

ASX & Media Release

Commentary on Half Year Report

Patrys Strengthens Financial Position and Makes Progress Towards Clinical Trials in Cancer

Patrys Limited (**ASX: PAB**) today announced its financial results and an overview of operations for the six months ended 31 December 2008.

Revenues increased by 232 percent to \$2.5 million, largely due to foreign exchange rate gains associated with the conversion of cash held in US dollars and Euros to Australian dollars. The total consolidated net loss for the period was \$3.9 million.

In announcing the results, Dan Devine, CEO of Patrys said, "The development of our natural human antibodies for the treatment of cancer and other major diseases has progressed well and our two furthest advanced products are now approaching the clinic.

"Our leading human antibody products, PAT-LM1 and PAT-SM6, have been manufactured for use in the preclinical safety studies required before the antibodies can be evaluated in people living with cancer. The safety studies are due to be initiated in the first quarter of CY2009 and the first human clinical trials are expected to commence in the second quarter of CY2009.

"In addition to the advancement of PAT-LM1 and PAT-SM6 towards human trials, during the half year in review Patrys generated significant additional intellectual property around its lead antibodies and their respective disease targets, enhancing their respective values as either internal programs or partnering opportunities.

"Our achievements over the past six months and the current cash balance place Patrys in a strong position for the year ahead. With our lead internal products well advanced toward the clinic, management's focus in 2009 will be on partnering opportunities for our deep portfolio of propriety antibodies and targets," Mr Devine added.

Further highlights and full financial results are contained in the attached Appendix 4D.

Dated: 25 February 2009

A handwritten signature in blue ink, appearing to read "RMP" followed by a stylized flourish.

Roger McPherson
Company Secretary

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APPENDIX 4D

PATRY'S LIMITED
ABN 97 123 055 363

HALF YEAR REPORT

Current reporting period
Previous corresponding period

Half year ended 31 December 2008
Half year ended 31 December 2007

Results for announcement to the market

A\$'000

Revenues from ordinary activities	Up	232.3%	to	2,545
Loss from ordinary activities after tax attributable to members	Up	46.5%	to	(3,985)
Net loss for the period attributable to members	Up	46.5%	to	(3,985)

Explanation		
Dividends (distributions)	Amount per security	Franked amount per security
Interim dividend	NIL	NIL
Previous corresponding period	NIL	NIL
Record date for determining entitlements to the dividend	N/A	
	31 December 2008	31 December 2007
Net tangible asset per security	8.86¢	15.63¢
Control gained over entities having material effect	N/A	
Loss of control of entities having material effect	N/A	
Details of aggregate share of profit (loss) of associated and joint venture entities	N/A	
This report is based on:	on accounts which have been subject to review	

PATRYS LIMITED AND CONTROLLED ENTITIES
ABN 97 123 055 363

APPENDIX 4D – HALF YEAR REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

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This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Patrys Limited during the half year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the Australian Securities Exchange.

DIRECTORS' REPORT

The Board of Directors of Patrys Limited ("Patrys" or the "Company") has resolved to submit the following report together with the financial statements of the Company and its wholly owned subsidiaries ("economic entity") for the half year ended 31 December 2008.

1. Directors

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

Mr. John Read (Non Executive Chairman)
Mr. Michael Stork (Non Executive Director and Deputy Chairman)
Dr. Alan Robertson (Non Executive Director)
Mr. Dan Devine (Executive Director and Chief Executive Officer)

2. Review of Operations

Key highlights achieved by Patrys during the period include:

