diagnostic collaborations and presenting new license opportunities.

THERAPEUTICS

Therapeutic Antibody Program

The Consolidated Entity completed pre-clinical validation of its MK antibodies in 2013 with several of its studies showing efficacy in cancer using pre-clinical animal models of the disease. The MK antibodies showed a reduction in angiogenesis, tumour growth and metastasis in various solid tumour types in the studies conducted in 2013. Subsequently, the Consolidated Entity generated humanised antibody candidates and selected its lead MK antibody drug (CAB102).

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ASX APPENDIX 4D
RESULTS FOR ANNOUNCEMENT TO THE MARKET
FOR THE HALF YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

During the half year ended 31 December 2015 the Consolidated Entity completed the CAB102 cell line development which yielded a substantial amount of GMP-like drug product suitable for further pre-clinical and toxicity testing. In addition, stability testing of the CAB102 drug product was also completed.

A preclinical collaboration with Complutense University of Madrid, Spain commenced with *in vitro* studies, testing multiple combinations of CAB102 with and without other agents on glioblastoma cell cultures.

Assay development for the planned human clinical studies continued during the reporting period following the results of the single dose toxicity studies.

PATENTS

The Consolidated Entity has been granted key patents during the half-year including the Japanese patent *"Method of treatment or prevention of hair loss or for the enhancement of hair growth"* and the European patent *"Method for treatment or prevention of diseases associated with a functional disorder of regulatory T cells"*.

The European patent is a member of a key patent family in Cellmid's MK inhibitor patent portfolio and includes MK antibodies, antisense RNA and dsRNA against MK. The patent adds an important layer of intellectual property protection to Cellmid's MK inhibitor programmes and importantly, it forms the basis for the commercial development of Cellmid's MK antibodies in autoimmune disease indications.

The Japanese patent protects the use of midkine and the closely related protein pleiotrophin for use as hair loss and/or hair growth treatments. It covers topical formulations of all kinds including shampoos, conditioners, creams and lotions with protection until 2031. The patent adds to the already considerable intellectual property assets of the Consolidated Entity's Consumer Health Business and its FGF5 inhibiting technologies, cell based assays, formulations and brands.

CONSUMER HEALTH BUSINESS

The Consolidated Entity's Consumer Health business has been set up to exploit its MK intellectual property for hair growth, as well as to develop, manufacture and sell additional products aimed at the hair health market.

In mid-2013 the Consolidated Entity acquired a range of FGF5 inhibitor hair growth products, commenced GMP manufacture in Australia and listed important therapeutic claims with the TGA (Therapeutic Goods Administration). In July 2014 a breakthrough scientific study was published in the Proceedings of the National Academy of Sciences (PNAS), one of the most

prestigious journals internationally, validating the Consolidated Entity's technology, FGF5, as a key regulator of hair growth in humans.

During the half-year ended 31 December 2015 the Consolidated Entity sold products largely to pharmacies, hair salons and through direct distributors and received a total revenue of $1,284,970 (31 December 2014: $599,291).

The Consolidated Entity has continued to implement its business development, marketing and advertising initiatives globally and anticipates that these initiatives will drive revenue growth throughout 2016.

In Australia, a comprehensive twelve month national marketing and advertising campaign was launched in September 2015 using a combination of media including TV, print, social and digital advertising. The first stage, *Long Live Hair*, involved a number of brand building activities which concluded in November 2015. The second stage, *12-week Challenge to your Best Hair* was launched in mid-December 2015 with strong social and digital content to drive sales in pharmacies and on product websites.

Pharmacy distribution has increased to reach 997 stores with recruitment to the pharmacy sales team underway in order to maximise the impact of the advertising campaign.

A new évolis® branded **professional** salon range has been developed with the launch planned for June 2016. Manufacture has commenced and the range will be positioned as anti-aging hair care using antioxidant natural extracts to enhance performance, in addition to the FGF5 inhibitors. The salon range is expected to contribute significantly to the Company's sales once fully operational.

Sales in Japan remain strong and were largely supported through an advertising campaign with QVC, the television shopping channel, and the consistent performance within the salon market. Further campaigns with QVC are planned throughout 2016.

An évolis® concept store is planned for Tokyo with a launch expected in late 2016. The high-tech concept store will introduce the évolis® brand into the Japanese market, and emphasise the qualities associated with Australian products; pristine origin, performance and functionality.

