

Appendix 4D

Half-Year Consolidated Financial Report

Introduced 1/1/2003.

Name of Entity	OBJ LIMITED
ABN	72 056 482 636
Financial Period Ended	31 DECEMBER 2012
Previous Corresponding Reporting Period	31 DECEMBER 2011

Results for Announcement to the Market

	\$'000	Percentage increase /(decrease) over previous corresponding period
Revenue	106	Down 71%
Loss for the period	(1,011)	Up 43%
Loss attributable to members of the parent entity	(1,011)	Up 43%
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous corresponding period *	Nil	Nil
Record date for determining entitlements to the dividends (if any)	N/A	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
Refer to the Review of Operations section of the Directors' Report included in Attachment 1.		

The half-year consolidated financial report is to be read in conjunction with the most recent annual financial report.

Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.002	\$0.003

Other Significant Information Needed by an Investor to Make an Informed Assessment of the Entity's Financial Performance and Financial Position

Refer to the Review of Operations section of the Directors' Report included in Attachment 1.

Commentary on the Results for the Period

The earnings per security and the nature of any dilution aspects :

Refer to the Statement of Profit or Loss and Other Comprehensive Income in Attachment 1.

Returns to shareholders including distributions and buy backs :

N/A

Significant features of operating performance :

Refer to the Review of Operations section of the Directors' Report included in Attachment 1.

The results of segments that are significant to an understanding of the business as a whole:

Refer to the Review of Operations section of the Directors' Report included in Attachment 1.

Discussion of trends in performance :

Refer to the Review of Operations section of the Directors' Report included in Attachment 1.

Any other factor which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified:

N/A

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control gained	N/A
Consolidated profit / (loss) from ordinary activities since the date in the current period on which control was acquired	N/A
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control lost	N/A
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control ('\$000)	N/A
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period ('\$000)	N/A

Details of Associates and Joint Venture Entities

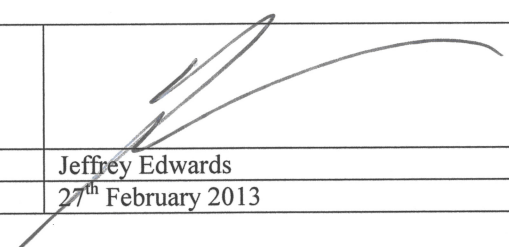
Name of Entity	Percentage Held		Share of Net Profit	
	Current Period	Previous Period	Current Period	Previous Period
N/A				
Aggregate Share of Net Profits				

Audit/Review Status

This half-year consolidated financial report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: <p style="text-align: center;">N/A</p>			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: <p style="text-align: center;">N/A</p>			

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	Interim Consolidated Financial Report

Signed By (Director)	
Print Name	Jeffrey Edwards
Date	27 th February 2013

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OBJ LIMITED
A.B.N. 72 056 482 636

DIRECTOR'S REPORT

The directors present their consolidated financial statements on the results of OBJ Limited and its controlled entities for the financial half-year ended 31 December 2012.

Directors

The names of directors in office at any time during or since the end of the period are:

Mr Glyn Gregory Horne Denison
Mr Jeffrey David Edwards
Dr Christopher John Quirk

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

Review of Operations

The following provides an update on the technical and commercial progress of the Company for the half-year ended 31 December 2012.

The major focus for the period involved the progression of a number of the Company's International Partnering relationships from technology development and evaluation to consumer focused clinical efficacy trials.

The Company's developments in the musculoskeletal patch area progressed with continued strong consumer research results and further refinement of the Company's propriety formulations technologies.

Highlights

Proctor & Gamble

During the period, The Procter and Gamble Company (P&G) committed to two separate human clinical trials following successful pre-clinical developments conducted as part of the Joint Development Agreement (JDA). A number of consumer focused devices containing the OBJ FIM technology were developed and fabricated in preparation for the consumer efficacy studies to be conducted by P&G during 2013.

GlaxoSmithKline

During the period, the Company's work with GlaxoSmithKline progressed with the successful completion of a number of evaluations and developments in the Oral Healthcare field.

International Collaborations

International collaborations during the period included the successful completion of initial evaluations for the delivery of a widely used topical analgesic compound on behalf of a major international pharmaceutical company.

Discussions with a global Top 10 Cosmetic company continued. Those discussions have now advanced to programs of evaluation using the Company's proprietary *eSkin* delivery technology.

OBJ LIMITED
A.B.N. 72 056 482 636

DIRECTOR'S REPORT (*continued*)

Review of Operations (*continued*)

Own Products Group

OBJ's Own Products Group expanded during the period with the appointment of a full time Development Manager to co-ordinate the expanding programs.

Prototype development and testing is advancing and initial encouraging results have been achieved by the Company's new proprietary formulation.

Outlook

The Company continues to make strong progress with all of its partnering activities some of which have reached the clinical trial stage. Work will continue with other partners and in attracting potential new partners in adopting the OBJ technologies within their product ranges.

