

ASX Release

SUDA LTD: APPENDIX 4D FOR HALF YEAR ENDED 31 DECEMBER 2014

PERTH, AUSTRALIA – 27 February 2015: SUDA LTD (ASX: SUD), a leader in oro-mucosal drug delivery, today released its Appendix 4D for the consolidated Group for the half year ended 31 December 2014. Westcoast's revenue for the period totalled \$3.0 million, which mostly derived from its underlying activities of servicing Hospitals, Aged Care, Allied Health and Mining, together with a small contribution from supplying to Detention Centres. In the first half of FY2014, Westcoast received a substantial boost to revenue from its contract to supply Detention Centres. Excluding this exceptional item, underlying revenue in the first half increased 22% from the same period in the previous year.

The net operating loss for the first half of FY2015 increased to \$1.9 million compared to \$0.3 million in the previous year. Cash at the end of the first half was \$3.0 million.

SUDA's CEO, Mr Stephen Carter, commented: "We are pleased to see an underlying growth rate of over 20% in Westcoast's business activities. Westcoast is currently looking at new opportunities to expand the business. With the new facility in Brisbane and exclusive rights for HemoStyp®, a wound-healing gauze, this gives a strong basis to further grow the business."



Further information:

STEPHEN CARTER

CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR

SUDA LTD

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sjcarter@sudaltd.com.au

NOTES TO EDITORS:

About SUDA LTD

SUDA LTD (ASX: SUD) is a drug delivery company focused on oro-mucosal administration, headquartered in Perth, Western Australia. The Company is developing low-risk oral sprays using novel formulations of existing off-patent pharmaceuticals. The many potential benefits of administering drugs through the oral mucosa (ie: cheeks, tongue, gums and palate) include ease of use, lower dosage, reduced side effects and faster response time. SUDA's product pipeline includes ZolpiMist®, a first-in-class oral spray of zolpidem for insomnia. ZolpiMist® is marketed in the USA and SUDA has rights to the product outside of the Americas and South Africa. SUDA's most advanced development-stage product, ArTiMist™, is a novel sublingual malaria treatment for children. In a Phase III trial, ArTiMist™ was shown to be superior to intravenous quinine. Other products in development include oral sprays for the treatment of migraine headache, chemotherapy-induced nausea and vomiting, erectile dysfunction and pre-procedural anxiety. For more information, visit www.sudaltd.com.au

About WESTCOAST

Westcoast Surgical and Medical Supplies Pty Ltd is a fully owned subsidiary of SUDA LTD. Westcoast provides medical supplies to West Australian leading hospitals, aged care facilities, pharmacies, mining companies and other healthcare providers. Westcoast is also the exclusive distributor of a unique wound healing gauze, HemoStyp®, in Australia, New Zealand, New Guinea and the Pacific Islands. For more information, visit www.westcoastsurgical.com.au

Appendix 4D

Half Year Ended 31 December 2014

1. Name of entity

SUDA LTD AND CONTROLLED ENTITIES

ABN

35 090 987 250

Half year ended ('current period')

31 December 2014

Revenue / Profit		Movement	Change (%)	31 Dec 14 \$'000	31 Dec 13 \$'000
2.1	Revenues from ordinary activities	Down	52%	2,999	6,242
2.2	Loss from ordinary activities after tax attributable to members	Up	486%	1,945	332
2.3	Net loss for the period attributable to members	Up	486%	1,945	332
2.4	Dividends			Amount per security	Franked amount per security
	Interim dividend			0.0c	N/a
	Dividend previous corresponding period			0.0c	N/a
2.5	Record date for determining entitlements to the dividend.			N/a	N/a
2.6	Brief explanation of any of the figures reported above (2.1 – 2.4):				

The decrease in revenue for the Group relates to Suda Ltd's subsidiary company, Westcoast Surgical & Medical Supplies Pty Ltd (Westcoast). Westcoast was supplying medical products to an organisation funded by the Federal Government for the benefit of detention centres in the 2013-14 financial year but, due to the Government's Operation Sovereign Borders policy, there has been a large decrease in sales activity in the current year.