Negotiations are ongoing with several pharma and distribution companies for the selling of évolis® branded, Australian manufactured products in China. Regulatory filings for the évolis® branded lotions and shampoos have been completed with the SFDA (Chinese Food and Drug Administration) for the two-stage application process. Products for regulatory testing have been shipped and, once approved, the import permit applications will be activated.

Plans to enter the USA market continue with regulatory and trademark filings for évolis® branded products completed. Manufacturing and distribution plans are well advanced and expected to be completed during 2016.

CELLMID LIMITED

ABN 69 111 304 119

ASX APPENDIX 4D
RESULTS FOR ANNOUNCEMENT TO THE MARKET
FOR THE HALF YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

The accounts have been subject to review. The accounts presented are not subject to any audit dispute or qualification.

CELLMID LIMITED

ACN 111 304 119

Interim Financial Report

For the Half-Year Ended 31 December 2015

CELLMID LIMITED

ACN 111 304 119

Interim Financial Report Contents

For the Half-Year Ended 31 December 2015

CELLMID LIMITED
ACN 111 304 119

Directors' Report
For the Half-Year Ended 31 December 2015

The Directors present their report, together with the interim financial statements of Cellmid Limited and controlled entities ("the Consolidated Entity") for the half-year ended 31 December 2015.

DIRECTORS

The names of the Directors in office at any time during, or since the end of, the half-year are:

Dr David King	Appointed 18 January 2008
Ms Maria Halasz	Appointed 19 November 2007
Mr Bruce Gordon	Appointed 1 July 2015
Dr Fintan Walton	Appointed 21 July 2015

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

The principal activities of the Consolidated Entity during the half-year were:

- The development and commercialisation of diagnostic and therapeutic products for the management of diseases such as cancer and various chronic inflammatory conditions by targeting midkine, (Midkine Business); and

- The development and sale of over-the-counter (OTC) treatments to alleviate excessive and abnormal hair loss and re-establish the natural hair growth cycle (Consumer Health Business).

OPERATING RESULTS AND REVIEW OF OPERATIONS

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CAPITAL RAISING

During the half-year the Consolidated Entity successfully raised $4M through a private placement and issued 133,333,333 shares at 3 cents each to sophisticated investors.

EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the half-year, which significantly affected or could significantly affect

the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2015 is set out on page 5 of the interim consolidated financial report.

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

Director: .....
Dr David King

Dated this 25th day of February 2016

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Level 11, 1 Margaret St
Sydney NSW 2000

Australia

DECLARATION OF INDEPENDENCE BY GARETH FEW TO THE DIRECTORS OF CELLMID LIMITED

As lead auditor for the review of Cellmid Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Cellmid Limited and the entities it controlled during the period.

Gareth Few
Partner

Sydney, 25 February 2016

CELLMID LIMITED

ACN 111 304 119

Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2015

	Note	Half-Year 31 December 2015 $	Half-Year 31 December 2014 $
Revenue	3	1,393,643	685,183
Other income	3	1,155,452	1,009,431
Less Expenditure			
Manufacturing sales expense		(466,932)	(178,381)
Advertising and marketing expense		(1,638,806)	(76,315)
Bad debt expense		(6,880)	(1,536)
Communication expense		(55,587)	(53,584)
Conferences and meetings expense		(44,158)	(28,731)
Consultancy expense		(136,894)	(94,788)
Depreciation and amortisation expense		(77,544)	(59,410)
Employee benefits expense		(985,057)	(1,085,646)
Finance costs		(80,110)	(5,283)
Occupancy expense		(108,460)	(103,427)
Professional fees expense		(117,490)	(108,024)
Research and development expense		(196,898)	(447,686)
Share-based compensation		(40,385)	(75,646)
Subscriptions expense		(55,928)	(61,914)
Travel expenses		(109,446)	(115,826)
Other expenses		(148,007)	(198,537)
Loss before income tax		(1,719,487)	(1,000,119)
Income tax expense		(8,654)	-
Loss for the half-year after income tax		(1,728,141)	(1,000,119)
Other comprehensive income, net of income tax			
Items that will be reclassified to profit or loss when specific conditions are met			
Exchange differences on translating foreign controlled entities		137,254	1,994
Total comprehensive income for the half-year		(1,590,887)	(998,125)
Loss for the half-year is attributable to:			
Owners of Cellmid Limited		(1,728,141)	(1,000,119)
		(1,728,141)	(1,000,119)
Total comprehensive income for the half-year attributable to:			
Owners of Cellmid Limited		(1,590,887)	(998,125)
		(1,590,887)	(998,125)
Earnings per share for loss attributable to the owners of Cellmid Limited			
Basic earnings per share (cents)		(0.19)	(0.14)
Diluted earnings per share (cents)		(0.19)	(0.14)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CELLMID LIMITED

