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**Select Vaccines Limited
ABN: 25 062 063 692
and Controlled Entities**

**Interim Financial Report
for the Half-Year Ended 30 June 2010**

The interim financial report does not include all the notes of the type normally included in the annual financial report. This report is to be read in conjunction with the annual report for the year ended 31 December 2009.

Select Vaccines Limited
 ABN: 25 062 063 692
 and Controlled Entities

Reporting period: 6 months ended 30 June 2010
 Previous period: 6 months ended 30 June 2009

Results for announcement to the market

		AS'000
Revenue from ordinary activities	Down 51%	10
Loss from ordinary activities after tax attributable to members	Decreased loss by 43%	(167)
Net loss for the period attributable to members	Decreased loss by 43%	(167)

Dividends

It is not proposed to pay a dividend

Other information

Net tangible assets per share

30 June 2010

0.05 cents

30 June 2009

0.17 cents

This report is based on financial accounts which have been reviewed by our external auditors.

Review of Operations

The focus of activities over the past six months has been protection of the intellectual property whilst directors continue to investigate a number of opportunities to secure further capital in order to continue with the research and development programmes.

- Cash balance of \$252k (2009: \$389k).
- The comprehensive loss from operations before tax for the half-year of \$167k compares to a loss of \$295k for the 6-months ended 30 June 2009.
- Research and development expenditure was \$56k compared to \$84k for the same period in the corresponding half year.
- Revenue is represented by royalties arising from the sale of diagnostics under the MP Biomedicals Asia licensing agreement.

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Select Vaccines Limited
ABN 25 062 063 692
and Controlled Entities

Half-Year Financial Report
30 June 2010

**Select Vaccines Limited ABN 25 062 063 692 and Controlled Entities
Directors' Report**

The directors present their report together with the consolidated financial report of Select Vaccines Ltd ("the company") for the half-year ended 30 June 2010.

Directors

The directors of the company at any time during or since the end of the half-year are:

Name	Period of directorship
Mr Shane Allan	Non-Executive Director since February 2007, Mr Allan was appointed Chairman on 10 August 2009
Dr Ian Cooke	Non-Executive Director since May 2004
Mr George Weber	Non-Executive Director since May 2004

Review of Operations

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- The comprehensive loss from operations before tax for the half-year of \$167k compares to a loss of \$295k for the 6-months ended 30 June 2009.
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- Revenue is represented by royalties arising from the sale of diagnostics under the MP Biomedicals Asia licensing agreement.

Auditor's Independence Declaration

The auditor's independence declaration under s 307C of the Corporations Act 2001 is set out on page 10 for the half-year ended 30 June 2010.

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



Shane Allan
Director
31 August 2010

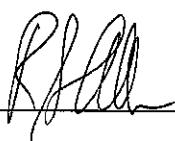
Select Vaccines Limited ABN 25 062 063 692 and Controlled Entities

Directors' Declaration

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 5 to 9 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) giving a true and fair view of the consolidated group's financial position as at 30 June 2010 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.



S Allan
Director

Dated at Melbourne this 31 day of August 2010

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**LEAD AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

To: The Directors of Select Vaccines Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 30 June 2010, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

MDHC Audit Assurance

MDHC Audit Assurance Pty Ltd

Kevin P Adams

Kevin P Adams
Director

Hawthorn
31 August 2010

Select Vaccines Limited ABN 25 062 063 692 and Controlled Entities
Consolidated Statement of Comprehensive Income
For the half year ended 30 June 2010

	Note	30 June 2010	30 June 2009
		\$	\$
Revenue from research and development activities		8,139	17,985
Interest		2,016	2,886
		10,155	20,871
Research and development expenses		(55,510)	(84,227)
Administration expenses		(121,841)	(269,370)
Loss before income tax		(167,196)	(332,726)
Income tax benefit		-	37,921
Net loss for the period	2	(167,196)	(294,805)
Total comprehensive loss for the period		(167,196)	(294,805)
Basic loss per share		(0.07) cents	(0.15) cents
Diluted loss per share		(0.07) cents	(0.15) cents

The accompanying notes form part of these financial statements.