- Scale up manufacture of both PAT-LM1 and PAT-SM6 to support both the planned safety studies and human clinical trials.
- The completion of all steps necessary for the planned safety studies of both PAT-LM1 and PAT-SM6, which are expected to commence in the first quarter of CY2009.
- Set up and planning for the clinical trials of PAT-LM1 and PAT-SM6 that are now expected to commence during the second quarter of CY2009.
- During the past six months, Patrys' R&D teams in Würzburg, Germany and our laboratories in Melbourne's Bio21 facility, have generated additional modified versions of six of the Company's lead products. These additional forms include fragments, IgGs, and other forms that each have unique characteristics, which in turn offer distinct therapeutic or diagnostic uses. In addition, the discovery of the disease targets for the products in our pipeline is now running at a pace of 4 to 6 new targets per year. The generation and/or discovery of alternative forms of Patrys' lead products and new disease targets significantly enhances the value of the Company's key products both as internal development candidates and/or partnering opportunities.
- The expansion of our intellectual property base through the addition of patent applications covering the following assets:
 - Lead product PAT-BA4, a natural human IgG form antibody being developed as a possible treatment for a number of cancers, and the discovery and validation of the new disease target for this antibody. A scientific presentation of the target for PAT-BA4 will be made at the American Association of Cancer Research Conference 2009 to be held in Colorado during March of this year.
 - The use of lead antibody PAT-PM2 in metastatic colon cancer, supported by strong data in preclinical models showing PAT-PM2's ability to treat cancer metastases.
 - A provisional patent application covering lead product PAT-BA3, a natural human IgG antibody directed at a number of solid tumours.
 - A provisional patent application covering lead clinical candidate PAT-LM1, including claims covering its newly discovered disease target and several modified forms of PAT-LM1 that may represent second generation products. This application provides additional competitive barriers around the PAT-LM1 commercial opportunity.
 - A provisional patent application covering lead clinical candidate PAT-SM6, including additional claims associated with its disease target and several modified forms of PAT-SM6 that represent potential second generation products. As with PAT-LM1, this application provides additional competitive barriers around our PAT-SM6 commercial opportunity.
- As highlighted in our CEO's November 2008 AGM presentation, the management team have focused efforts on partnering activities. This activity will remain a major focus for the upcoming year.
- The acquisition of the material assets of US based company Acceptys, Inc., including infectious disease human antibody programs and US\$2 million in cash.

3. Financial and Treasury Activities

The financial results of the Company for the six months ended 31 December 2008 are summarised as follows:

- On a consolidated basis the Company incurred a loss from ordinary activities before income tax of \$3,984,833 (2007: \$2,711,950). The net loss after tax was also \$3,984,833 (2007: \$2,719,349). Before interest, tax, depreciation and amortisation the net loss for the same period was \$3,701,849 (2007: \$3,359,243).
- Revenues included in the results of \$2,544,556 include interest income, R&D tax concession and net foreign exchange gains. Revenues of \$765,683 were related to interest income.
- Research and development costs of \$5,165,244 (2007: \$2,043,757) have been expensed in the period in which they have been incurred. Management and administration costs contribute a further \$1,328,718 (2007: \$1,432,338) to expenses from continuing operations. The expenses shown in the accounts are consistent with the budget expectations forecast for the activities performed in each of the Australian and Overseas locations.
- US subsidiary results: The operating results for the half year attributable to Patrys, Inc., a 100 percent owned operating subsidiary, show a net profit of \$12,123 (2007: net loss \$805,687), attributable to income earned by Patrys, Inc. for services provided to the Company. The profit before interest, tax, depreciation and amortisation was \$12,958 (2007: loss \$805,687).
- European subsidiary results: the operating results for the half year relating to Patrys GmbH, a 100 percent owned operating subsidiary, show a net profit after tax of \$32,528 (2007: \$17,762), which is attributable to income earned by Patrys GmbH for services provided to the Company. The profit before interest, tax, depreciation and amortisation was \$57,224 (2007: \$32,740).
- The Company's cash and term deposits remain strong at \$14,736,836 at balance date.

4. Events Subsequent to 31 December 2008

No subsequent event to the date of this report has a material impact on the financial forecasts of the Company.

5. Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* accompanies this report.

Signed in accordance with a resolution of the Board of Directors dated 25 February 2009.



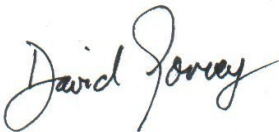
John Read
Chairman

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of Patrys Limited for the half year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Patrys Limited and the entities it controlled during the year.



D J Garvey
Partner
PKF

25 February 2009
Melbourne

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PATRY'S LIMITED AND CONTROLLED ENTITIES
ABN 97 123 055 363

CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	Note	Half year	
		31 December	31 December
		2008	2007
		\$	\$
Revenue from continuing operations	2	2,544,556	765,683
Expense from continuing operations			
Research & development		(5,165,244)	(2,043,757)
Management & administration		(1,328,718)	(1,432,338)
Interest costs		(1,774)	(1,538)
Share of losses of equity accounted associates	5	(33,653)	-
Total expenses from continuing operations	3	<u>(6,529,389)</u>	<u>(3,477,633)</u>
Loss from continuing operations before tax		(3,984,833)	(2,711,950)
Income tax expense		-	(7,399)
Loss for the period from continuing operations after income tax		<u>(3,984,833)</u>	<u>(2,719,349)</u>
Loss attributable to members of the Company		<u>(3,984,833)</u>	<u>(2,719,349)</u>
Earnings per share:			
Basic earnings per share (cents per share)		(2.58)c	(1.83)c
Basic diluted earnings per share (cents per share)		(2.58)c	(1.83)c

The above consolidated income statement should be read in conjunction with the accompanying notes.

