

# Operations Report and Financial Statements

For the six months to 30 September 2014



## UNAUDITED RESULTS FOR ANNOUNCEMENT TO THE MARKET

**Reporting Period:** 6 months to 30 September 2014  
**Previous Reporting Period:** 6 months to 30 September 2013

<b>Consolidated</b>	<b>Amount (\$000s)</b>	<b>Percentage Change</b>
Revenue	1,143	Increased 59%
Net surplus / (deficit) before tax & finance costs (interest & preference share costs)	(808)	Deficit increased 6%
Finance Costs	-	No change
Net deficit	(808)	Deficit increased 6%
Interim Dividend- Ordinary shares	-	No change
Please read the Operations Report for an explanation of the above disclosure summary		

## OVERVIEW

BLIS Technologies Limited was formed to commercialise BLIS (Bacteriocin-Like Inhibitory Substances) producing probiotic bacteria in consumer products targeted at oral health applications such as for ear, nose and throat health, halitosis (bad breath), gum and teeth health and immune support.

The company reports an operating loss of \$808k on turnover of \$1,143k for the six months to September 30, 2014. Turnover increased 59% from the \$721k reported in the previous corresponding period with operating margins remaining robust across all product lines.

The company is on target to achieve a doubling of revenues for the current financial year. Although the operating loss for the six months is similar to the corresponding prior period and a further comparable full year loss to last year is forecast for the year to 31 March 2015, the company does not now expect to move to profitable operation in the immediate future.

Key Highlights for the Period Include:

- 59% Revenue growth over corresponding prior period
- Export approved Risk Management Programme (“RMP”) Dairy, achieved for in-house production facilities
- Sinopharm test-market launch extended
- Successful clinical trials and product launches in Italy
- Market access issue in USA resolved
- Launch of new products by the Company

Key Challenges for the Period

- Relocation of laboratory from Centre of Innovation (University of Otago) took longer than anticipated
- Longer lead times for product launches by key customers
- Increased costs due to production facility set up and gaining export approval status

During the period the Board concluded a process that considered a number of aspects relating to the governance needs of the company. A key recommendation of the external review process was to expand the skill-set of the Board. Following a formal process the Board was very pleased to be able to nominate Ms Veronica Aris and Mr Graeme Boyd to positions on the Board. They were elected directors by shareholders at the July Annual Shareholders Meeting.

## FINANCIAL

The Company reports a consolidated net deficit for the six months to 30 September of \$808k (Sept 2013: \$764k) before tax and finance costs. This includes interest income of \$63k received for the period (\$8k 2013).

The financial result is below our budget however the benefits from the broadening of the scope of the business from the supply of healthcare ingredients to include the manufacture of part finished goods, consumer products and other food products are beginning to show results.

Revenue from ingredient, consumer products and part finished goods are all higher than for the corresponding period last year. However due to the delay in gaining RMP status for the nutritional formulation plant and longer lead times for planned product launches by key customers there were only minimal sales achieved for nutritional formulations in the first six months.

Total expenses of \$1,951k are \$466k higher than the corresponding prior period. Of these, \$203k relates to the increased direct costs of higher sales volumes and \$263k due to increased travel and marketing in support of the sales, increased production and administration costs. These costs are associated with bringing lozenge and nutritional formulation production in-house and increased governance costs due to director fee increases over the previous corresponding period and the appointment of an additional director.

The relocation of laboratory facilities from the Otago University Centre for Innovation to new premises is now complete. The move took longer than planned due to local government consenting issues and the benefits of lower occupancy costs will be reflected going forward.

No tax was payable and no dividend will be paid on ordinary shares.

Net consolidated cash outflow from operating activities was \$752k (Sept 2013: \$313k outflow).

Investment in the period totalled \$236k (Sept 2013: \$213k) reflecting the investment in the part finished and finished goods manufacturing and nutritional formulation operation, capitalisation of patent costs and fit out of the laboratory.

As at 30 September 2014 the company held a net working capital position of \$2,977k (Sept 2013: \$2,516k) which the directors believe provides a capital base sufficient to support its current business development strategies.