The decrease in sales for Westcoast has a direct impact on the increase in the loss for the Group.

Earnings per Share	31 December 2014	31 December 2013
Basic earnings per share (cents)	(0.20)	(0.04)
Diluted earnings per share (cents)	(0.20)	(0.04)
Number of shares	984,036,170	921,652,169
Net Tangible Assets	\$2,627,398	\$4,282,261
Net tangible assets per share (cents)	0.3	0.5

Compliance statement

1. An interim report for the half year ended 31 December 2014 is provided with the Appendix 4D information.
2. The interim report and the accounts, upon which this report is based, have been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus.
3. This report, and the accounts upon which the report is based, use the same accounting policies.
4. This report gives a true and fair picture of the matters disclosed.
5. This report is based on ⁺accounts to which one of the following applies.

<input type="checkbox"/> The ⁺ accounts have been audited.	<input checked="" type="checkbox"/> The ⁺ accounts have been subject to review.
<input type="checkbox"/> The ⁺ accounts are in the process of being audited or subject to review.	<input type="checkbox"/> The ⁺ accounts have <i>not</i> yet been audited or reviewed.
6. If the audit report or review by the auditor is not attached, details of any qualifications will follow immediately they are available.
7. The entity does have a formally constituted audit committee.



.....
Stephen Carter
Director

Date: 27 February 2015



AND CONTROLLED ENTITIES

(ABN 35 090 987 250)

**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2014**

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CORPORATE DIRECTORY

Directors	Mr Stephen Carter Mr Michael Stewart Mr Joseph Ohayon	Executive Director Chairman Executive Director
Company Secretary	Mr Joseph Ohayon	
Registered Office	Suda Ltd ABN 35 090 987 250 Level 1, Unit 12, 55 Howe St Osborne Park WA 6017 Telephone Facsimile Email Website	PO Box 1719 Osborne Park BC, WA 6916 (08) 6142 5555 (08) 9443 8858 info@sudaltd.com.au www.sudaltd.com.au
Share Registry	Advanced Share Registry Services 110 Stirling Highway Nedlands WA 6009 Telephone Facsimile	PO Box 1156 Nedlands WA 6909 (08) 9389 8033 (08) 9389 7871
Auditors	HLB Mann Judd (WA Partnership) Level 4, 130 Stirling Street Perth WA 6000 Telephone Facsimile	(08) 9227 7500 (08) 9227 7533
Bankers	Westpac Banking Corporation Corporate Banking 109 St Georges Terrace Perth WA 6000	
Home Stock Exchange	Australian Securities Exchange Ltd Exchange Plaza 2 The Esplanade Perth WA 6000 Listing codes: Ordinary Shares	 SUD

DIRECTORS' REPORT

Your Directors present their financial report of Suda Ltd and its controlled entities for the half year ended 31 December 2014.

Directors

The names of the Directors who held office during the half year and at the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Mr Stephen Carter	Executive Director
Mr Michael Stewart	Chairman
Mr Joseph Ohayon	Executive Director
Mr Ken Robson	Non-Executive Director (resigned 7 August 2014)

Review and results of operations

The revenue for the period was \$2,999,153 (Dec 2013:\$ 6,241,998) of which \$2,933,865 (Dec 2013: \$6,221,599) related to the subsidiary company Westcoast Surgical and Medical Supplies Pty Ltd (Westcoast).

The loss of the Group amounted to \$1,957,350 (Dec 2013: \$331,847).

Some of the highlights during the period included:

- i. Westcoast Surgical and Medical Supplies Pty Ltd (Westcoast)

As outlined above, Westcoast's revenue has decreased 53% over the same period last year. Whilst Westcoast is the preferred supplier for a Federal Government-funded organisation servicing the detention centres, due to the Government's Sovereign Borders policy, the supply of pharmaceuticals, consumables and vaccines were significantly reduced.

- ii. Termination of the Bergen agreement

The Bergen facility was terminated in July 2014 on the mutual agreement of both parties.

