APPENDIX 4D
HALF-YEAR REPORT TO 31 DECEMEMBER 2016

PROTEOMICS INTERNATIONAL LABORATORIES LTD
ACN 169 979 971
and Controlled Entity

HALF-YEAR INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

PROVIDED TO THE ASX UNDER LISTING RULE 4.2A.3

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2016.

ABOUT Proteomics International Laboratories Ltd (PILL)

PILL (ASX: PIQ) is a medical technology company focused on the area of proteomics – the industrial scale study of the structure and function of proteins. PILL is recognised as a global leader in the field of proteomics. It received the world's first ISO 17025 laboratory accreditation for proteomics services, and operates from state-of-the art facilities located on the QEII Medical Campus in Perth, Western Australia. The Company's business model uses its proprietary technology platform across three integrated areas of diagnostics, drug discovery and analytical services.

www.proteomicsinternational.com

FOR FURTHER INFORMATION PLEASE CONTACT

Dr Richard Lipscombe, *Managing Director*: +61 8 9389 1992
Karen Logan, *Company Secretary*: +61 8 9389 1992

Appendix 4D

Half Year Report for the six months to 31 December 2016

PROTEOMICS INTERNATIONAL LABORATORIES LTD

ACN 169 979 971

1. Reporting period

Report for the half-year ended	31 December 2016
Previous corresponding period is the half-year ended	31 December 2015

2. Results for announcement to the market

			$'000
Revenues from ordinary activities *(item 2.1)*	Up	61% to	543
(Loss) from ordinary activities after tax attributable to members (*item 2.2*)	Down	9% to	(944)
Net (loss) for the period attributable to members *(item 2.3)*	Down	9% to	(944)

There are no dividends being proposed or declared for the period *(item 2.4)*

Date for determining entitlements to the dividends: Not applicable *(item 2.5)*

Please refer to the Directors' Report within the attached Financial Report for an explanation of the figures reported above *(item 2.6)*

3. Net tangible assets per security *(item 3)*

	31 December 2016	31 December 2015
Net tangible asset / (liability) backing per ordinary security	3.15 cents	1.94 cents

4. Entities over which control has been gained or lost *(item 4)*: Not applicable

5. Dividends or Distributions *(items 5 & 6)*: Not applicable

6. Associates and Joint venture entities *(item 7)*: Not applicable

7. Foreign entities accounting standard *(item 8)*: Not applicable

8. Independent review of the financial report *(item 9)*:
The financial report has been independently reviewed. The financial report is not subject to a qualified independent review statement.

The financial information provided in the Appendix 4D should be read in conjunction with the half-year financial statements and Directors' report (attached), which has been prepared in accordance with Australian Accounting Standards.

Proteomics International
LABORATORIES LTD

PROTEOMICS INTERNATIONAL LABORATORIES LTD

ACN: 169 979 971

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED
31 DECEMBER 2016

ACN 169 979 971

FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by Proteomics International Laboratories Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

ACN 169 979 971

DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

The Directors present the financial report for the Group for the half-year ended 31 December 2016.

Director Details

The names of the Directors in office at any time during or since the end of the half-year are:

Name	Position
Mr Terry Sweet	Non-Executive Chairman
Dr Richard Lipscombe	Managing Director
Dr John Dunlop	Non-Executive Director
Mr Roger Moore	Non-Executive Director (Appointed 14 October 2016)

Review of operations

The six months to December 2016 saw important developments in both PILL's diagnostics and analytics operations, alongside a successful capital raising. The Group is now strongly positioned for growth.

Diagnostics development
PILL signed the first commercialisation deal for its breakthrough diagnostic test for diabetic kidney disease, PromarkerD. The test will be commercialised in Central America in a deal with a net present value of USD 1.5 million, which could act as a stepping stone for commercialisation in the US market. In on-going clinical studies PromarkerD demonstrated an improved ability to predict a clinically significant decline in kidney function. Commercialisation of the test also progressed with the signing of a production contract, and a diabetic kidney disease patent was granted in Russia.