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PATRY'S LIMITED AND CONTROLLED ENTITIES
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CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008

	Note	31 December 2008 \$	30 June 2008 \$
Current assets			
Cash and cash equivalents		14,736,836	15,233,976
Trade and other receivables		455,260	200,615
Other		150,290	756,096
Total current assets		15,342,386	16,190,687
Non-current assets			
Property, plant and equipment		899,365	640,515
Investment accounted for using the equity method	5/6 (iii)	-	2,860,267
Intangible assets	6	7,825,677	4,166,506
Total non-current assets		8,725,042	7,667,288
Total assets		24,067,428	23,857,975
Current liabilities			
Trade and other payables		1,623,509	821,896
Tax liabilities		-	25,154
Borrowings		29,594	9,158
Provisions		41,284	-
Total current liabilities		1,694,387	856,208
Non-current liabilities			
Deferred tax liabilities		1,617	1,162
Borrowings		-	24,930
Total non-current liabilities		1,617	26,092
Total liabilities		1,696,004	882,300
Net assets		22,371,424	22,975,675
Equity			
Contributed equity	7	34,677,027	31,580,827
Reserves	8	651,948	367,566
Accumulated losses	9	(12,957,551)	(8,972,718)
Total equity		22,371,424	22,975,675

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

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PATRY'S LIMITED AND CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	Fully paid ordinary shares	Fully paid series 1 preference share	Fully paid series 2 preference shares	Total issued capital	Accumulated losses	Other reserves	Total
2008							
Consolidated							
Balance at beginning of period	31,580,827	-	-	31,580,827	(8,972,718)	367,566	22,975,675
Issued capital	3,096,200	-	-	3,096,200	-	-	3,096,200
Loss for the period	-	-	-	-	(3,984,833)	-	(3,984,833)
Translation currency differences	-	-	-	-	-	100,831	100,831
Cost of share based payment	-	-	-	-	-	183,551	183,551
At 31 December 2008	<u>34,677,027</u>	<u>-</u>	<u>-</u>	<u>34,677,027</u>	<u>(12,957,551)</u>	<u>651,948</u>	<u>22,371,424</u>
2007							
	\$	\$	\$	\$	\$	\$	\$
Consolidated							
Balance at beginning of period	753,299	1,786,400	4,027,320	6,567,019	(1,649,116)	81,168	4,999,071
Issued capital	32,827,401	(1,786,400)	(4,027,320)	27,013,681	-	-	27,013,681
Transaction costs related to shares issued	(1,999,873)	-	-	(1,999,873)	-	-	(1,999,873)
Loss for the period	-	-	-	-	(2,719,349)	-	(2,719,349)
Translation currency differences	-	-	-	-	-	15,019	15,019
Cost of share based payment	-	-	-	-	-	228,768	228,768
At 31 December 2007	<u>31,580,827</u>	<u>-</u>	<u>-</u>	<u>31,580,827</u>	<u>(4,368,465)</u>	<u>324,955</u>	<u>27,537,317</u>

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

PATRY'S LIMITED AND CONTROLLED ENTITIES
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CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	Half year	
	31 December	31 December
	2008	2007
	\$	\$
Cash flows from operating activities		
Receipts from trade and other debtors	107,966	-
Payments to suppliers and employees (inclusive of goods and services tax)	(4,514,438)	(3,224,700)
R&D tax concession	329,687	-
Interest received	173,942	765,683
Finance costs	(1,774)	-
Taxes paid	(30,448)	-
Net cash flows used in operating activities	(3,935,065)	(2,459,017)
Cash flows from investing activities		
Payment for other financial assets	(613,202)	(613,268)
Investment in patents and licences	(529,304)	(184,085)
Purchase of property, plant and equipment	(217,058)	(446,378)
Net cash flows used in investing activities	(1,359,564)	(1,243,731)
Cash flows from financing activities		
Proceeds from issue of shares	3,096,200	26,234,611
Payment of share issue costs	-	(1,822,085)
Repayment of borrowings	(4,494)	(564,141)
Net cash flows from financing activities	3,091,706	23,848,385
Net increase/(decrease) in cash held	(2,202,923)	20,145,637
Cash and cash equivalents at beginning of the half year	15,233,976	2,321,607
Effect of exchange rate movements	1,705,783	(2,855)
Cash and cash equivalents at end of the half year	14,736,836	22,464,389