- iii. Exercise of options

The options that expired on 30 June 2014 were fully underwritten and the Company received \$1.4m and issued shares in respect of the exercise of options in July 2014.

After balance date events

- i. Licencing Agreement

The Company entered into a licence and collaboration agreement with US-based specialty pharmaceutical company, Amherst Pharmaceuticals. Under the agreement, Suda received an exclusive global licence, excluding the Americas and South Africa to an oral spray of zolpidem tartrate (Zolpimist®) for insomnia. Suda granted Amherst an exclusive licence to manufacture, develop and commercialise in the Americas Suda's oral spray of ondansetron (SUD-002) for the treatment of nausea and vomiting induced by chemotherapy or radiotherapy.

- ii. Patent for Sildenafil

Suda was granted the first patent covering Suda's first in-class oral spray formulation of sildenafil (active ingredient in Viagra®) for erectile dysfunction in Australia.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 4 and forms part of the Directors' Report for the half year ended 31 December 2014.

Directors Report (Continued)

Signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



.....
S.J. Carter
Director

Dated at Perth this 27th February 2015

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Suda Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of Suda Limited and the entities it controlled during the half-year.



Perth, Western Australia
27 February 2015

N G Neill
Partner

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half year ended 31 December 2014

	Note	Group 31 Dec 2014 \$	31 Dec 2013 \$
Revenues		2,999,153	6,241,998
Other revenues		111,265	-
Raw materials and consumables used		(2,482,340)	(4,207,365)
Employee benefits expense		(1,254,678)	(887,334)
Depreciation and amortisation expense		(54,967)	(20,771)
Finance costs		(82,642)	(61,839)
Other expenses		(1,193,141)	(1,396,536)
Loss before income tax	2	(1,957,350)	(331,847)
Income tax expense		-	-
Loss for the period		(1,957,350)	(331,847)
 Total comprehensive loss for the period		 (1,957,350)	 (331,847)
 Loss and total comprehensive loss attributable to:			
Owners of the parent		(1,944,854)	(331,847)
Non-controlling interests		(12,496)	-
		(1,957,350)	(331,847)
 Earnings per share			
Basic loss per share (cents)		(0.20)	(0.04)
Diluted loss per share (cents)		(0.20)	(0.04)

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2014

		Group	
	Note	31 Dec 2014	30 Jun 2014
		\$	\$
CURRENT ASSETS			
Cash & cash equivalents		3,049,688	3,990,397
Trade & other receivables		606,011	930,565
Inventories		2,030,310	1,787,897
Other assets		306,177	776,273
TOTAL CURRENT ASSETS		5,992,186	7,485,132
NON-CURRENT ASSETS			
Property, plant and equipment		354,249	312,439
Intangible assets	3	12,917,086	12,549,453
TOTAL NON-CURRENT ASSETS		13,271,335	12,861,892
TOTAL ASSETS		19,263,521	20,347,024
CURRENT LIABILITIES			
Trade & other payables		1,844,038	2,480,468
Borrowings		1,875,000	-
TOTAL CURRENT LIABILITIES		3,719,038	2,480,468
NON-CURRENT LIABILITIES			
Borrowings		-	1,875,000
TOTAL NON-CURRENT LIABILITIES		-	1,875,000
TOTAL LIABILITIES		3,719,038	4,355,468
NET ASSETS		15,544,483	15,991,556
EQUITY			
Issued capital	5	50,396,537	48,944,557
Reserves		628,255	569,958
Accumulated losses		(37,510,101)	(35,565,247)
Equity attributable to the parent entity		13,514,691	13,949,268
Non-controlling interests		2,029,792	2,042,288
TOTAL EQUITY		15,544,483	15,991,556