PILL expanded its diagnostics portfolio to include the detection of endometriosis and the asbestos-related cancer mesothelioma. PILL also worked with a leading US veterinary company to map samples of the gastro-causing parasite *Giardia*.

Analytical services growth
PILL's analytical services revenue has the potential to double in 2017-18 thanks to a new deal to offer specialist analytical testing services for clinical trials. This partnership with Linear Clinical will target the fast-growing biopharmaceuticals and oncology markets. PILL will test the patient response to drugs (pharmacokinetic testing), becoming one of only three companies to provide this specialist testing in Australia.

The international success of PILL's analytical services business was recognised with the award of State Exporter of the Year at the Western Australia Industry and Export Awards. The Company also won the Health and Biotechnology category for the second year running.

Corporate
PILL received $570,000 in a research and development rebate, and raised over $2 million through a Placement and Share Purchase Plan. Both the Placement and Share Purchase Plan were oversubscribed. These funds will help accelerate developments in PILL's diagnostics and analytical services operations.

As part of its growth strategy, PILL added key industry and sector experience to the board with the appointment of Mr Roger Moore as Non-Executive Director.

Review of Operations continued

Operating Results

Revenue
Revenue from operating activities for the half-year was $542,924, an increase of 61% compared to the equivalent period last year. This significant increase in revenue combines strong growth from analytical services (up 42%) and new income in diagnostics from licensing fees.

Expenditure
Consolidated expenses increased 7% compared to the equivalent period last year and remain in-line with budget. The small increase in expenditure despite the large increase in revenue reflects PILL's synergistic business model whereby analytical services and diagnostics development are delivered from the same technology platform.

Net position and cash flow
The Company reported a loss from operating activities for the six months to December 2016 of $943,646, a decrease of 9% compared to the equivalent period last year. Cash outflow from operating activities over the period was down 29% to $424,868.

Cash reserves at the end of the period were $2.1 million (31 Dec 2015: $1.5 million).

Significant changes in the state of affairs

There have been no significant changes in the Group's state of affairs during or since the end of the reporting period.

After balance date events

There has been no matter or circumstance which has arisen since 31 December 2016 that has significantly affected or may significantly affect:

(a) the operations, in financial periods subsequent to 31 December 2016, of the consolidated entity, or
(b) the results of those operations, or
(c) the state of affairs, in financial periods subsequent to 31 December 2016, of the consolidated entity.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

Signed in accordance with a resolution of the Directors.

Terry Sweet
Chairman

Perth, Western Australia on 23rd February 2017

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DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF PROTEOMICS INTERNATIONAL LABORATORIES LTD

As lead auditor for the review of Proteomics International Laboratories Ltd for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Proteomics International Laboratories Ltd and the entity it controlled during the period.

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 23 February 2017

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

ACN 169 979 971

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	Half-Year 31-Dec 2016 $	31-Dec 2015 $
Revenue from continuing operations			
Services	10	542,924	336,766
Other Income			
Interest income		7,334	18,971
Research and development tax incentive		-	656
Paid parental leave income		-	7,884
Employment and labour expenses	11	(722,881)	(678,943)
Share based payment expense		(108,061)	(108,818)
Depreciation expense		(2,836)	(1,097)
Intellectual property maintenance expenses		(45,593)	(34,871)
Interest expense		(16,383)	(16,191)
Laboratory supplies		(206,554)	(134,582)
Professional fees		(106,042)	(147,648)
Travel and marketing expenses		(59,211)	(75,952)
Laboratory access fees		(51,812)	(47,344)
Realised loss in foreign currency translation		(5,859)	(2,284)
Other expenses		(168,672)	(150,644)
Net Profit /(Loss) before income tax for the period		(943,646)	(1,034,097)
Income tax Benefit/(Expense)		-	-
Total comprehensive income/(loss) for the period attributable to owners of Proteomics International Laboratories Ltd		(943,646)	(1,034,097)
(Loss) per share for the half-year loss attributable to the members of Proteomics International Laboratories Ltd			
Basic and diluted (Loss) per share (cents per share)		($0.02)	($0.02)