## **BUSINESS DEVELOPMENT STRATEGY PROGRESS**

Our business development strategy is to support ingredient sales by exemplar in-market consumer products and nutritional formulations. The business development strategy is based on five primary platforms:

1. Building dietary and food ingredient sales in North America, Asia, Europe and China;
2. Developing exemplar in-market products - consumer products and nutritional formulations;
3. Building consumer product sales through web marketing ([www.blis.co.nz](http://www.blis.co.nz)), partnerships and other direct sales channels.
4. Developing long-term strategic partnerships with companies that have significant regional and global reach
5. Obtaining regulatory approval and intellectual property protection in defined markets.

The Company continues to explore additional strategic opportunities in food and finished product applications as well as personal care and animal health applications by developing long-term strategic partnerships.

### ***Strategy 1: Building Ingredient Sales***

Customers of Stratum Nutrition (a division of Novus Nutrition Brands Inc.) currently account for all ingredient sales. Stratum Nutrition market BLIS K12™ and BLIS M18™ worldwide other than in China. It is anticipated that China will ultimately be a significant market for ingredient sales through our partner, NZPR Group in association with Sinopharm.

Providing ongoing resourcing for technical sales support, regulatory compliance guidance, clinical study support and an ingredient product development pipeline are all important components of building international ingredient sales with our distribution partners.

During the period the market access issues into the USA previously reported have been resolved and ingredient sales are now starting to increase. European ingredient sales are steadily growing due in large part to product launches by a key distributor of Bactoblis™ (BLIS K12™) following the successful Italian clinical studies carried out on behalf of Omepiacenza by research company Velleja Research. Velleja Research is now undertaking a further three (3) clinical studies involving halitosis and BLIS M18™ dental studies which is expected to result in further product launches in Europe as well as Asia.

Whilst it is pleasing to see ingredient sales increasing across USA and Europe they are not yet delivering to expectations and a review of the ingredient sales and marketing strategy is currently being undertaken in conjunction with Stratum Nutrition.

Other than Japan where the company is starting to receive a steady order flow, sales into Asia and China have yet to reach any meaningful level. There is a pipeline of product launch plans from customers in the Asia and China markets from which we expect to achieve significant sales growth over the next six 6 – 18 months. NZPR Group, our key partner in China, has engaged Sinopharm (the largest oral health and Pharmaceutical company in China) to test-market consumer products with BLIS oral probiotics in 600 pharmacies. The results of the test-market and the three (3) clinical trials being carried out by Sinopharm will be important determinants when considering product launch plans. Sinopharm has nationwide distribution in China.

### **Strategy 2: Developing In-market Consumer Products**

The development and support of novel consumer products and the development of licensable intellectual property has been a key strategic investment for the company. The development of the technology to incorporate BLIS K12™ in ice cream, yogurt, nutritional formulations and honey are all examples of this.

During the period full export accreditation of the nutritional formulations plant was registered by Ministry of Primary Industries which allows the company to produce and export of dry dairy products for human consumption at its facilities at 10 Birch Street in Dunedin. This is a significant milestone toward achieving this business strategy and now enables the company to progress related opportunities directly and with more immediacy. The company has also completed the installation and commissioning of equipment for the production and packaging of lozenge products in blister packs and bottles.

The company launched BLIS K12™ Powder for Toddlers in the New Zealand market and further products are being developed around BLIS M18™, yoghurt powders, nutritional formulations and pet food applications.

The company will also act as a sub-contractor in the packaging of nutritional formulations for other parties. The BLIS plant is currently the only one in the South Island of New Zealand approved to process probiotics for export.

### **Strategy 3: Building Consumer Product Sales**

Consumer products have been an important part of the company strategy in New Zealand and Australia for many years with the channels to market recently complemented by our web-based offering, [www.blis.co.nz](http://www.blis.co.nz). While the web is helping build sales, more importantly, it serves a very valuable purpose of alerting potential new customers to the benefits of BLIS products.

During the period consumer product sales in New Zealand have increased 7.7% over the same period last year with steady sales to Pharmabroker for the pharmacy channel, growing website sales and some initial nutritional formulation production revenue. The BLIS branded product range now includes Throat Guard Daily BLIS K12™, Travel Guard BLIS K12™, Fresh Breath Kit BLIS K12™, BLIS M18™ and BLIS K12™ Powder for Toddlers.

Australia holds significant potential to grow BLIS consumer product sales and the company is currently clarifying the regulatory framework before finalising product and market positioning.