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2014

	Issued Capital \$	Accumulated Losses \$	Share-based payment reserve \$	Non-controlling interests \$	Total \$
Balance as at 1 July 2013	40,128,687	(33,513,453)	74,846	-	6,690,080
Shares issued during the half year	8,352,318	-	-	-	8,352,318
Options issued during the half year	-	-	193,972	-	193,972
Transaction costs	(344,932)	-	-	-	(344,932)
Non-controlling interest arising on project development of subsidiary company	-	-	-	2,051,344	2,051,344
Loss for the year attributable to members of the parent entity	-	(331,847)	-	-	(966,227)
Balance as at 31 December 2013	48,136,073	(33,845,300)	268,818	2,051,344	15,976,555
Balance as at 1 July 2014	48,944,557	(35,565,247)	569,958	2,042,288	15,991,556
Shares issued during the half year	1,484,660	-	-	-	1,484,660
Options issued during the half year	-	-	58,297	-	58,297
Transaction costs	(32,680)	-	-	-	(32,680)
Loss for the half year attributable to non-controlling interest	-	-	-	(12,496)	(12,496)
Loss for the year attributable to members of the parent entity	-	(1,944,854)	-	-	(1,944,854)
Balance as at 31 December 2014	50,396,537	(37,510,101)	628,255	2,029,792	15,544,483

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 31 December 2014

	Group	
	31 Dec 2014	31 Dec 2013
	\$	\$
CASH FLOWS FROM OPERATIONS		
Receipts from customers	3,055,278	6,019,231
Payments to suppliers	(5,137,073)	(7,385,478)
Receipts for R&D tax concession	188,290	-
Interest received	92,974	21,047
Interest paid	(47,146)	(28,808)
Net cash used in operations	<u>(1,847,677)</u>	<u>(1,374,008)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for development of products	(688,446)	(1,471,326)
Payment for property, plant & equipment	(85,254)	(94,138)
Net cash used in investing activities	<u>(773,700)</u>	<u>(1,565,464)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issues	1,713,348	6,158,655
Payments for capital raising costs	(32,680)	(344,932)
Proceeds from loans	-	1,900,000
Net cash provided by financing activities	<u>1,680,668</u>	<u>7,713,723</u>
Net increase / (decrease) in cash held	(940,709)	4,774,252
Cash at the beginning of period	<u>3,990,397</u>	<u>752,619</u>
Cash at the end of period	<u><u>3,049,688</u></u>	<u><u>5,526,871</u></u>

The accompanying notes form part of these financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2014

NOTE 1: SUMMARY OF ACCOUNTING POLICIES

(a) Statement of compliance

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable Australian Accounting Standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with AASB 134 ensures compliance with IAS 34 Interim Financial Reporting.

This condensed half-year financial report is intended to provide users with an update on the latest annual financial statements of Suda Limited and its controlled entities (the Group). As such, it does not contain full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by Suda Ltd and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

(b) Basis of Preparation

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

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

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and International Financial Reporting Standards.

(c) Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2014, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2014. It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2014. As a result of this review, the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

(d) Key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2014.

NOTE 2: LOSS FROM ORDINARY ACTIVITIES

The following expense items are relevant in explaining the financial performance for the interim period:

Expenses

	GROUP	
	31 Dec 2014	31 Dec 2013
	\$	\$
Depreciation and amortisation expense	54,967	20,771
Borrowing cost expense	82,642	61,839
Legal expenses	315,674	346,052

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2014

NOTE 3: INTANGIBLE ASSETS

	31 Dec 2014 \$	30 June 2014 \$
Development Costs		
Opening balance as at 1 July	12,549,453	8,180,275
Additions for the period	367,633	484,422
Acquisitions	-	1,833,412
Distribution rights acquired	-	2,051,344
Net carrying value	12,917,086	12,549,453

NOTE 4: DIVIDENDS

The Board of Directors of Suda Ltd does not recommend the payment of an interim dividend for the period ended 31 December 2014.