ACN 111 304 119

Statement of Financial Position

As at 31 December 2015

	Note	31 December 2015 $	30 June 2015 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		4,524,638	1,582,899
Trade and other receivables		429,905	618,647
Inventories		1,715,214	1,727,460
Other assets		220,931	244,610
TOTAL CURRENT ASSETS		6,890,688	4,173,616
NON-CURRENT ASSETS			
Plant and equipment		73,756	74,989
Intangible assets		1,975,438	1,898,942
TOTAL NON-CURRENT ASSETS		2,049,194	1,973,931
TOTAL ASSETS		**8,939,882**	**6,147,547**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		1,427,344	1,004,343
Employee benefits		180,529	206,836
Loans and borrowings		1,050,941	1,070,639
TOTAL CURRENT LIABILITIES		2,658,814	2,281,818
NON-CURRENT LIABILITIES			
Employee benefits		56,008	62,549
Loans and borrowings		251,560	29,271
TOTAL NON-CURRENT LIABILITIES		307,568	91,820
TOTAL LIABILITIES		**2,966,382**	**2,373,638**
NET ASSETS		**5,973,500**	**3,773,909**
EQUITY			
Issued capital	4	32,426,826	28,701,311
Reserves		2,055,474	1,853,257
Accumulated losses		(28,508,800)	(26,780,659)
TOTAL EQUITY		**5,973,500**	**3,773,909**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

CELLMID LIMITED

ACN 111 304 119

Statement of Changes in Equity

For the Half-Year Ended 31 December 2015

	Issued capital $	Share-based payments reserve $	Acquisition reserve $	Foreign exchange reserve $	Accumulated losses $	Total Equity $
Balance at 1 July 2015	28,701,311	1,860,777	(131,941)	124,421	(26,780,659)	3,773,909
Loss for the half-year after income tax	-	-	-	-	(1,728,141)	(1,728,141)
Other comprehensive income	-	-	-	137,254	-	137,254
Total comprehensive income for the half-year, net of tax	**-**	**-**	**-**	**137,254**	**(1,728,141)**	**(1,590,887)**
Transactions with equity holders						
Shares issued during the half-year - private placement, net of transaction costs	3,725,515	-	-	-	-	3,725,515
Share-based payment expense for the half-year	-	40,385	-	-	-	40,385
Equity value of loan	-	24,578	-	-	-	24,578
Balance at 31 December 2015	**32,426,826**	**1,925,740**	**(131,941)**	**261,675**	**(28,508,800)**	**5,973,500**

	Issued capital $	Share-based payments reserve $	Acquisition reserve $	Foreign exchange reserve $	Accumulated losses $	Total Equity $
Balance at 1 July 2014	27,401,832	1,801,787	(131,941)	35,359	(23,443,311)	5,663,726
Loss for the half-year after income tax	-	-	-	-	(1,000,119)	(1,000,119)
Other comprehensive income	-	-	-	1,994	-	1,994
Total comprehensive income for the half-year, net of tax	**-**	**-**	**-**	**1,994**	**(1,000,119)**	**(998,125)**
Transactions with equity holders						
Shares issued during the half-year - private placement, net of transaction costs	1,177,093	-	-	-	-	1,177,093
Shares issued under share-based payment arrangements	53,091	(53,091)	-	-	-	-
Share-based payment expense for the half-year	-	75,646	-	-	-	75,646
Balance at 31 December 2014	**28,632,016**	**1,824,342**	**(131,941)**	**37,353**	**(24,443,430)**	**5,918,340**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CELLMID LIMITED

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Statement of Cash Flows

For the Half-Year Ended 31 December 2015

	Half-Year 31 December 2015 $	Half-Year 31 December 2014 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,682,874	515,498
Payments to suppliers and employees	(3,826,937)	(2,497,338)
Interest received	21,744	17,552
Finance costs	(4,493)	(5,283)
Grant income	1,121,562	988,380
Net cash used by operating activities	(1,005,250)	(981,191)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non-current assets	(9,740)	(7,003)
Net cash used by investing activities	(9,740)	(7,003)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares (net of transaction costs)	3,725,515	1,177,093
Proceeds from loans and borrowings	227,800	-
Repayment of loans and borrowings	(8,386)	-
Net cash provided by financing activities	3,944,929	1,177,093
Net increase in cash and cash equivalents held	2,929,939	188,899
Cash and cash equivalents at the beginning of the half-year	1,582,899	2,501,753
Effect of exchange rate changes	11,800	(1,241)
Cash and cash equivalents at the end of the half-year	4,524,638	2,689,411

