



Medica Holdings Ltd
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14 March 2003

Company Announcements Office
Australian Stock Exchange Ltd (ASX)
4th Floor, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Please find herewith an announcement "Medica advances drug candidates" to be distributed to the market immediately.

Also attached please find Medica Holdings Limited Half Year Financial Report to 31 December 2002 together with Appendix 4B.

Yours sincerely

NICHOLAS MATHIOU
Finance Director



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Media Release

14 March 2003

Medica advances drug candidates

Medica Holdings Limited (“Medica”) (ASX:MCA) announced today that its investee companies had all made significant progress in the first half.

Dr Kevin Healey, Medica’s Managing Director said, “We are pleased to report that each of our investee companies has made good progress with their drug discovery programs.”

“Cytopia is close to selecting its favoured candidate for treating Hormone Refractory Prostate Cancer (HRPC), Xenome is well advanced in its preclinical testing of a candidate for severe pain and Alchemia has made a breakthrough in its antibiotic discovery program”, he said.

As at 31 December 2002 Medica had a sound cash balance of \$5.3 million (compared with \$4.4 million at 30 June 2002). This follows a further investment of \$2.0 million in Cytopia and a \$3.25 million capital raising in which Medica was pleased to see an increase in support from institutional investors including AMP and ING.

As Medica invests in biotechnology companies that expend most of their funds on research and development (R&D), it expects to record a loss in proportion to this activity. The companies adopt the conservative accounting policy of expensing R&D. Thus, the majority of the loss of \$2.5 million for the first half relates to the R&D conducted by its subsidiary Cytopia and Medica’s component of Xenome’s R&D. This is in line with expectations and compares to \$1.7 million for the previous corresponding period. The increase in R&D spend predominantly relates to the advancement of drug leads into preclinical development by Cytopia and Xenome.

“We are particularly pleased with the achievements of our subsidiary Cytopia”, said Dr Healey.

Cytopia is discovering drug candidates in an exciting new class known as kinase inhibitors. The first approved drug in this class was Gleevec® (Novartis) to treat Chronic Myelogenous Leukemia. Cytopia has licensed two kinase targets known as JAK1 and JAK2 from the Ludwig Institute for Cancer Research but has established a broad kinase-based discovery program.



Towards the end of calendar 2002 Cytopia announced that it had obtained promising results in the treatment of prostate cancer (HRPC) in a mouse model of the disease.

“We have seen a reduction in tumour size and in the number of metastases”, said Dr Healey. “We are currently optimizing the molecule’s biological properties and expect to select a candidate drug for preclinical testing before mid year”, he said.

Over the past year Cytopia has identified potent drug leads against its proprietary targets JAK1 and JAK2 plus ten other kinase targets implicated in a range of immune diseases and cancer.

A significant factor in this prolific success has been Cytopia’s development of ChemaPhore, a proprietary software platform that allows the design and *in silico* screening of potential drug-like molecules. This dramatically reduces the cost and time required to discover highly potent and specific drug leads.

Cytopia has successfully concluded a project funded in part by an AusIndustry BIF Grant to demonstrate that this technology is broadly applicable to a range of drug discovery targets and is more effective than commercially available software packages. Medica expects that there will be a significant demand for access to this technology by other biotechnology companies leading to a potential commercial opportunity. It is the company’s intention to exploit this by undertaking contract discovery services.

Over the past year Cytopia has been involved in discussions with various international biotechnology and pharmaceutical companies regarding collaborative development of drug candidates and expects to enter into one or more deals this calendar year. Meanwhile, revenue from its partnership with Chemicon International is increasing as its sales of kinase antibodies builds.

“Xenome has made significant progress with its preclinical testing of Xen2174 for the treatment of neuropathic pain”, said Dr Healey. “The company met with the FDA prior to Christmas and received an endorsement of its preclinical testing program. This testing should be completed in the first half of calendar 2003 and then subject to approval enter human clinical testing.

“Alchemia also has made good progress with an exciting breakthrough in its antibiotic discovery program”, said Dr Healey. “The company has lead molecules with good activity against many of the notoriously resistant strains of bacteria”, he added.

In addition to drug discovery Alchemia has a long term alliance with the Dow Chemical Company for the production of carbohydrate based drugs and neutraceuticals. It hopes to commercialise the production of an anticoagulant drug in the coming year.



“A key issue for all biotechnology companies now is to ensure that they have adequate funding to enable key value adding milestones to be achieved”, said Dr Healey. “We have good reasons to be confident that our investee companies will be adequately funded over the next 12 to 18 months, during which opportunities should be available for them to obtain revenue to fund future research and development”, said Dr Healey.

About Medica Holdings Limited

Medica Holdings Limited (ASX: MCA) is a Pooled Development Fund (“PDF”) specialising in investments in the biotechnology sector. Under the PDF Scheme, Medica’s shareholders are exempt from tax on gains from the sale of shares.