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Proteomics International
LABORATORIES LTD

ACN 169 979 971

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	31-Dec 2016 $	30-June 2016 $
CURRENT ASSETS			
Cash and cash equivalents	3	2,059,898	582,256
Trade and other receivables	4	234,194	141,990
Other assets	5	297,941	876,871
TOTAL CURRENT ASSETS		2,592,033	1,601,117
NON CURRENT ASSETS:			
Plant & equipment		17,622	20,458
Intangible assets		1,012	1,012
TOTAL NON CURRENT ASSETS		18,634	21,470
TOTAL ASSETS		2,610,667	1,622,587
LIABILITIES			
CURRENT LIABILITIES:			
Trade and other payables	6	256,076	341,604
Short-term provisions		18,299	26,127
TOTAL CURRENT LIABILITIES		274,375	367,731
NON-CURRENT LIABILITIES:			
Long-term provisions		36,058	21,547
Borrowings	7	441,891	441,891
TOTAL NON-CURRENT LIABILITES		477,949	463,438
TOTAL LIABILITIES		752,324	831,169
NET ASSETS		**1,858,343**	**791,418**
EQUITY			
Issued capital	8	5,951,326	4,048,816
Share Based Payment Reserve		677,777	569,716
Accumulated (losses)		(4,770,760)	(3,827,114)
TOTAL EQUITY		**1,858,343**	**791,418**

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

Proteomics International LABORATORIES LTD

ACN 169 979 971

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

		Issued Capital Ordinary $	Reserves $	Retained Earnings/ (Accumulated Losses) $	Total Equity $
Balance as at 1 July 2016		4,048,816	569,716	(3,827,114)	791,418
Loss for the period		-	-	(943,646)	(943,646)
Other comprehensive income		-	-	-	-
Total comprehensive loss		-	-	(943,646)	(943,646)
Transactions with owners in their capacity as Equity Holders					
Equity Issued net of share issue costs	8	1,902,445	-	-	1,902,445
Conversion of Options	8	65	-	-	65
Share based payments		-	108,061	-	108,061
		1,902,510	108,061	-	2,010,571
Balance as at 31 December 2016		5,951,326	677,777	(4,770,760)	1,858,343
Balance as at 1 July 2015		4,044,180	259,763	(2,498,658)	1,805,285
Loss for the period		-	-	(1,034,097)	(1,034,097)
Other comprehensive income		-	-	-	-
Total comprehensive loss		-	-	(1,034,097)	(1,034,097)
Transactions with owners in their capacity as Equity Holders					
Equity Issued net of share issue costs		-	101,222	-	101,222
Share based payments		-	108,818	-	108,818
		-	210,040	-	210,040
Balance as at 31 December 2015		4,044,180	469,803	(3,532,755)	981,228

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

Proteomics International
LABORATORIES LTD

ACN 169 979 971

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Half-Year	
	31-Dec 2016 $	31-Dec 2015 $
Cash flows from operating activities		
Receipts from customers	444,861	381,444
Payments to suppliers and employees	(1,432,293)	(1,303,914)
Interest received	7,334	18,971
Interest paid	(16,383)	(16,191)
R&D tax rebate	571,613	321,478
Net cash (outflow) from operating activities	(424,868)	(598,212)
Cash flows from investing activities		
Payment for property, plant and equipment	-	(3,320)
Net cash (outflow) from investing activities	-	(3,320)
Cash flows from financing activities		
Proceeds from issue of shares, options etc.	2,014,565	126,454
Share/Options issue costs	(112,055)	(25,232)
Net cash inflow from financing activities	1,902,510	101,222
Net increase (decrease) in cash and cash equivalents	1,477,642	(500,310)
Cash and cash equivalents at beginning of half-year	582,256	2,004,974
Cash and cash equivalents at end of the half-year	2,059,898	1,504,664

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

ACN 169 979 971

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

This interim consolidated financial report does not include all the information and disclosures required in the annual financial report, and should be read in conjunction with the Group's annual financial report for the year ended 30 June 2016.