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements
For the Half-Year Ended 31 December 2015

Note 1 Summary of significant accounting policies

Basis of preparation

This general purpose interim financial report for the half-year ended 31 December 2015 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard *AASB 134*: Interim Financial Reporting, as appropriate for for-profit oriented entities. Compliance with *AASB 134*: Interim Financial Reporting ensures compliance with International Financial Reporting *Standard IAS 34: Interim Financial Reporting*.

This interim financial report is intended to provide users with an update on the latest annual financial report of Cellmid Limited ("the Company") and controlled entities ("the Consolidated Entity"). As such it does not contain information that represents relatively insignificant changes occurring during the half-year within the Consolidated Entity. This interim financial report does not include all the notes normally included in an annual financial report. Accordingly, this interim financial report is to be read in conjunction with the annual financial report of the Consolidated Entity for the year ended 30 June 2015, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial report, unless otherwise stated.

New, revised or amending Accounting Standards or Interpretations adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) that are mandatory for the half-year.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The Directors have prepared the interim financial report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. Based on anticipated levels of operational cash flow, the Consolidated Entity has sufficient cash to fund current operations for at least one year from the date the Directors approved the interim financial report for release to the members of the Company.

Notes to the Financial Statements
For the Half-Year Ended 31 December 2015

Note 2 Operating segments

Identification of reporting segments

The Consolidated Entity is organised into two operating segments: (1) research and development of diagnostics and therapeutics; and (2) research, development and marketing of hair growth products.

These operating segments are based on the internal reports that are reviewed and used by the Board of Directors who are identified as the Chief Operating Decision Makers ("CODM"), in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews both adjusted earnings before interest, tax, depreciation and amortisation (segment result) and profit before income tax.

Types of products and services

The principal products and services of each of these operating segments are as follows:

(1) Midkine Diagnostic and Therapeutic (Midkine Business)

- Midkine diagnostics and therapeutics for cancer and inflammatory conditions.

(2) Research, Development and Marketing of Hair Growth Products (Consumer Health Business)

- Research, development and marketing of hair growth products.

Geographical segment information

The primary geographic segment within which the Consolidated Entity operates is Australia at 31 December 2015. For primary reporting purposes, the Consolidated Entity operates in two geographical segments, Australia and Japan at 31 December 2015.

Segment performance

31 December 2015	Midkine $ Australia	Consumer Health $ Australia	Consumer Health $ Japan	Consolidated $
Revenue				
Consumer health and product sales to external customers	68,716	266,268	949,986	**1,284,970**
Total				
Interest received	21,602	131	11	**21,744**
Royalties and licences	86,848	-	-	**86,848**
Other revenue	-	-	81	**81**
Total revenue	**177,166**	**266,399**	**950,078**	**1,393,643**
Other income				
Government grant received	1,121,562	-	-	**1,121,562**
Net gain in foreign exchange	7,257	-	26,633	**33,890**
Expenses				
Share based compensation	(40,385)	-	-	**(40,385)**
Depreciation and amortisation	(8,237)	(1,299)	(68,008)	**(77,544)**
Finance costs	(77,553)	(454)	(2,103)	**(80,110)**
Other expenses	(1,170,970)	(1,974,366)	(925,207)	**(4,070,543)**
Profit / (Loss) before income tax	**8,840**	**(1,709,720)**	**(18,607)**	**(1,719,487)**
Income tax expense	-	-	(8,654)	**(8,654)**
Loss after income tax	**8,840**	**(1,709,720)**	**(27,261)**	**(1,728,141)**

Note 2 Operating segments (continued)

Segment assets and liabilities

31 December 2015	Midkine $ Australia	Consumer Health $ Australia	Consumer Health $ Japan	Consolidated $
Assets				
Segment assets	5,372,313	632,715	2,934,854	**8,939,882**
Liabilities				
Segment liabilities	(1,589,926)	(889,450)	(487,006)	**(2,966,382)**