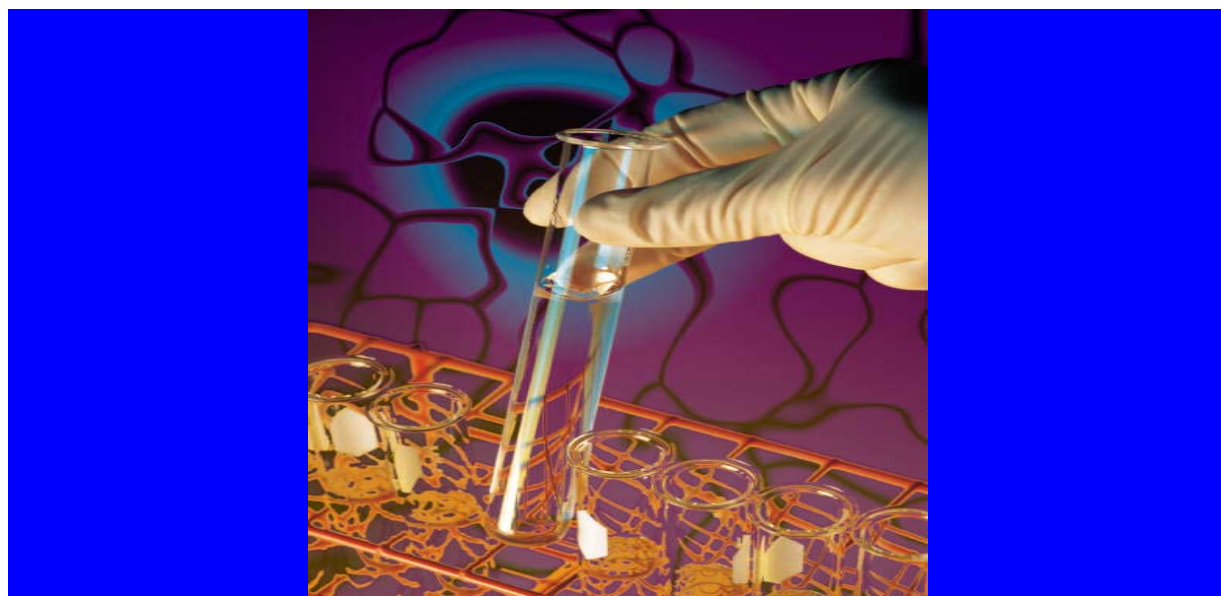
For further information, please visit www.medica.com.au or contact:

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Managing Director

Mr Nicholas Mathiou
Finance Director

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MEDICA HOLDINGS LIMITED



HALF YEARLY FINANCIAL REPORT

TO 31 DECEMBER 2002



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Website: www.medica.com.au

CORPORATE PARTICULARS

MEDICA HOLDINGS LIMITED

A.C.N. 079 253 606

Directors	Mr John Hasker, Chairman, Non-Executive Dr Kevin Healey, Managing Director Mr Don Hulme, Non-Executive Mr Mark Rowsthorn, Non-Executive Mr Nicholas Mathiou, Finance Director Dr Geoffrey Vaughan, Non-Executive
Company Secretary	Mr Nicholas Mathiou
Principal Place Of Business	Level 12, 9 Sherwood Road Toowong Queensland 4066 PO Box 820 Toowong Queensland 4066 Telephone: +61 7 3871 3455 Facsimile: +61 7 3871 3477 Email: info@medica.com.au Web: www.medica.com.au
Registered Office	Level 35, Waterfront Place 1 Eagle Street Brisbane Queensland 4000 GPO Box 9925 Brisbane Queensland 4001
Share Registry	Douglas Heck & Burrell Registries Level 22, Hong Kong Bank Building 300 Queen Street Brisbane Queensland 4000 GPO Box 35 Brisbane Queensland 4001 Telephone: +61 7 3228 4000 Facsimile: +61 7 3221 3149
Auditor	PricewaterhouseCoopers Chartered Accountants Level 17, Waterfront Place 1 Eagle Street Brisbane Queensland 4000 GPO Box 150 Brisbane Queensland 4001 Telephone: +61 7 3257 5000 Facsimile: +61 7 3257 5999
Stock Exchange Listing	Medica Holdings Limited's ordinary shares are listed on the Australian Stock Exchange (ASX).
Market Code:	MCA



TABLE OF CONTENTS

DIRECTORS REPORT	1
Directors.....	1
Review of Operations.....	1
Dividends	2
Matters Subsequent to End of Financial Year.....	2
Likely Developments.....	2
APPENDIX 4B	4
DIRECTORS DECLARATION	24
INDEPENDENT REVIEW REPORT BY PRICEWATERHOUSECOOPERS.....	25

DIRECTORS REPORT

Your directors present their report on the consolidated entity consisting of Medica Holdings Limited (“Medica”) and the entities it controlled at the end of, or during, the half-year ended 31 December 2002.