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Select Vaccines Limited and Controlled Entities
Consolidated Statement of Changes in Equity
For the half year ended 30 June 2010

	Issued Capital	Accumulated Losses	Total
	\$	\$	\$
Balance at 1 January 2009	36,268,907	(35,528,197)	740,710
Total comprehensive loss for the period	-	(294,805)	(294,805)
Balance at 30 June 2009	36,268,907	(35,823,002)	445,905
Balance at 1 January 2010	36,268,907	(35,982,378)	286,529
Total comprehensive loss for the period	-	(167,196)	(167,196)
Balance at 30 June 2010	36,268,907	(36,149,574)	119,333

The accompanying notes form part of these financial statements.

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Select Vaccines Limited and Controlled Entities
Consolidated Statement of Financial Position
As at 30 June 2010

	30 June 2010	31 December 2009
	\$	\$
Current assets		
Cash and cash equivalents	251,675	389,203
Trade and other receivables	22,524	3,850
Total current assets	<u>274,199</u>	<u>393,053</u>
Total assets	<u>274,199</u>	<u>393,053</u>
Current liabilities		
Trade and other payables	154,866	106,524
Total current liabilities	<u>154,866</u>	<u>106,524</u>
Total liabilities	<u>154,866</u>	<u>106,524</u>
Net assets	<u>119,333</u>	<u>286,529</u>
Equity		
Issued capital	36,268,907	36,268,907
Accumulated losses	(36,149,574)	(35,982,378)
Total equity	<u>119,333</u>	<u>286,529</u>

The accompanying notes form part of these financial statements.

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Select Vaccines Limited and Controlled Entities
Consolidated Statement of Cash Flows
For the half year ended 30 June 2010

	30 June 2010 \$	30 June 2009 \$
Cash flows operating activities		
Receipts from customers	8,139	17,985
Payments to suppliers and employees	(147,683)	(686,943)
Interest received	2,016	4,309
Income tax refund	-	37,921
Net cash used in operating activities	(137,528)	(626,728)
Cash flows from investing activities		
Proceeds from sale of plant and equipment	-	24,235
Net cash provided by investing activities	-	24,235
Net decrease in cash held	(137,528)	(602,493)
Cash and cash equivalents at the beginning of the half year	389,203	461,818
Cash and cash equivalents at the end of the financial period	251,675	140,675

The accompanying notes form part of these financial statements.

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Select Vaccines Limited and Controlled Entities
Notes to the financial statements
For the half year ended 30 June 2010

1. Statement of Significant Accounting Policies

Basis of preparation

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Select Vaccines Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2009, 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 statements.

Going Concern

The Group's cash resources are strictly limited until such time as the Company raises additional funds. The Company is currently undertaking market soundings as to the extent of interest in raising funds by way of a Capital raising. While Directors are endeavouring to raise sufficient funds for the Company to continue as a going concern there is material uncertainty as to whether the Company will be able to do so given the current market conditions. This Financial Report has been prepared on the basis of the Company being a going concern. The Directors are of the opinion that if the Company did not continue as a going concern, the assets disclosed in the Financial Report as at 30 June 2010 would be expected to be realised at the stated values and the liabilities would be expected to be extinguished at the stated values.

	30 June 2010	30 June 2009
2. Net Loss for the Period	\$	\$
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
Director fees	(64,924)	(65,000)
Bonus payment repaid	24,500	-

3. Operating Segments

The company operates in the biopharmaceutical industry developing and commercialising biomedical research within Australia. There is effectively only one operating segment.

4. Contingent Liabilities

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

5. Events Subsequent to Reporting Date

There have been no material matters arising since half-year end which have not been adequately disclosed in the financial report.

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF SELECT VACCINES LIMITED AND CONTROLLED ENTITIES**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Select Vaccines Limited and controlled entities ("the consolidated entity"), which comprises the condensed statement of financial position as at 30 June 2010, and the condensed statement of comprehensive income, the condensed statement of changes in equity, the condensed statement of cash flows for the half-year ended on that date, the statement of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of Select Vaccines Limited (the company) are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud and error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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 an Interim 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 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 30 June 2010 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 Select Vaccines Limited and controlled entities, 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.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF SELECT VACCINES LIMITED AND CONTROLLED ENTITIES**

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 Select Vaccines Limited and controlled entities is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1 to the financial report which indicates that the Group's cash resources are strictly limited. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern.

MDHC Audit Assurance

MDHC Audit Assurance Pty Ltd

Kevin P Adams

Kevin P Adams
Director

Hawthorn
31 August 2010