In parallel, the OBJ team is well advanced in its evaluation, testing and development with the first application of its own product aimed at a particular muscular skeletal patch.

Auditor's Independence Declaration

In accordance with the Audit Independence requirements of the Corporations Act 2001, the directors have received and are satisfied with the "Audit Independence Declaration" provided by OBJ Limited external auditors RSM Bird Cameron Partners. The Audit Independence Declaration is set out on page 8 of this half-year consolidated financial report.

Signed in accordance with a resolution of the board of directors.



Jeffrey Edwards
Director

Dated this 27th day of February 2013

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of OBJ Limited for the half-year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM Bird Cameron Partners
RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 27 December 2013

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	31 Dec. 2012 \$	31 Dec. 2011 \$
Revenue	106,034	368,809
Net foreign exchange (losses)/ gains	(6,741)	--
Borrowing costs	(9,506)	(9,500)
Depreciation expenses	(11,768)	(11,089)
Administration fees	(63,865)	(73,050)
Auditor's remuneration	(9,000)	(8,500)
Consultants and consultants benefits expenses	(366,845)	(436,103)
Directors' and employees benefits expenses	(395,242)	(323,925)
Insurance	(10,667)	(11,813)
Legal costs	(3,637)	(8,906)
Materials and requisites	(9,638)	(8,571)
Occupancy expenses	(40,114)	(37,994)
Patent fees	(58,305)	(36,440)
Share register maintenance	(39,867)	(40,078)
Travel and accommodation	(51,739)	(40,816)
Other expenses	(40,596)	(29,008)
Loss before income tax	(1,011,496)	(706,984)
Income tax	--	--
Loss for the period	(1,011,496)	(706,984)
Other comprehensive income	--	--
Total comprehensive loss for the period	(1,011,496)	(706,984)
Loss attributable to:		
Members of the parent entity	(1,011,496)	(706,984)
Basic and diluted losses per share (cents per share)	(0.09)	(0.06)

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012**

	Note	31 Dec. 2012 \$	30 Jun. 2012 \$
CURRENT ASSETS			
Cash and cash equivalents		2,558,933	3,561,916
Trade and other receivables		92,299	95,547
TOTAL CURRENT ASSETS		<u>2,651,232</u>	<u>3,657,463</u>
NON CURRENT ASSETS			
Plant and equipment		108,555	67,294
TOTAL NON CURRENT ASSETS		<u>108,555</u>	<u>67,294</u>
TOTAL ASSETS		<u>2,759,787</u>	<u>3,724,757</u>
CURRENT LIABILITIES			
Trade and other payables		186,189	233,410
Interest bearing liabilities		190,000	190,000
TOTAL CURRENT LIABILITIES		<u>376,189</u>	<u>423,410</u>
TOTAL LIABILITIES		<u>376,189</u>	<u>423,410</u>
NET ASSETS		<u>2,383,598</u>	<u>3,301,347</u>
EQUITY			
Issued capital	2	20,130,685	20,127,485
Reserves	3	1,578,482	1,487,935
Accumulated losses		(19,325,569)	(18,314,073)
TOTAL EQUITY		<u>2,383,598</u>	<u>3,301,347</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	Ordinary Share Capital	Share Based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2011	20,108,976	1,277,174	(16,902,631)	4,483,519
Total comprehensive loss for the period	--	--	(706,984)	(706,984)
Performance rights expensed during the period	--	35,730	--	35,730
Transaction costs	--	--	--	--
Balance at 31 December 2011	20,108,976	1,312,904	(17,609,615)	3,812,265
Balance at 1 July 2012	20,127,485	1,487,935	(18,314,073)	3,301,347
Total comprehensive loss for the period	--	--	(1,011,496)	(1,011,496)
Shares issued during the period	3,200	--	--	3,200
Performance rights expensed during the period	--	90,547	--	90,547
Transaction costs	--	--	--	--
Balance at 31 December 2012	20,130,685	1,578,482	(19,325,569)	2,383,598

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

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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	31 Dec. 2012 \$	31 Dec. 2011 \$
Cash flows from operating activities		
Receipts from customers	38,172	--
Payments to suppliers and employees	(1,030,371)	(985,405)
Interest received	66,175	157,291
Borrowing costs	(9,506)	(9,500)
Net cash used in operating activities	<u>(935,530)</u>	<u>(837,614)</u>
Cash flows from investing activities		
Payment for plant and equipment	(60,712)	(2,862)
Net cash used in investing activities	<u>(60,712)</u>	<u>(2,862)</u>
Cash flows from financing activities		
Proceeds from share application monies	--	18,054
Net cash provided by financing activities	<u>--</u>	<u>18,054</u>
Net decrease in cash and cash equivalents held	(996,242)	(822,422)
Cash and cash equivalents at the beginning of the financial period	3,561,916	4,641,003
Effect of exchange rate changes on cash holdings	(6,741)	9,418
Cash and cash equivalents at the end of the financial period	<u><u>2,558,933</u></u>	<u><u>3,827,999</u></u>

*The above consolidated statement of cash flows
should be read in conjunction with the accompanying notes.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION

The half-year consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures that the financial report and notes also comply with International Financial Reporting Standard IAS 34: Interim Financial Reporting.