DIRECTORS

Mr John Hasker (Chairman), Dr Kevin Healey (Managing Director), Mr Don Hulme (Non-Executive Director), Mr Nicholas Mathiou (Executive Director), Mr Mark Rowsthorn (Non-Executive Director), and Dr Geoffrey Vaughan (Non-Executive Director) were directors of Medica during the whole of the half-year ended 31 December 2002 and up to the date of this report.

REVIEW OF OPERATIONS

Medica is a registered Pooled Development Fund (PDF) which invests in Australian drug discovery ventures.

Investment Activities

Alchemia Pty Ltd

Medica currently owns 18.5% of Alchemia Pty Ltd. Alchemia has continued to demonstrate that its novel sugar-based chemistry can produce drug-like molecules with particular success in the areas of cancer and antibiotics.

Xenome Limited

Medica currently owns 39.3% of Xenome Ltd. Xenome expects to commence human clinical testing of a potential new drug for the treatment of severe pain during the next year. Xenome has also announced several international partnerships to screen its unique venom-based molecules for a range of indications including pain, cancer and immune diseases.

Research and Development

Cytopia Pty Ltd

Medica currently owns 79% of Cytopia. Cytopia has continued to conduct research in the therapeutic areas of inflammatory diseases and cancer. Cytopia has a world-wide royalty-free exclusive licence to develop and commercialise technology relating to certain genes and protein enzymes that play key roles in the inflammatory process. These enzymes are the signalling molecules which trigger how and when cells, particularly in the immune system, grow and multiply. During the half-year ended 31 December 2002, Medica provided further funding for Cytopia to conduct its research and development activities.

Financing Activities

During the half year ended 31 December 2002, Medica raised \$3.25 million via the issue of 3.25 million fully-paid ordinary shares in its capital.

Operating Activities

Medica's consolidated operating loss after income tax for the half-year ended 31 December 2002 attributable to the members of the company is \$2.57 million. Medica's controlled entity Cytopia Pty Ltd expensed approximately \$2.2 million of research and development expenditure. In addition, approximately \$0.5 million of Medica's share of Xenome's net loss related to research and development expensed by Xenome.

DIVIDENDS

No dividends have been paid or declared during the period and the Directors do not recommend the payment of a dividend in respect of the half-year ended 31 December 2002. Dividends are not expected to be paid or declared in the immediate term.

Dividends may be paid out of profits derived through the realisation of investments, dividends received or other net returns derived from investments. The timing for the realisation of an investment will depend on the performance of the relevant investee company and the Directors' assessment of the likely future performance of the investment. It is the Directors' intention to hold investments over the medium to long term, unless specific circumstances dictate otherwise. The Directors will also assess the investment opportunities at the relevant time with the aim of increasing overall shareholder returns before paying dividends.

MATTERS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

No matters or circumstances have arisen since 31 December 2002 that have significantly affected or may significantly affect the consolidated entity's operations, results or state of affairs in future financial years.

LIKELY DEVELOPMENTS

Medica invests in a portfolio of Australian biotechnology companies and intends to spread risk through the diversity of its investments and a focus on technologies having a broad range of potential therapeutic applications (rather than single application products). Medica proactively searches for Australian biotechnology investment opportunities.

Medica has decided to continue its investment in Cytopia. Medica may further invest in Xenome and Alchemia in due course. The investee companies may seek further funds from co-investors in the immediate term.

Further information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because at this stage the directors believe that either it may result in unreasonable prejudice to the consolidated entity, or the information is confidential and concerns as yet incomplete proposals and negotiations. As Medica is a listed company on the ASX, it is required, subject to strict exceptions, to immediately disclose information that is likely to have a material effect on the price or value of the entity's securities.

This report is made in accordance with a resolution of the directors and should be read in conjunction with the attached:

- a) ASX Appendix 4B Half-Yearly (including Compliance Statement); and
- b) PricewaterhouseCoopers Independent Review Report to the members of Medica.



Kevin Healey
Managing Director



Nicholas Mathiou
Finance Director

Brisbane 12 March 2003.

APPENDIX 4B

HALF YEARLY REPORT

Introduced 30/6/2002.

Name of entity

MEDICA HOLDINGS LIMITED

ABN or equivalent company reference

41 079 253 606

Half yearly
(tick)

✓

Preliminary
final (tick)

Half year/financial year ended ('current period')

31 DECEMBER 2002

For announcement to the market

Extracts from this report for announcement to the market (see note 1).

