



# HEXIMA

Hexima Limited ABN 64 079 319 314

## Half Year Report – Appendix 4D For the six months ended 31 December 2008

### Results for announcement to the market

	31 Dec 2008 \$000	31 Dec 2007 \$000	% Movt
Revenue	408	461	(11.5%)
Net profit/(loss) before financing income/expense	(9,849)	(2,580)	(281.7%)
Net financing income/(costs)	1,336	1,055	26.6%
Income tax expense	-	-	-
Loss after tax from ordinary activities attributable to members	(8,512)	(1,524)	(458.5%)
Net loss attributable to members	(8,512)	(1,524)	(458.5%)
Dividends	NIL	NIL	-
Net tangible assets per share (cents)	39.9	47.2	(15.5%)

Nm = Not meaningful

### Commentary on Results

#### Financial

As at 31 December 2008, Hexima had approximately \$33 million in cash (and interest receivable), which equates to approximately three to four years of funding for current projects.

Hexima is a development stage company with a number of technologies at different points in the development process. Net cash usage for the six months was \$3.734 million compared with \$3.136 million (excluding financing activities) in the prior corresponding period.

The Company recorded a loss of \$8.512 million for the six months ended 31 December 2008 (including a \$6.0 million non-cash research and development expense, discussed below), compared with a loss of \$1.524 million for the previous corresponding period.

Excluding net finance expense and income tax expense, the loss from operating activities for the six months was \$9.849 million, compared with \$2.580 million for the previous corresponding period. Revenue was largely unchanged at \$0.408 million for the six months compared with \$0.461 million for the previous corresponding period.

This result reflects Hexima's increased expenditure as the Company expands its activities in researching, developing and commercialising its technologies, as well as the expenses of the expanded administrative capacity established following the Company's Initial Public Offering in August 2007.

The result also includes non-cash research and development expenditure of \$6.0 million recorded after the Company entered into a co-development and commercialisation agreement with DuPont agricultural business, Pioneer Hi-Bred International, Inc. (Pioneer), for the commercialisation of fungal resistance technology on 7 August 2008. As part of this agreement, Hexima acquired intellectual property rights valued at \$6.0 million. As consideration, and pursuant to a placement agreement, Hexima has issued 4,000,000 ordinary shares at \$1.50 per share. The financial effects of this transaction have been recorded as a research and development expenditure of \$6.0 million with a corresponding increase in share capital.

Net finance income for the six months ended 31 December 2008 was \$1.336 million compared with \$1.055 million for the previous corresponding period, reflecting both higher interest rates and the funds from the Initial Public Offering earning interest for the entire period, offset in part by the drawdown of funds to meet expenditure.

### **Operations**

When Hexima listed on the ASX in August 2007, a key goal was to progress the development of Hexima's technologies to definitive commercialisation agreements with international agribusiness partners. In August 2008, Hexima entered into a development and commercialisation agreement with DuPont subsidiary, Pioneer Hi-Bred International, Inc., for one of the Company's key technologies, biotech fungal disease resistance. Over the past six months, the Hexima team has focused on reaching the first program milestone. As a result of the program's two-way transfer of technology, Hexima's scientists have expanded their transformation skills into corn. Corn plants from Pioneer's US facilities have now arrived at Hexima's laboratories and the team is now ready to commence transformation work.

In addition to this undertaking, Hexima has made important progress in developing its other key technologies and in exploring appropriate commercial relationships to take these technologies to market.

### **Future**

Hexima is continuing with its planned research and development programs using its financial resources as forecast. Notwithstanding the downturn in many industries, we believe food security and agricultural productivity will continue to be a global priority.