The half-year financial report was authorised for issue by the Directors on 23rd February 2017.

(a) Basis of preparation

The interim consolidated financial report of the group for the six months ended 31 December 2016 has been prepared in accordance with AASB 134 *Interim Financial Reporting*.

The financial report covers Proteomics International Laboratories Ltd and controlled entities as a consolidated entity.

The half-year report has been prepared under the historical cost convention.

The accounting policies applied in the half-year financial report are consistent with those of the annual financial report for the year ended 30 June 2016 and the corresponding half-year.

(b) Accounting policies

In the half-year ended 31 December 2016, the Group has 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 2016.

New and amended standards adopted by the entity

The Group did not have to change its accounting policies or make retrospective adjustments as a result of new or amended Accounting Standards and Interpretations.
There may be some changes to the disclosures in the 30 June 2017 annual report as a consequence of any new or amended Accounting Standards and Interpretations.

Impact of standards issued but not yet applied by the entity

The 30 June 2016 annual report disclosed that Proteomics International Laboratories Limited anticipated no material impacts (amounts recognised and/or disclosed) arising from initial application of those Accounting Standards and Interpretations issued but not yet applied at that date, and this remains the assessment as at 31 December 2016.

The Group has reviewed all new Accounting Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2016. 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 its business.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

NOTE 2: DIVIDENDS

Since the end of the financial year no dividend has been paid or declared (31 December 2015: Nil)

NOTE 3: CASH AND CASH EQUIVALENTS

	31-Dec 2016 $	30-Jun 2016 $
Cash at bank	1,959,546	130,401
Deposits at call	100,352	451,855
Total cash and cash equivalents	2,059,898	582,256

NOTE 4: TRADE RECEIVABLES

Trade receivables	234,194	141,990

(a) Classification of trade receivables

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

The trade receivables are generally due for settlement within 30 days and therefore are classified as current. The group does not currently have any provision for doubtful debts in respect to their receivables as at 31 December 2016.

(b) Fair value of trade receivables

Due to the short term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

NOTE 5: OTHER ASSETS

Research and development tax incentive	-	571,613
Guarantee (i)	297,941	296,154
Prepayments	-	9,104
Total other assets	297,941	876,871

(i) Bank guarantee for equipment under lease.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

NOTE 6: TRADE AND OTHER PAYABLES

	31-Dec 2016 $	30-Jun 2016 $
Trade creditors	111,110	125,375
Other creditors	144,966	216,229
Total trade and other payables	256,076	341,604

(a) Fair value of trade and other payables

Trade payables are unsecured and are usually paid within 60 days of recognition.

The carrying amount of trade and other payables are assumed to be the same as their fair values, due to their short term nature.

NOTE 7: BORROWINGS

Loans – directors	441,891	441,891

There were no movements in these loans during the period ended 31 December 2016 and there were no additional borrowings undertaken during the period ended 31 December 2016.

(i) Terms of the borrowings

The accounting parent entered into a loan agreement with three directors of Proteomics International Laboratories Ltd during the year ended 30 June 2015 to provide the Company with funding for working capital purposes.

The loan is provided on the following terms:

Particulars	Terms
Principal	$441,891
Interest rate	7%
Maturity	April 15, 2019
Repayment	In cash at any time or at maturity in cash or in shares at the market price

The Company has therefore assessed the accounting treatment for the transaction as a debt and classified the value as a borrowing.

(ii) Security

The borrowing is unsecured and there are no covenants in place for the loans.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

NOTE 8: ISSUED CAPITAL

	31-Dec-16 Shares	31-June-16 Shares	31-Dec-16 $	30-June-16 $
Share Capital				
Ordinary Shares	58,998,710	50,604,635	5,951,326	4,048,816
Total consolidated issued capital				

(a) Movement in share capital

Date	Details		Number of Shares	$
1/07/2016	Opening balance		50,604,635	4,048,816
4/08/2016	Exercise of options		325	65
13/12/2016	Issue of shares (i)		6,000,000	1,440,000
28/12/2016	Issue of shares (Ii)		2,393,750	574,500
		Less: Transaction costs		(112,055)
31/12/2016	Closing balance		58,998,710	5,951,326

(i) Issued - pursuant to placement offered to existing shareholders and new sophisticated investors.
(ii) Issued - pursuant to share purchase plan to existing shareholders recorded on the Company register on 1 December 2016.