SA'000

Revenues from ordinary activities (<i>item 1.1</i>)	up/down	30 %	to	847
Profit (loss) from ordinary activities after tax attributable to members (<i>item 1.22</i>)	up/down	50 %	to	(2,565)
Profit (loss) from extraordinary items after tax attributable to members (<i>item 2.5(d)</i>)	gain (loss) of			-
Net profit (loss) for the period attributable to members (<i>item 1.11</i>)	up/down	50 %	to	(2,565)
Dividends (distributions)	Amount per security	Franked amount per security		
Final dividend (<i>Preliminary final report only - item 15.4</i>)	-	-		
Interim dividend (<i>Half yearly report only - item 15.6</i>)	-	-		
Previous corresponding period (<i>Preliminary final report - item 15.5; half yearly report - item 15.7</i>)	-	-		
†Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (<i>see item 15.2</i>)	N/A			
Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

If this is a half yearly report it is to be read in conjunction with the most recent annual financial report.

Condensed consolidated statement of financial performance

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Revenues from ordinary activities (<i>see items 1.23 - 1.25</i>)	847	651
1.2 Expenses from ordinary activities (<i>see items 1.26 & 1.27</i>)	(3,250)	(2,176)
1.3 Borrowing costs	(12)	-
1.4 Share of net profits (losses) of associates and joint venture entities (<i>see item 16.7</i>)	(528)	(254)
1.5 Profit (loss) from ordinary activities before tax	(2,944)	(1,779)
1.6 Income tax on ordinary activities (<i>see note 4</i>)	-	-
1.7 Profit (loss) from ordinary activities after tax	(2,944)	(1,779)
1.8 Profit (loss) from extraordinary items after tax (<i>see item 2.5</i>)	-	-
1.9 Net profit (loss)	(2,944)	(1,779)
1.10 Net profit (loss) attributable to outside ⁺ equity interests	379	72
1.11 Net profit (loss) for the period attributable to members	(2,565)	(1,707)
Non-owner transaction changes in equity		
1.12 Increase (decrease) in revaluation reserves	-	-
1.13 Net exchange differences recognised in equity	-	-
1.14 Other revenue, expense and initial adjustments recognised directly in equity (attach details)	-	-
1.15 Initial adjustments from UIG transitional provisions	-	-
1.16 Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	-	-
1.17 Total changes in equity not resulting from transactions with owners as owners	(2,565)	(1,707)

Earnings per security (EPS)	Current period	Previous Corresponding Period
1.18 Basic EPS	(0.07)	(0.05)
1.19 Diluted EPS	-	-

Notes to the condensed consolidated statement of financial performance

Profit (loss) from ordinary activities attributable to members

	Current period - \$A'000	Previous corresponding period - \$A'000
1.20 Profit (loss) from ordinary activities after tax (<i>item 1.7</i>)	(2,944)	(1,779)
1.21 Less (plus) outside +equity interests	379	72
1.22 Profit (loss) from ordinary activities after tax, attributable to members	(2,565)	(1,707)

Revenue and expenses from ordinary activities (see note 15)

	Current period - \$A'000	Previous corresponding period - \$A'000
1.23 Revenue from sales or services	-	-
1.24 Interest revenue	94	156
1.25 Other relevant revenue – Grants & License Fees	753	495
1.26 Details of relevant expenses		
- Employee Provisions	(24)	(34)
- Research & Development	(2,203)	(1,473)
- Other Expenses from Ordinary Expenses	(873)	(576)
1.27 Depreciation and amortisation excluding amortisation of intangibles (<i>see item 2.3</i>)	(150)	(93)
Capitalised outlays		
1.28 Interest costs capitalised in asset values	12	-
1.29 Outlays capitalised in intangibles (unless arising from an ⁺ acquisition of a business)	244	262

Consolidated retained profits

	Current period - \$A'000	Previous corresponding period - \$A'000
1.30 Retained profits (accumulated losses) at the beginning of the financial period	(9,935)	(6,080)
1.31 Net profit (loss) attributable to members (<i>item 1.11</i>)	(2,565)	(1,707)
- Outside equity interest in Accumulated Losses at the beginning of the financial period	61	(16)
1.32 Net transfers from (to) reserves (<i>details if material</i>)	-	-
1.33 Net effect of changes in accounting policies	-	-
1.34 Dividends and other equity distributions paid or payable	-	-
1.35 Retained profits (accumulated losses) at end of financial period	(12,439)	(7,803)

Intangible and extraordinary items

		<i>Consolidated - current period</i>			
		Before tax \$A'000	Related tax \$A'000	Related outside + equity interests \$A'000	Amount (after tax) attributable to members \$A'000
		(a)	(b)	(c)	(d)
2.1	Amortisation of goodwill	-	-	-	-
2.2	Amortisation of other intangibles	8	-	1	7
2.3	Total amortisation of intangibles	8	-	1	7
2.4	Extraordinary items (details)	-	-	-	-
2.5	Total extraordinary items	-	-	-	-

Comparison of half year profits

(Preliminary final report only)