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

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PATRYS LIMITED AND CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

Note 1: Basis of preparation and accounting policies

The financial report of Patrys Limited for the half year ended 31 December 2008 was authorised for issue in accordance with a resolution of the Directors on 25 February 2009. Patrys Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange. The nature of the operations and the principal activities of the Company and its controlled entities (the "Group") are described in Note 4.

This general purpose financial report for the half year reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Patrys Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Note 2: Revenue from continuing operations	Half year 31 December 2008 \$	Half year 31 December 2007 \$
Other income		
Interest revenue	446,828	765,683
R&D tax concession	329,687	-
Gain on translation of value of assets/liabilities held in foreign currencies	1,715,680	-
Recovery of expenses from associates	52,323	-
Other	38	-
	2,544,556	765,683

Note 3: Expenses from continuing operations	Half year 31 December 2008 \$	Half year 31 December 2007 \$
The net loss includes the following specific items:		
Depreciation – plant and equipment	61,256	18,552
Amortisation – intellectual property	219,953	105,699
Rental expense related to operating leases	74,257	32,070
Employee benefit expenses		
Defined contribution superannuation expense	64,778	16,368
Expenses of share based payments	132,665	178,683
Wages and other employee benefit expenses	1,396,436	901,085

Note 4: Segment information

(a) Description of segments

Total

The Company operates in two business segments, being commercialisation and investment in research and development companies.

Geographical segments

The Company predominantly operates in three geographical areas, being Australia, Germany and USA.

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PATRY'S LIMITED AND CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

(b) Primary reporting format – business segments

2008	Research & development	Investment	Corporate	Total
Revenue from continuing operations	329,687	-	2,214,869	2,544,556
Result				
Segment result – continuing operations	(4,836,444)	(33,653)	885,264	(3,984,833)
Net profit/(loss) after income tax expense	(4,836,444)	(33,653)	885,264	(3,984,833)
Segment assets	9,683,657	-	14,383,771	24,067,428
Segment liabilities	1,440,898	-	255,106	1,696,004
Acquisition of property, plant and equipment and intangible assets	4,092,250	-	3,932	4,096,182
Depreciation	45,967	-	15,289	61,256
Amortisation	219,953	-	-	219,953
Non-cash expenses other than depreciation	-	33,653	183,551	217,204
2007	Research & development	Investment	Corporate	Total
Revenue from continuing operations	-	-	765,683	765,683
Result				
Segment result – continuing operations	(2,043,757)	-	(675,592)	(2,719,349)
Net profit/(loss) after income tax expense	(2,043,757)	-	(675,592)	(2,719,349)
Segment assets	4,013,260	1,643,248	22,624,900	28,281,408
Segment liabilities	357,050	-	387,041	744,091
Acquisition of property, plant and equipment and intangible assets	334,129	-	112,249	446,378
Carrying value of other financial assets	-	1,643,248	-	1,643,248
Depreciation	16,316	-	2,236	18,552
Amortisation	105,699	-	-	105,699
Non-cash expenses other than depreciation	-	-	230,306	230,306

PATRYS LIMITED AND CONTROLLED ENTITIES
ABN 97 123 055 363

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

Note 5: Investment accounted for using the equity method

Following approval of Resolution 7 at the Company's AGM on 28 November 2008, in return for acquiring the rights to certain assets from Acceptys, Inc., (Acceptys) and the cancellation of certain obligations of the Company to Acceptys (refer Note 10), the Company agreed to the cancellation of its preferred stock holding in Acceptys (which had been equity accounted).

As part of the arrangements Acceptys also subscribed for 11,300,000 new shares in the Company for cash consideration of \$US 2,000,000 (\$A 3,096,200).