(b) Ordinary shares

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one Vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

NOTE 9: OPTIONS ON ISSUE

The following table summarises the options:

		Average exercise price	Number of Options
As at 1 July 2016		$0.20	15,732,181
13/12/2016	Issue of options (i)	$0.20	1,500,000
04/08/2016	Exercise of options (ii)	$0.20	(325)
As at 31 December 2016		$0.20	17,231,856

(i) Issued free on the basis of 1 option for every 4 shares issued pursuant to placement offered to existing shareholders and new sophisticated investors.
(ii) During the period, 325 options were exercised and converted into shares.

No options expired during the period.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

NOTE 9: OPTIONS ON ISSUE (continued)

Options outstanding as at 31 December 2016 have the following expiry date and exercise price:

Grant Date	Expiry Date	Exercise Price	No. Options
08/04/2015	31/03/2018	$0.20	3,110,000
29/10/2015	31/03/2018	$0.20	12,621,856
13/12/2016	31/03/2018	$0.20	1,500,000

NOTE 10: REVENUE

	31-Dec 2016 $	31-Dec 2015 $
Sales revenue:		
Rendering of services	542,924	336,766
Other revenue:		
Research and development tax incentive	-	656
Other	-	7,884
Interest income	7,334	18,971
Revenue	550,258	364,277

NOTE 11: EXPENSES

Loss before income tax includes the following specific expenses:

Employment and labour services	722,881	678,943
Interest expense	16,383	16,191
Laboratory supplies and access fees	258,366	181,926
Professional fees	106,042	147,648

NOTE 12: SEGMENT INFORMATION

Operating segment

Operating segments are reported in a uniform manner which is internally provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors.
The Board monitors the operations of the company based one segment.
The actual to budget items and a detailed profit and loss are reported to the Board to assess the performance of the Group.

NOTE 13: RELATED PARTIES

Transactions with related parties are consistent with those disclosed in the 30 June 2016 annual report.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

NOTE 14: COMMITMENTS

Commitments are consistent with those disclosed in the 30 June 2016 annual report.

NOTE 15: CONTINGENT LIABILITIES

The Group is not aware of any material contingent liabilities as at 31 December 2016.

NOTE 16: EVENTS OCCURRING AFTER REPORTING PERIOD

There has been no matter or circumstance which has arisen since 31 December 2016 that has significantly affected or may significantly affect:

(a) the operations, in financial periods subsequent to 31 December 2016, of the consolidated entity, or
(b) the results of those operations, or
(c) the state of affairs, in financial periods subsequent to 31 December 2016, of the consolidated entity.

Proteomics International
LABORATORIES LTD

ACN 169 979 971

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes in accordance with the Corporations Act 2001:

1. Comply with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001, and other mandatory professional reporting requirements; and

2. Give a true and fair view of the financial position of the consolidated entity as at 31 December 2016 and of its performance for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Proteomics International Laboratories Ltd will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the Managing Director and Chairman required by section 295A of the Corporations Act 2001.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to section 303(5) of the Corporations Act 2001.

Terry Sweet
Chairman

Dated at Perth, Western Australia this 23rd day of February 2017.

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Proteomics International Laboratories Ltd

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Proteomics International Laboratories Ltd, which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of 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's 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 2016 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 Proteomics International Laboratories Ltd, 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 Proteomics International Laboratories Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

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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 Proteomics International Laboratories Ltd 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 2016 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001

BDO Audit (WA) Pty Ltd

Glyn O'Brien

Director

Perth, 23 February 2017