	Current year - \$A'000	Previous year - \$A'000
3.1 Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year (item 1.22 in the half yearly report)	(2,565)	(1,707)
3.2 Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	-	-

Condensed consolidated statement of financial position		At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000
Current assets				
4.1	Cash	5,373	4,439	6,497
4.2	Receivables	265	48	27
4.3	Investments	-	-	-
4.4	Inventories	-	-	-
4.5	Tax assets	-	-	-
4.6	Other (provide details if material)	-	-	-
4.7	Total current assets	5,639	4,487	6,524
Non-current assets				
4.8	Receivables	-	-	-
4.9	Investments (equity accounted)	1,069	1,598	1965
4.10	Other investments	5,806	5,806	5806
4.11	Inventories	-	-	-
4.12	Exploration and evaluation expenditure capitalised (<i>see para .71 of AASB 1022</i>)	-	-	-
4.13	Development properties (⁺ mining entities)	-	-	-
4.14	Other property, plant and equipment (net)	1,168	1,092	663
4.15	Intangibles (net)	245	253	262
4.16	Tax assets	-	-	-
4.17	Other (provide details if material)	485	78	77
4.18	Total non-current assets	8,773	8,827	8,773
4.19	Total assets	14,412	13,315	15,297
Current liabilities				
4.20	Payables	343	253	191
4.21	Interest bearing liabilities	135	72	72
4.22	Tax liabilities	-	-	-
4.23	Provisions exc. tax liabilities	115	106	84
4.24	Other (provide details if material)	-	-	-
4.25	Total current liabilities	594	431	347
Non-current liabilities				
4.26	Payables	-	-	-
4.27	Interest bearing liabilities	139	72	102
4.28	Tax liabilities	-	-	-
4.29	Provisions exc. tax liabilities	81	66	8
4.30	Other (provide details if material)	-	-	-
4.31	Total non-current liabilities	220	139	110

Condensed consolidated statement of financial position continued

4.32	Total liabilities	814	570	457
4.33	Net assets	13,598	12,746	14,840
	Equity			
4.34	Capital/contributed equity	25,789	22,539	22,539
4.35	Reserves	-	-	-
4.36	Retained profits (accumulated losses)	(12,439)	(9,935)	(7,803)
4.37	Equity attributable to members of the parent entity	13,350	12,604	14,736
4.38	Outside ⁺ equity interests in controlled entities	248	142	104
4.39	Total equity	13,598	12,746	14,840
4.40	Preference capital included as part of 4.37	-	-	-

Notes to the condensed consolidated statement of financial position

Exploration and evaluation expenditure capitalised **NOT APPLICABLE**

(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred.)

	Current period \$A'000	Previous corresponding period - \$A'000
5.1	Opening balance	
5.2	Expenditure incurred during current period	
5.3	Expenditure written off during current period	
5.4	Acquisitions, disposals, revaluation increments, etc.	
5.5	Expenditure transferred to Development Properties	
5.6	Closing balance as shown in the consolidated balance sheet (item 4.12)	

Development properties **NOT APPLICABLE**

(To be completed only by entities with mining interests if amounts are material)

	Current period \$A'000	Previous corresponding period - \$A'000
6.1	Opening balance	
6.2	Expenditure incurred during current period	
6.3	Expenditure transferred from exploration and evaluation	
6.4	Expenditure written off during current period	
6.5	Acquisitions, disposals, revaluation increments, etc.	
6.6	Expenditure transferred to mine properties	
6.7	Closing balance as shown in the consolidated balance sheet (item 4.13)	

Condensed consolidated statement of cash flows

	Current period \$A'000	Previous corresponding period - \$A'000
Cash flows related to operating activities		
7.1	-	-
7.2	(2,929)	(2,012)
7.3	-	-
7.4	-	-
7.5	94	156
7.6	(12)	(51)
7.7	-	-
7.8	753	495
7.9	(2,094)	(1,412)
Cash flows related to investing activities		
7.10	(375)	(122)
7.11	-	-
7.12	-	(1,000)
7.13	-	-
7.14	-	-
7.15	-	-
7.16	(107)	-
7.17	(482)	(1,122)
Cash flows related to financing activities		
7.18	3,380	84
7.19	130	-
7.20	-	-
7.21	-	-
7.22	-	-
7.23	3,510	84
7.24	934	(2,450)
7.25	4,439	8,947
7.26	-	-
7.27	5,373	6,497

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. *(If an amount is quantified, show comparative amount.)*

Cytopia's laboratory fit-out and lease arrangement (involving pre-paid rent) with the Baker Medical Research Institute (BMRI) was paid in part by the issue to BMRI of fully-paid shares in the capital of Cytopia.