Segment performance

31 December 2014	Midkine $ Australia	Consumer Health $ Australia	Consumer Health $ Japan	Consolidated $
Revenue				
Consumer health and product sales to external customers	16,707	175,575	407,009	**599,291**
Total				
Interest received	17,542	-	10	**17,552**
Royalties and licences	18,040	-	-	**18,040**
Option fee	50,000	-	-	**50,000**
Other revenue	300	-	-	**300**
Total revenue	**102,589**	**175,575**	**407,019**	**685,183**
Other income				
Government grant received	988,380	-	-	**988,380**
Net gain in foreign exchange	20,471	138	442	**21,051**
Expenses				
Share based compensation	(75,646)	-	-	**(75,646)**
Depreciation and amortisation	(7,398)	(24)	(51,988)	**(59,410)**
Finance costs	(5,011)	-	(272)	**(5,283)**
Other expenses	(1,425,013)	(499,481)	(629,900)	**(2,554,394)**
Loss before income tax	**(401,628)**	**(323,792)**	**(274,699)**	**(1,000,119)**
Income tax expense	-	-	-	**-**
Loss after income tax	**(401,628)**	**(323,792)**	**(274,699)**	**(1,000,119)**

Segment assets and liabilities

31 December 2014	Midkine $ Australia	Consumer Health $ Australia	Consumer Health $ Japan	Consolidated $
Assets				
Segment assets	3,736,226	443,450	2,460,783	**6,640,459**
Liabilities				
Segment liabilities	(507,882)	(96,874)	(117,363)	**(722,119)**

Notes to the Financial Statements
For the Half-Year Ended 31 December 2015

Note 3 Revenue and other income

	Half-Year 31 December 2015 $	Half-Year 31 December 2014 $
Revenue		
Consumer health and sale of products	1,284,970	599,291
Other revenue		
Interest received	21,744	17,552
Licence fees and royalties	86,848	68,040
Other revenue	81	300
	108,673	85,892
Total revenue	1,393,643	685,183
Other income		
Grant income	1,121,562	988,380
Net gain in foreign exchange	33,890	21,051
Total other income	1,155,452	1,009,431

Note 4 Issued capital

	31 December 2015 No.	30 June 2015 No.	31 December 2015 $	30 June 2015 $
(a) Ordinary shares				
At the beginning of the year	795,167,175	735,585,702	28,069,050	26,769,571
Shares issued	133,333,333	59,581,473	4,000,000	1,382,700
Capital raising costs			(274,485)	(83,221)
	928,500,508	795,167,175	31,794,565	28,069,050
(b) Listed Options				
At the beginning of the year	290,542,770	290,542,770	632,261	632,261
Options issued	-	-	-	-
Options lapsed	-	-	-	-
	290,542,770	290,542,770	632,261	632,261
			32,426,826	28,701,311

Note 5 Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries.

Name	Country of Incorporation	Percentage Owned (%) 2015	Percentage Owned (%) 2014
Subsidiaries of Cellmid Limited:			
Advangen Limited	Australia	100	100
Advangen International Pty Ltd	Australia	-	100
Advangen Incorporated	Japan	-	100
Subsidiaries of Advangen Limited:			
Advangen International Pty Ltd	Australia	100	-
Advangen Incorporated	Japan	100	-

Note 6 Contingent assets and Contingent Liabilities

In the opinion of the Directors, neither the Consolidated Entity nor the Company have any contingent assets or contingent liabilities at 31 December 2015 (30 June 2015: $NIL).

Note 7 Events occurring after the reporting date

No matters or circumstances have arisen since the end of the half year, which significantly affected or could significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

CELLMID LIMITED

ACN 111 304 119

Directors' Declaration

For the Half-Year Ended 31 December 2015

In the Directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5) (a) of the Corporations Act 2001.

On behalf of the Directors

.....
Dr David King
Director

Dated this 25th day of February 2016

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Fax: +61 2 9240 9821
www.bdo.com.au

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Sydney NSW 2000

Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Cellmid Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Cellmid Limited, which comprises the statement of financial position as at 31 December 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cellmid Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of Cellmid Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

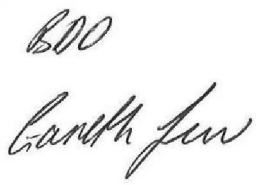
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cellmid Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

BDO East Coast Partnership



Gareth Few
Partner

Sydney, 25 February 2016