### **Strategy 4: Developing Long-term Strategic Partnerships**

To achieve full international potential it is important to develop long-term strategic relationships with leading consumer product and technology companies capable of conducting significant clinical trials and of providing global and regional manufacturing, supply and distribution relationships.

During the period Sinopharm, the largest pharmaceutical and oral health company in China, sent representatives to visit the Dunedin operations and more recently BLIS management travelled to meet with Sinopharm and other key customers in China. Sinopharm has now commenced test-marketing of BLIS products across 600 pharmacies and will carry out three (3) clinical trials for BLIS products.

The company has identified potential partners for the establishment of complementary ingredient manufacturing capabilities within Europe. This will be important for meeting the longer term regional demand.

### **Strategy 5: Obtaining Regulatory Approval and Intellectual Property Protection**

Our strategic investment in patent protection and in trademarks provides our partners with the confidence to invest in product development and marketing. BLIS Technologies retains its leadership position in the market through strong emphasis on supporting research, along with the momentum created by the wide range of independent studies, that show the benefits of BLIS K12™ and BLIS M18™ in oral health applications.

### **Regulatory**

Regulatory activities continue to be some of the most important issues addressed by the company. Although no new approvals were obtained during the period under review, past approvals and supporting documentation have proved invaluable in addressing market access issues.

### **Clinical trials**

The company continues to support and monitor clinical trials of its products. Locally, we have determined the

success of different delivery formats with BLIS K12™.

New Zealand has major issues with rheumatic fever which can be a serious complication of streptococcal sore throat. As part of the response to this issue, a team of University of Otago researchers have received funding from the Health Research Council ("HRC") Partnership programme, which includes funding support from the HRC, Ministry of Health, Cure Kids and the Heart Foundation, to carry out a trial evaluating the effectiveness of BLIS K12™ in approximately 1,500 at-risk New Zealand children. While there is strong evidence for the potential efficacy of the strain, the requirements of a trial of this magnitude are complex and the costs very significant. As this is an independent study, the company is not directly involved, but is responsible for providing the BLIS K12™ to be used in the trials. The project has commenced in collaboration with schools that are actively involved in the Government-funded swab and treat intervention for rheumatic fever. The trial is projected to be completed by mid-2015 with final reporting during 2016.

Internationally, the two clinical trials, using BLIS K12™, carried out by Velleja Research in Italy demonstrated the effectiveness of BLIS K12™ in reducing the frequency of streptococcal sore throats in both adults and children. This has resulted in the Bactoblis™ product launches. Velleja Research is now carrying out trials examining the potential of BLIS M18™ to prevent dental caries. Sinopharm has now commenced three (3) clinical trials.

The company is pleased to continue supporting The Salvation Army with its BLIS K12 Throat Guard lozenges for Otago and Southland families..

## STAFF

Full-time staff numbers are currently 12 (11 in 2013), although further staff with technical sales and marketing experiences will be required in order to build sales.

## OUTLOOK

The immediate focus for the company is the move to profitable operations by growing ingredient sales revenues into Europe and North America, providing the technical sales support required by NZPR Group and Sinopharm to ensure meaningful sales in China and to actively grow direct sales of finished products based on lozenges and nutritional formulations into Asia and Australasian markets.

Website product sales and focus on educating consumers on the benefits of BLIS oral probiotics remain high priority and will grow awareness of BLIS oral probiotics.