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A'000	Previous corresponding period - \$A'000
8.1 Cash on hand and at bank	807	350
8.2 Deposits at call	4,566	6,147
8.3 Bank overdraft	-	-
8.4 Other (provide details)	-	-
8.5 Total cash at end of period (item 7.27)	5,373	6,497

Other notes to the condensed financial statements

Ratios	Current period	Previous corresponding Period
9.1 Profit before tax / revenue Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	N/A	N/A
9.2 Profit after tax / + equity interests Consolidated net profit (loss) from ordinary activities after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 4.37)	(19%)	(12%)

Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of *AASB 1027: Earnings Per Share* are as follows.

	Current Period	Previous Corresponding Period
Basic & Diluted EPS	(0.07)	(0.05)
Weighted average number of ordinary shares outstanding during the period used in the calculation of the EPS	35,880,181	34,796,848

NTA backing <i>(see note 7)</i>	Current period	Previous corresponding Period
11.1 Net tangible asset backing per ⁺ ordinary security	\$0.35	\$0.42

Discontinuing Operations

(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5 (g) of AASB 1029: Interim Financial Reporting, or, the details of discontinuing operations they have disclosed in their accounts in accordance with AASB 1042: Discontinuing Operations (see note 17).)

12.1 Discontinuing Operations

Control gained over entities having material effect

13.1	Name of entity (or group of entities)	
13.2	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was ⁺ acquired	\$
13.3	Date from which such profit has been calculated	
13.4	Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	\$

Loss of control of entities having material effect

14.1	Name of entity (or group of entities)	
14.2	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	\$
14.3	Date to which the profit (loss) in item 14.2 has been calculated	
14.4	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	\$
14.5	Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$

Dividends (in the case of a trust, distributions)

NOT APPLICABLE

15.1	Date the dividend (distribution) is payable	
15.2	+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if +securities are not +CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHES approved)	
15.3	If it is a final dividend, has it been declared? <i>(Preliminary final report only)</i>	

Amount per security

REFER DIRECTOR'S REPORT

		Amount per security	Franked amount per security at % tax (see note 4)	Amount per security of foreign source dividend
15.4	<i>(Preliminary final report only)</i> Final dividend: Current year	€	€	€
15.5	Previous year	€	€	€
15.6	<i>(Half yearly and preliminary final reports)</i> Interim dividend: Current year	€	€	€
15.7	Previous year	€	€	€

Total dividend (distribution) per security (interim *plus* final)

(Preliminary final report only)

	Current year	Previous year
15.8 +Ordinary securities	¢	¢
15.9 Preference +securities	¢	¢

**Half yearly report - interim dividend (distribution) on all securities *or*
Preliminary final report - final dividend (distribution) on all securities**

	Current period \$A'000	Previous corresponding period - \$A'000
15.10 +Ordinary securities <i>(each class separately)</i>		
15.11 Preference +securities <i>(each class separately)</i>		
15.12 Other equity instruments <i>(each class separately)</i>		
15.13 Total		

The +dividend or distribution plans shown below are in operation.

The last date(s) for receipt of election notices for the +dividend or distribution plans

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)*

Details of aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	Current period \$A'000	Previous corresponding period - \$A'000
16.1 Profit (loss) from ordinary activities before tax	(528)	(254)
16.2 Income tax on ordinary activities	-	-
16.3 Profit (loss) from ordinary activities after tax	(528)	(254)
16.4 Extraordinary items net of tax	-	-
16.5 Net profit (loss)	(528)	(254)
16.6 Adjustments	-	-
16.7 Share of net profit (loss) of associates and joint venture entities	(528)	(254)

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. *(If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)*

<i>Name of entity</i>	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) <i>(item 1.9)</i>	
	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period - \$A'000
17.1 Equity accounted associates and joint venture entities				
Xenome Limited	39.3%	39.3%	(528)	(254)
17.2 Total			(528)	(254)
17.3 Other material interests				
Alchemia Pty Ltd	18.5%	18.5%	-	-
17.4 Total			-	-

Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

Category of ⁺ securities	Total number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
18.1 Preference ⁺securities <i>(description)</i>				
18.2 Changes during current period				
(a) Increases through issues				
(b) Decreases through returns of capital, buybacks, redemptions				
18.3 ⁺Ordinary securities	38,046,848	38,046,848		
18.4 Changes during current period				
(a) Increases through issues	3,250,000	3,250,000	\$1.00	\$1.00
(b) Decreases through returns of capital, buybacks				
18.5 ⁺Convertible debt securities <i>(description and conversion factor)</i>				
18.6 Changes during current period				
(a) Increases through issues				
(b) Decreases through securities matured, converted				

18.7	Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry Date (if any)</i>
		1,555,000	-	\$1.75	7/11/2005
18.8	Issued during current period				
18.9	Exercised during current period				
18.10	Expired during current period				
18.11	Debentures <i>(description)</i>				
18.12	Changes during current period				
	(a) Increases through issues				
	(b) Decreases through securities matured, converted				
18.13	Unsecured notes <i>(description)</i>				
18.14	Changes during current period				
	(a) Increases through issues				
	(b) Decreases through securities matured, converted				

Segment reporting

(Information on the business and geographical segments of the entity must be reported for the current period in accordance with *AASB 1005: Segment Reporting* and for half year reports, *AASB 1029: Interim Financial Reporting*. Because entities employ different structures a pro forma cannot be provided. Segment information in the layout employed in the entity's + accounts should be reported separately and attached to this report.)