It is recommended that this consolidated financial report be read in conjunction with the annual financial report for the year ended 30 June 2012 and any public announcements made by OBJ Limited and its controlled entities during the half-year in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*.

The half-year consolidated financial report does not include full disclosures of the type normally included in annual financial reports.

Except for cash flow information, the half-year consolidated financial report has been prepared on an accruals basis and is based on historical costs.

The accounting policies have been consistently applied by the consolidated entity and are consistent with those in the 30 June 2012 annual financial report, except in relation to the matters disclosed below:

New and Revised Accounting Standards and Interpretations (Effective 1 July 2012)

The consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the consolidated entity include:

- Amendments to AASB 1, 5, 7, 101, 112, 120, 121, 132, 133 and 134 as a consequence of AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the consolidated entity's accounting policies and has no effect on the amounts reported for the current or prior half-years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

		Consolidated	
		31 Dec. 2012	30 Jun. 2012
		\$	\$
NOTE 2: ISSUED CAPITAL			
(a) Issued capital			
1,156,276,528 Ordinary shares fully paid (30/06/12: 1,155,956,528)		20,130,685	20,127,485
<hr/>			
(b) Movements in ordinary share capital		Number of Shares	\$
01/07/2012	Opening balance	1,155,956,528	20,127,485
31/07/2012	Conversion of listed options	320,000	3,200
Less: costs associated with the issue of shares			--
<hr/>			
31/12/2012	Closing balance	1,156,276,528	20,130,685
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		Consolidated	
		31 Dec. 2012	30 Jun. 2012
		\$	\$
NOTE 3: RESERVES			
(a) Composition			
Share based payments reserve		1,578,482	1,487,935
<hr/>			

The share based payments reserve records items recognised as expenses on valuation of director/employee/consultant share options and performance rights.

(b) Movements in options and performance rights were as follows:

Date	Details	Number of Performance Rights	Number of Options		Exercise Price	Fair Value of Options / Perf. Rights Issued	Expiry Date
			Listed	Unlisted			
01/07/12	Opening Balance	33,000,000	105,996,649	--	--	\$1,487,935	--
31/07/12	Conversion of listed options	--	(320,000)	--	\$0.01	--	30/06/2013
31/12/12	Add: value of performance rights carried forward from 30/06/12 (refer Note 7)	--	--	--	--	\$90,547	09/12/2014
<hr/>		<hr/>		<hr/>		<hr/>	
31/12/12	Closing Balance	33,000,000	105,676,649	--		\$1,578,482	
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 4: DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

NOTE 5: SEGMENT INFORMATION

The Company has considered the requirements of AASB8 – Operating Segments and has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Company operates as a single segment which is development of the dermaportation drug delivery technology within Australia.

The Company is domiciled in Australia. All revenue from external parties is generated from Australia only. Segment revenues are allocated based on the country in which the party is located.

All the assets are located in Australia only. Segment assets are allocated to countries based on where the assets are located.

NOTE 6: CONTINGENT LIABILITIES

OBJ Limited and its controlled entities have no known material contingent liabilities as at 31 December 2012.

NOTE 7: SHARE BASED PAYMENTS

On 25 November 2011, *performance rights* were granted to directors, consultants and an employee as part of their remuneration.

The total share based payments expense for the half-year ended recognised in the Statement of Comprehensive Income was \$90,547, with the re-valued balance of \$194,686 to be carried forward and proportioned over the period up until the expiry date of 9 December 2014.

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the half-year ended 31 December 2012, the following events have occurred:

- On 18 January 2013, 11,220,722 listed options were converted to shares at an issue price of \$0.01 per share.
- On 22 January 2013, 4,000,000 listed options were converted to shares at an issue price of \$0.01 per share.
- On 31 January 2013, 4,000,000 listed options were converted to shares at an issue price of \$0.01 per share.

OBJ LIMITED
A.B.N. 72 056 482 636

DIRECTORS' DECLARATION

In the opinion of the directors:

- a) The financial statements and notes are in accordance with the Corporations Act 2001, including:
- i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
 - ii) complying with Australian Accounting Standards AASB 134: Interim Financial Reporting;
- b) 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.



Jeffrey Edwards
Director

Dated this 27th day of February 2013

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
OBJ LIMITED**

We have reviewed the accompanying half-year financial report of OBJ Limited which comprises the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant 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 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 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of OBJ 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 OBJ Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

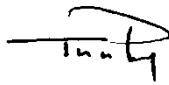
Conclusion

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 OBJ 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 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 27 February 2013