Note 6: Intangible assets	31 December 2008	30 June 2008
Intellectual property establishment and acquisitions at cost	8,346,330	4,467,206
Less: Accumulated amortisation	(520,653)	(300,700)
	<u>7,825,677</u>	<u>4,166,506</u>

Movements in the carrying amounts for intellectual property between the beginning and the end of the current financial year

Carrying amount at 1 July	4,166,506	3,560,788
Additions - acquisitions	3,879,124	855,979
Amortisation expense (i)	(219,953)	(250,261)
Carrying amount at the end of year	<u>7,825,677</u>	<u>4,166,506</u>

- (i) Amortisation expense is included in the line item "research and development" in the income statement in the current period and was included in the line item "management and administration" in the corresponding period.
- (ii) Intangible assets comprise licences, intellectual property, registered patents and trademarks, have a finite useful life and are recorded at cost. Amortisation is calculated using straight line method over the estimated useful life, which range from 12 to 20 years. Remaining amortisation periods range from 14.75 to 20 years.
- (iii) As outlined in Notes 5 and 10, during the period the Company agreed to the cancellation of its preferred stock holding in Acceptys in exchange for certain intellectual property assets as outlined in the explanatory notes to Resolution 7 in the Notice of Meeting for the Company's AGM held on 28 November 2008.

Note 7: Contributed equity

	31 December 2008	
	No.	\$
Opening balance 1 July 2008	152,851,475	31,580,827
Shares issued (refer note 5)	11,300,000	3,096,200
Closing balance 31 December 2008	<u>164,151,475</u>	<u>34,677,027</u>
	30 June 2008	
	No.	\$
Opening balance 1 July 2007	85,880,475	6,567,019
Shares issued at IPO	62,500,000	25,000,000
Shares issued on conversion of loans	4,471,000	1,835,893
Transaction costs in relation to shares issued	-	(1,822,085)
Closing balance 30 June 2008	<u>152,851,475</u>	<u>31,580,827</u>

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PATRY'S LIMITED AND CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

Note 8: Reserves	31 December	30 June
	2008	2008
	\$	\$
Foreign currency translation reserve	(a) 99,108	(1,723)
Share options reserve	(b) 552,840	369,289
	<u>651,948</u>	<u>367,566</u>

(a) Foreign currency translation reserve

Opening balance 1 July	(1,723)	(886)
Net adjustment arising from the translation of foreign controlled entities' financial statements	100,831	(837)
Closing balance	<u>99,108</u>	<u>(1,723)</u>

(b) Share options reserve

Opening balance 1 July	369,289	82,054
Value of options issued	183,551	287,235
Closing balance	<u>552,840</u>	<u>369,289</u>

Note 9: Movement in accumulated losses

	31 December	30 June
	2008	2008
	\$	\$
Opening balance 1 July	(8,972,718)	(1,649,116)
Net loss attributable to the members of the parent entity for the period	(3,984,833)	(7,323,602)
Closing balance	<u>(12,957,551)</u>	<u>(8,972,718)</u>

Note 10: Commitments and contingencies

The only changes to the commitments and contingencies disclosed in the most recent annual financial report are specified below:

Acceptys Rights Agreement

Following approval of Resolution 7 at the Company's AGM on 28 November 2008, the Company agreed to the cancellation of its preferred stock holding in Acceptys (which had been equity accounted). In return the Company acquired the rights to certain assets from Acceptys and the cancellation of all of the obligations of the Company to Acceptys as outlined in Note 18 of the 2008 Annual Report.

Note 11: Events subsequent to reporting date

No significant events have arisen subsequent to 31 December 2008 which require disclosure in the half year report.

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PATRY'S LIMITED AND CONTROLLED ENTITIES
ABN 97 123 055 363

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) The financial statements and notes, as set out on pages 7 to 14 are in accordance with the *Corporations Act 2001* including:
 - (i) give a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half year ended on that date as represented by the results of its operations, changes in equity and its cash flows, for the half year ended on that date; and
 - (ii) comply with *Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001*; and
- (b) 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.

Dated this 25th day of February 2009



John Read
Chairman

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Patrys Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Patrys Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement or description of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the Patrys Limited and the entities it controlled at 31 December 2008 or from time to time during the half year ended on that date.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Patrys Limited 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 or 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 31 December 2008 and their 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 Patrys Limited, 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*.

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Conclusion

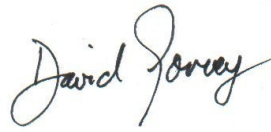
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Patrys Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 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.



PKF

25 February 2009
Melbourne



D J Garvey
Partner

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