NOTE 5: ISSUED CAPITAL

	31 Dec 2014 \$	30 June 2014 \$
(a) Ordinary Shares		
Issued and fully paid	50,396,537	48,944,557
	Movements for the 6 months ended 31 Dec 2014	
	Number	\$
Balance at beginning of period	950,262,913	48,944,557
Shares issued during the period:		
– options exercised	30,700,000	1,360,000
– finance facility	2,583,979	100,000
– settlement of interest on convertible notes	489,278	24,660
– less share issue costs	-	(32,680)
	984,036,170	50,396,537

NOTE 6: RELATED PARTY TRANSACTIONS

Transactions with related parties

	31 Dec 2014 \$	30 June 2014 \$
Key Management Personnel		
Mr Michael Stewart: consulting services	35,500	57,000
Mr Michael Stewart: interest on convertible notes	10,500	18,699
Mr Stephen Carter: interest on convertible notes	1,500	1,011
Mr Joseph Ohayon: interest on convertible notes	600	404
Balance on Convertible Notes		
Mr Michael Stewart	350,000	350,000
Mr Stephen Carter	50,000	50,000
Mr Joseph Ohayon	20,000	20,000
Options and Performance Rights	No.	No.
Mr Michael Stewart - options	-	5,000,000
Mr Michael Stewart – performance rights	-	2,712,850
Mr Stephen Carter – performance rights	-	4,069,231
Mr Joseph Ohayon – performance rights	2,500,000	-

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2014

NOTE 7: SEGMENT INFORMATION

Segment Information

Identification of reportable segments

AASB 8 requires operating segments to be identified on the basis of internal reports and components of the Group that are regularly reviewed by the Board in order to allocate resources to the segment and to assess its performance.

The segments are consistent with the segments in the 2014 Annual Financial Statements.

Information regarding the segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The following tables are an analysis of the Group's revenue and results by reportable segment provided to the Board for the half year ended 31 December 2014 and 31 December 2013.

Primary reporting: Business Segments:	Suda	Westcoast	MRC	Unallocated items	Total
	\$	\$	\$	\$	\$
6 months ended 31 December 2014					
Segment revenue	255,509	2,933,865	-	-	3,189,374
Intersegment revenue	190,221	-	-	-	190,221
Revenue from external customers	65,288	2,933,865	-	-	2,999,153
Segment result	(1,280,549)	(540,958)	(62,482)	(73,361)	(1,957,350)
6 months ended 31 December 2013					
Segment revenue	81,017	6,221,599	-	-	6,302,616
Intersegment revenue	60,618	-	-	-	60,618
Revenue from external customers	20,399	6,221,599	-	-	6,241,998
Segment result	(1,549,915)	1,218,068	-	-	(331,847)

The revenue reported above represents revenue generated from external customers. Intersegment revenues have been eliminated.

NOTE 8: FINANCIAL INSTRUMENTS

The Directors consider that the carrying value of the financial assets and financial liabilities as recognised in the consolidated financial statements approximate their fair values.

NOTE 9: CONTINGENT LIABILITIES

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

NOTE 10: EVENTS SUBSEQUENT TO REPORTING DATE

i. Licencing Agreement

The Company entered into a licence and collaboration agreement with US-based specialty pharmaceutical company, Amherst Pharmaceuticals. Under the agreement, Suda received an exclusive global licence, excluding the Americas and South Africa to an oral spray of zolpidem tartrate (Zolpimist) for insomnia. Suda granted Amherst an exclusive licence to manufacture, develop and commercialise in the Americas Suda's oral spray of ondansetron (SUD-002) for the treatment of nausea and vomiting induced by chemotherapy or radiotherapy.

ii. Patent for Sildenafil

Suda was granted the first patent covering Suda's first in-class oral spray formulation of sildenafil (active ingredient in Viagra) for erectile dysfunction in Australia.

DIRECTORS' DECLARATION

The Directors of Suda Ltd declare that:

1. the financial statements and notes, as set out on pages 5 to 11 of the consolidated group are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date.
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.



.....
Stephen Carter
Director



.....
Joseph Ohayon
Director

Dated at Perth this 27th February 2015

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Suda Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Suda Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2014, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes 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 2014 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 the company, 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*.

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 Suda 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 2014 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*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Norman G Neill

N G Neill
Partner

Perth, Western Australia
27 February 2015