Peter Fennessy  
Chairman



Barry Richardson  
Chief Executive Officer

3rd day of November 2014

## BLIS TECHNOLOGIES LIMITED

**CONSOLIDATED CONDENSED INTERIM INCOME STATEMENT**

For the 6 Months Ended 30 September, 2014

	Notes	6 mths 30 Sep 14 (Unaudited) \$'000s	6 mths 30 Sep 13 (Unaudited) \$'000s	12 mths 31 Mar 14 (Audited) \$'000s
<b>REVENUES</b>				
Trading revenue		1,080	713	1,263
Interest Received		63	8	59
		<u>1,143</u>	<u>721</u>	<u>1,322</u>
<b>LESS</b>				
Distribution expenses		8	8	21
Marketing expenses		46	20	48
Occupancy expenses		87	70	148
Operating expenses		1,589	1,180	2,203
Other expenses		221	207	443
		<u>1,951</u>	<u>1,485</u>	<u>2,863</u>
<b>NET SURPLUS/(DEFICIT) BEFORE TAX</b>		(808)	(764)	(1,541)
Taxation expense		-	-	-
		<u>(808)</u>	<u>(764)</u>	<u>(1,541)</u>
<b>NET SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b><u>(808)</u></b>	<b><u>(764)</u></b>	<b><u>(1,541)</u></b>
Total net surplus/(deficit) for the period is attributed to:				
Equity holders of the parent		(808)	(764)	(1,541)
Non-controlling interest		-	-	-
		<u>(808)</u>	<u>(764)</u>	<u>(1,541)</u>
<b>Earnings/ (Loss) per Share:</b>				
Basic (cents per ordinary share)		(0.07)	(0.11)	(0.18)
Diluted (cents per ordinary share)		(0.07)	(0.11)	(0.18)

**BLIS TECHNOLOGIES LIMITED****CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**

For the 6 Months Ended 30 September, 2014

	Notes	6 mths 30 Sep 14 (Unaudited) \$'000s	6 mths 30 Sep 13 (Unaudited) \$'000s	12 mths 31 Mar 14 (Audited) \$'000s
Surplus/(deficit) for the year		(808)	(764)	(1,541)
Other Comprehensive Income		-	-	-
<b>Total comprehensive income/(deficit) for the year, net of tax</b>		<u>(808)</u>	<u>(764)</u>	<u>(1,541)</u>
<b>Total comprehensive income (deficit) is attributed to:</b>				
Equity Holders of Parent		(808)	(764)	(1,541)
Non-controlling Interest		-	-	-
		<u>(808)</u>	<u>(764)</u>	<u>(1,541)</u>

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**

For the 6 months Ended 30 September, 2014

<b>EQUITY AT BEGINNING OF THE PERIOD</b>		6,176	3,490	3,490
Total Comprehensive Income (Deficit) for the Period		(808)	(764)	(1,541)
Increase in Share Capital	3	-	2,335	4,227
Non-controlling Interest		-	-	-
		<u>5,368</u>	<u>5,061</u>	<u>6,176</u>
<b>EQUITY AT END OF PERIOD</b>		<u>5,368</u>	<u>5,061</u>	<u>6,176</u>



BLIS TECHNOLOGIES LIMITED

**CONSOLIDATED CONDENSED INTERIM BALANCE SHEET**

As at 30 September, 2014

	Notes	30 Sep 14 (Unaudited) \$'000s	30 Sep 13 (Unaudited) \$'000s	31 Mar 14 (Audited) \$'000s
<b>CURRENT ASSETS</b>				
Cash and short term deposits		2,687	2,508	3,652
Accounts receivable		469	114	235
Prepayments		29	82	45
Inventory		228	160	106
		<u>3,413</u>	<u>2,864</u>	<u>4,038</u>
<b>LESS CURRENT LIABILITIES</b>				
Accounts Payable		436	348	285
		<u>436</u>	<u>348</u>	<u>285</u>
<b>WORKING CAPITAL</b>		<b>2,977</b>	<b>2,516</b>	<b>3,753</b>
<b>NON CURRENT ASSETS</b>				
Property, plant and equipment		537	294	375
Intangible assets		1,854	2,251	2,048
		<u>2,391</u>	<u>2,545</u>	<u>2,423</u>
<b>NET ASSETS</b>		<u>5,368</u>	<u>5,061</u>	<u>6,176</u>
<b>OWNERS' EQUITY</b>				
Share Capital	3	37,298	35,406	37,298
Reserves		(31,930)	(30,345)	(31,122)
Non controlling interest		-	-	-
<b>TOTAL EQUITY</b>		<u>5,368</u>	<u>5,061</u>	<u>6,176</u>



Peter Fennessy  
Chairman



Barry Richardson  
Chief Executive Officer

These Financial Statements have been authorised for issue 3rd day of November 2014