The company is a registered Pooled Development fund (PDF) under the PDF Act 1999 (as amended) and operates solely within the Australian investment sector. All controlled entities or companies Medica Holdings Limited has invested in operate in the medical and biotechnology research business segment.

Comments by directors

(Comments on the following matters are required by ASX or, in relation to the half yearly report, by *AASB 1029: Interim Financial Reporting*. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.)

Basis of financial report preparation

19.1 *If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Interim Financial Reporting. **It should be read in conjunction with the last +annual report and any announcements to the market made by the entity during the period.** The financial statements in this report are “condensed financial statements” as defined in AASB 1029: Interim Financial Reporting. This report does not include all the notes of the type normally included in an annual financial report. [Delete if preliminary final report.]*

19.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

PLEASE REFER DIRECTORS REPORT.

19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

PLEASE REFER DIRECTORS REPORT.

19.4 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

NIL

19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with AASB 1029: Interim Financial Reporting. Disclose changes in accounting policies in the preliminary final report in accordance with AASB 1001: Accounting Policies-Disclosure).

19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous +annual reports if those revisions have a material effect in this half year.

19.7 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last + annual report.

Additional disclosure for trusts

NOT APPLICABLE

20.1 Number of units held by the management company or responsible entity or their related parties.

20.2 A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- initial service charges
- management fees
- other fees

Annual meeting

(Preliminary final report only)

NOT APPLICABLE

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the +annual report will be available

Compliance statement

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

Identify other standards used

2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.

3 This report does/~~does not~~* (*delete one*) give a true and fair view of the matters disclosed (see note 2).

4 This report is based on +accounts to which one of the following applies.

(*Tick one*)

The +accounts have been audited. The +accounts have been subject to review.

The +accounts are in the process of being audited or subject to review. The +accounts have *not* yet been audited or reviewed.

5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available* (*delete one*). (*Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Act.*)

6 The entity has/~~does not have~~* (*delete one*) a formally constituted audit committee.

Sign here:


.....
(Director/Company Secretary)

Date: 12 March 2003

Print name: NICHOLAS G MATHIOU

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. Entities are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.
2. **True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.
3. **Condensed consolidated statement of financial performance**
 - Item 1.1 The definition of "revenue" and an explanation of "ordinary activities" are set out in *AASB 1004: Revenue*, and *AASB 1018: Statement of Financial Performance*.
 - Item 1.6 This item refers to the total tax attributable to the amount shown in item 1.5. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg, fringe benefits tax).
4. **Income tax** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franked amount per security at % tax" for items 15.4 to 15.7.
5. **Condensed consolidated statement of financial position**

Format The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029: Interim Financial Reporting*, and *AASB 1040: Statement of Financial Position*. Also, banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

Basis of revaluation If there has been a material revaluation of non-current assets (including investments) since the last annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.
6. **Condensed consolidated statement of cash flows** For definitions of "cash" and other terms used in this report see *AASB 1026: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. ⁺Mining exploration entities may use the form of cash flow statement in Appendix 5B.

7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ⁺ordinary securities (ie, all liabilities, preference shares, outside ⁺equity interests etc). ⁺Mining entities are *not* required to state a net tangible asset backing per ⁺ordinary security.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the ⁺accounts. Details must include the contribution for each gain or loss that increased or decreased the entity's consolidated profit (loss) from ordinary activities and extraordinary items after tax by more than 5% compared to the previous corresponding period.
9. **Rounding of figures** This report anticipates that the information required is given to the nearest \$1,000. If an entity reports exact figures, the \$A'000 headings must be amended. If an entity qualifies under ASIC Class Order 98/0100 dated 10 July 1998, it may report to the nearest million dollars, or to the nearest \$100,000, and the \$A'000 headings must be amended.
10. **Comparative figures** Comparative figures are to be presented in accordance with *AASB 1018* or *AASB 1029 Interim Financial Reporting* as appropriate and are the unadjusted figures from the latest annual or half year report as appropriate. However, if an adjustment has been made in accordance with an accounting standard or other reason or if there is a lack of comparability, a note explaining the position should be attached. For the statement of financial performance, *AASB 1029 Interim Financial Reporting* requires information on a year to date basis in addition to the current interim period. Normally an Appendix 4B to which *AASB 1029 Interim Financial Reporting* applies would be for the half year and consequently the information in the current period is also the year to date. If an Appendix 4B Half yearly version is produced for an additional interim period (eg because of a change of reporting period), the entity must provide the year to date information and comparatives required by *AASB 1029 Interim Financial Reporting*. This should be in the form of a multi-column version of the consolidated statement of financial performance as an attachment to the additional Appendix 4B.
11. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the ⁺ASIC under the Corporations Act must also be given to ASX. For example, a director's report and declaration, if lodged with the ⁺ASIC, must be given to ASX.
12. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.
13. **Corporations Act financial statements** This report may be able to be used by an entity required to comply with the Corporations Act as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.
14. **Issued and quoted securities** The issue price and amount paid up is not required in items 18.1 and 18.3 for fully paid securities.

