

**23 May 2013**

**The Companies Office  
Australian Securities Exchange Limited  
Sydney**

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## **Termination of proposed acquisition of Vitality Devices Pty Limited (Vitality)**

Bioxyne Limited (ASX code: BXN or the Company) advises that the proposed acquisition of Vitality which was announced to the ASX on 18 February 2013, has been terminated.

Despite securing various regulatory approvals, current market uncertainties together with issues relating to the distribution agreements, which arose during the due diligence process, have resulted in a higher risk profile of the proposed transaction when compared to the initial findings. Bioxyne has undertaken extensive negotiations with Vitality, and the Licensors, in order to resolve the identified issues and has been unable to reach an outcome that is satisfactory for all parties.

Taking into account of the constrained capital market environment for the Biotechnology and Life Sciences sector and the additional risks identified during due diligence, the Company has decided that it is in the best interests of its shareholders not to pursue the acquisition of Vitality.

Commenting on the decision, Bioxyne Chairman Tony Ho said, "We are disappointed that an alternative solution could not be reached with Vitality and its Licensors. The decision to withdraw from the transaction is not one which we entered into lightly, but we felt it was no longer an optimal transaction for our shareholders."

The Company will accelerate with the review and pursuit of new investment opportunities, including expansion of its probiotics sales and distribution business and the HI-164OV project. In setting a strategic direction for the Company, future capital requirements will also be assessed by the Board.

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For more information contact:

Tony Ho

+61 417 345 839

**Non-executive chairman**