BLIS TECHNOLOGIES LIMITED

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASHFLOWS**

For the 6 Months Ended 30 September, 2014

	Note	6 mths 30 Sep 14 (Unaudited) \$'000s	6 mths 30 Sep 13 (Unaudited) \$'000s	12 mths 31 Mar 14 (Audited) \$'000s
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Cash was provided from (applied to):</b>				
Trading revenue & Other Income		861	807	1,253
Interest received		48	8	42
Payments to suppliers and employees		(1,661)	(1,128)	(2,271)
<b>Net cash inflow/ (outflow) from operating activities</b>	2	(752)	(313)	(976)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Cash was provided from (applied to):</b>				
Sale of Property, plant & equipment		5	-	2
Capitalised patent costs		(32)	(60)	(100)
Purchase of Property, plant and equipment		(209)	(153)	(250)
<b>Net cash inflow (outflow) from investing activities</b>		(236)	(213)	(348)
<b>CASH FLOWS FINANCING ACTIVITIES</b>				
<b>Cash was provided from (applied to):</b>				
Issue of Ordinary Shares		-	2,335	4,227
Cost of raising capital		-	(60)	-
<b>Net cash inflow (outflow) from financing activities</b>		-	2,275	4,227
Net increase/ (decrease) in cash held		(988)	1,749	2,903
Add cash and short term deposits at start of period		3,652	759	759
Foreign exchange differences		23	-	(10)
<b>Balance at end of period</b>		<u>2,687</u>	<u>2,508</u>	<u>3,652</u>
<b>COMPRISED OF:</b>				
Cash and short term deposits		2,687	2,508	3,652
<b>Total</b>		<u>2,687</u>	<u>2,508</u>	<u>3,652</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the 6 Months Ended 30 September, 2014

**1. SUMMARY OF ACCOUNTING POLICIES**

**Statement of Compliance**

The unaudited condensed interim consolidated financial statements presented are those of BLIS Technologies Limited and its non-trading subsidiary BLIS Functional Foods Limited (the Group). The principle activity of BLIS Technologies Limited (BLIS or the Company) is developing healthcare products based on strain of bacteria that produce Bacteriocin-Like Inhibitory Substance (BLIS). The Company is a profit oriented entity, registered in New Zealand under the Companies Act 1993. The Company is an issuer for the purposes of the Financial Reporting Act 1993 and its annual financial statements comply with that Act.

The unaudited interim financial statements are prepared in accordance with Generally Accepted Accounting Practice (NZ GAAP) and comply with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS), as appropriate for interim financial statements (NZ IAS 34). The interim financial statements should be read in conjunction with the Group annual report for the year ended 31 March 2014.

**Basis of Preparation**

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The financial statements are presented in New Zealand dollars.

The condensed interim financial statements do not include all the information required for full financial statements.

The same accounting policies and methods of computation are followed in these interim financial statements as were applied in the preparation of the Company's financial statements for the year ended 31 March 2014.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the 6 Months Ended 30 September, 2014

### 2. RECONCILIATION OF NET DEFICIT WITH CASHFLOWS FROM OPERATING ACTIVITIES

	6 mths 30 Sep 14 (Unaudited) \$'000s	6 mths 30 Sep 13 (Unaudited) \$'000s	12 mths 31 Mar 14 (Audited) \$'000s
<b>NET SURPLUS (DEFICIT) FOR THE PERIOD</b>	(808)	(764)	(1,541)
<b>Adjustments for non-cash items:</b>			
Depreciation	41	29	24
Amortisation of capitalised development costs	195	183	390
Amortisation of patents	26	25	54
Amortisation of website	6	12	25
Foreign Exchange Loss	(23)	-	10
Loss on sale of fixed assets	-	-	13
	<u>245</u>	<u>249</u>	<u>516</u>
<b>Movement in working capital</b>			
Accounts receivable	(234)	94	(27)
Prepayments	16	(33)	4
Accounts payable	151	11	(52)
Inventories (net)	(122)	70	124
Cost of raising capital classified as Financing Activity	-	60	-
	<u>(189)</u>	<u>202</u>	<u>49</u>
<b>NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<u>(752)</u>	<u>(313)</u>	<u>(976)</u>

### 3 SHARE CAPITAL- ORDINARY SHARES

<b>Balance at beginning of period</b>	37,298	33,071	33,071
Shares issued pursuant to Share Purchase Plan	-	-	1,391
Shares issued pursuant to Share Purchase Placement	-	2,335	2,935
Cost of Raising Capital	-	-	(99)
<b>Balance at end of period</b>	<u>37,298</u>	<u>35,406</u>	<u>37,298</u>