- 15 Details of expenses** *AASB 1018* requires disclosure of expenses from ordinary activities according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by ASX. *AASB ED 105* clarifies that the disclosures required by *AASB 1018* must be either *all* according to nature or *all* according to function. Entities must disclose details of expenses using the layout (by nature or function) employed in their ⁺accounts.

The information in lines 1.23 to 1.27 may be provided in an attachment to Appendix 4B.

Relevant Items *AASB 1018* requires the separate disclosure of specific revenues and expenses which are not extraordinary but which are of a size, nature or incidence that disclosure is *relevant* in explaining the financial performance of the reporting entity. The term “relevance” is defined in *AASB 1018*. There is an equivalent requirement in *AASB 1029: Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by ASX.

- 16 Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to “000” must be changed to the reporting value.

- 17. Discontinuing operations**

Half yearly report

All entities must provide the information required in paragraph 12 for half years beginning on or after 1 July 2001.

Preliminary final report

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by paragraph 7.5 (g) of *AASB 1029: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their ⁺accounts in accordance with *AASB 1042 Discontinuing Operations*.

In any case the information may be provided as an attachment to this Appendix 4B.

- 18. Format**

This form is a Word document but an entity can re-format the document into Excel or similar applications for submission to the Companies Announcements Office in ASX.

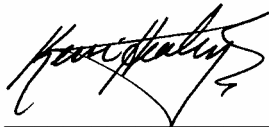
DIRECTORS DECLARATION

The directors declare that the ASX Appendix 4B: Half Yearly Report and notes set out on pages 6-23:

- (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2002 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors opinion there are reasonable grounds to believe that Medica Holdings Limited 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 directors.



KEVIN HEALEY
Managing Director



NICHOLAS MATHIOU
Finance Director

Brisbane 12 March 2003

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF MEDICA HOLDINGS LIMITED

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report (defined below) is not presented in accordance with:

- the Corporations Act 2001 in Australia, including giving a true and fair view of the financial position of the Medica Holdings Limited Group (defined below) as at 31 December 2002 and of its performance for the half-year ended on that date
- Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements in Australia, the Corporations Regulations 2001 and ASX Listing Rules relating to half yearly financial reports.

This statement must be read in conjunction with the following explanation of the scope and summary of our role as auditor.

Scope and summary of our role

The financial report – responsibility and content

The preparation of the financial report for the half-year ended 31 December 2002 is the responsibility of the directors of Medica Holdings Limited. It includes the financial statements for the Medica Holdings Limited Group (the Group), which incorporates Medica Holdings Limited (the Company) and the entities it controlled during the half-year ended 31 December 2002.

The financial report comprises the attached half yearly report in the form of Appendix 4B of the Australian Stock Exchange (ASX) Listing Rules and the directors' declaration thereon for the half year ended 31 December 2002, excluding

- a) material factors affecting the revenues and expenses of the consolidated entity for the current period (page 18);
- b) compliance statement (page 20).

The auditor's role and work

We conducted an independent review of the financial report in order for the Company to lodge the financial report with the Australian Securities & Investments Commission and the ASX. Our role was to conduct the review in accordance with Australian Auditing Standards applicable to review engagements. Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

This review was performed in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report does not present fairly a view in accordance with the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements in Australia, the Corporations Regulations 2001 and ASX Listing Rules relating to half yearly financial reports, which is consistent with our understanding of the Group's financial position, and its performance as represented by the results of its operations and cash flows.

The review procedures performed were limited primarily to:

- inquiries of company personnel of certain internal controls, transactions and individual items
- analytical procedures applied to financial data.

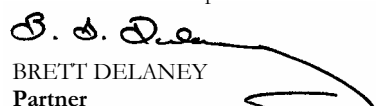
These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Independence

As auditor, we are required to be independent of the Group and free of interests which could be incompatible with integrity and objectivity. In respect of this engagement, we followed the independence requirements set out by The Institute of Chartered Accountants in Australia, the Corporations Act 2001 and the Auditing and Assurance Standards Board.

In addition to our statutory audit and review work, we were engaged to undertake other services for the Group. In our opinion the provision of these services has not impaired our independence.


PricewaterhouseCoopers


BRETT DELANEY
Partner

Brisbane
12 March 2003