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the 6 Months Ended 30 September, 2014

	6 mths 30 Sep 14 (Unaudited)	6 mths 30 Sep 13 (Unaudited)	12 mths 31 Mar 14 (Audited)
<b>NUMBER OF SHARES ON ISSUE</b>	<b>No, '000</b>	<b>No, '000</b>	<b>No, '000</b>
<b>Balance at beginning of period</b>	<b>1,102,154</b>	669,594	669,594
Shares issued pursuant to Share Purchase Plan	-	-	139,100
Shares issued pursuant to Share Placement	-	233,460	293,460
	<hr/>	<hr/>	<hr/>
<b>Balance at end of period</b>	<b>1,102,154</b>	903,054	1,102,154
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

#### 4. CAPITAL COMMITMENTS, CONTINGENT LIABILITIES

The budgeted capital commitments as at 30 September 2014 were \$14,000 (September 2013: \$10,000)

#### 5. INVESTMENT IN SUBSIDIARY

Subsidiary	Percentage Held		Balance Date	Principal Activity
	2015	2014		
BLIS Functional Foods Limited	100%	100%	31 March	Non trading

#### 6. SEGMENTAL REPORTING

##### 6.1 Adoption of NZ IFRS 8 Operating Segments

The Group is internally reported as a single operating segment to the chief operating decision-maker.

##### 6.2 Revenue from major products and services

The Group's revenues from its major products and services were as follows:

	6 mths 30 Sep 14 (Unaudited) \$'000s	6 mths 30 Sep 13 (Unaudited) \$'000s	12 mths 31 Mar 14 (Audited) \$'000s
BLIS products	1052	713	1,263
Non BLIS product revenue (contract packing)	28	0	0
Interest	63	8	59
	<hr/>	<hr/>	<hr/>
<b>Total revenue</b>	<b>1,143</b>	<b>721</b>	<b>1,322</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Non BLIS product revenue does not contain BLIS probiotic as a raw ingredient.

## NOTES TO AND FORMING PART OF THE INTERIM FINANCIAL STATEMENTS

For the 6 Months Ended 30 September, 2014

## 6.3 Information about geographical areas

The Group operates in 4 principal geographical areas: New Zealand (country of domicile), United States of America, Asia and Europe, and Australia. The Group's revenue from external customers and information about its assets by geographical location (of the customer) are detailed below:

	Revenue from external customers			Non-current assets		
	6 mths 30 Sept 2014 (Unaudited) \$'000	6 mths 30 Sept 2013 (Unaudited) \$'000	12 mths 2014 31 Mar 14 (Audited) \$'000	30 Sept 2014 (Unaudited) \$'000	30 Sept 2013 (Unaudited) \$'000	12 mths 2014 31 Mar 14 (Audited)
<b>Trading Revenue</b>						
New Zealand	362	336	494	2,391	2,545	2,423
United States of America	258	13	106	-	-	-
Asia/ Europe	390	301	540	-	-	-
Australia	28	34	53	-	-	-
Other	42	29	70	-	-	-
<b>Total Trading Revenue</b>	<b>1,080</b>	<b>713</b>	<b>1,263</b>			
<b>Other</b>						
Interest	63	8	59	-	-	-
<b>Total Revenue</b>	<b>1,143</b>	<b>721</b>	<b>1,322</b>	<b>2,391</b>	<b>2,545</b>	<b>2,423</b>

Included in revenue are revenues of \$514k, \$262k and \$135k (September 2013: \$246k, \$225k and \$31k) which arose from sales to Group's three largest customers. Revenues for year ended 31 March 2014, \$597k, \$378k and \$50k arose from sales to Groups three largest customers.

## 7. SUBSEQUENT EVENTS

There are no subsequent events.

## 8. ADDITIONAL STOCK EXCHANGE INFORMATION

During the period the company made an announcement to the media and New Zealand Stock Exchange ("NZX") providing an update in relation to the Sinaopharm test market launch. The NZX has advised that they consider the timing of the release of this information to be in breach of NZX listings rules and have brought a claim through the NZ Markets Disciplinary Tribunal for a penalty to be imposed on the company. The company considers the level of penalty being sought by the NZX to be excessive and will be presenting its case to the Tribunal accordingly. Subject to a final determination by the Tribunal the total costs to the company are expected to be less than \$50,000.