

31 August 2010

Company Announcements Office  
Australian Stock Exchange  
Level 6, 20 Bridge Street  
Sydney NSW 2000

**Appendix 4E for the year ending 30 June 2010 (ASX : ADO)**

Anteo Diagnostics Limited (ASX : ADO) attaches its Appendix 4E for the year ending 30 June 2010.

***Review of the year***

The past year has seen Anteo begin the transformation from being a Research and Development company to one anticipating positive cash flows and profits. The major activities undertaken during the year were:

- Commercial launch of Mix&Go-coated products
- Entered into Material Transfer Agreements (**MTAs**) with all major bead manufacturers and most of the major global IVD-pathology suppliers with a view to demonstrating the commercial benefits of Mix&Go
- Scientifically optimised conditions for the use of Mix&Go on various bead types with bead manufacturers and IVD suppliers
- Agreed a platform to negotiate commercial arrangements with potential customers.
- Completed a \$2 million rights issue to existing shareholders

***Commercial Launch of Mix&Go***

During the year, the Company entered into an agreement for the supply of Mix&Go with Bangs Laboratories Inc (**Bangs**). In April 2010, Bangs launched the first commercial product incorporating Mix&Go into the Research market. A paper on the benefits and use of Bangs ProMag Bind-IT was accepted for presentation at the prestigious American Association of Clinical Chemists (**AACC**) Annual Conference and Bangs was promoting the product extensively throughout the conference.

***Anteo Diagnostics Limited*** ABN 78 090 487 273

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In July 2010, the Company agreed commercial terms with Merck Chimie SAS (**Merck**) and, later that month, Merck launched two Mix&Go coated products, that had been manufactured by Anteo, at the AACC conference.

The Company considers these two agreements to be critical in validating the effectiveness of the Mix&Go technology and expect increased engagement from other market participants as a result.

### ***Core Scientific Capability***

Our scientific team has developed into a highly professional group with an ever expanding understanding of the requirements for success in the Research and IVD markets. During the year the Company entered into MTAs with all major participants in their target markets, and are actively working with them to demonstrate the benefits of Mix&Go being:

- Lower production costs for existing high volume test
- Improved performance of “difficult” tests; or
- Lower cost and reduced time to market for new tests being developed.

The level of engagement with potential customers is high and Anteo is highly responsive in dealing with collaborative or optimisation requests.

Given the organisations we deal with are generally large international groups our challenge has been to keep them focussed on Mix&Go to the exclusion of other projects. Our business group is continually adapting their approaches, diligence and skills to be successful in the time consuming interactions necessary to progress and close transactions with these parties. It is our belief that the time required to complete agreements with customers will become progressively shorter.

Our experiences with one major IVD company serves to illustrate the nature of the challenges we face. The “potential customer” developed an IVD test using Mix&Go that uses 85% less antibody in its construction than their commercially available test. Antibodies tend to be the most expensive component in test manufacture. This exciting observation (which would result in significant cost savings) should be sufficient for them to quickly incorporate the use of Mix&Go into the manufacture of this test. The potential customer has taken the next step to undertake extensive quality control testing on all possible variables of the test in question. When this testing is complete Anteo expects the potential customer to adopt Mix&Go. This additional testing has extended the expected time to a commercial agreement.

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## **Strategy**

Our strategic plan will focus our activities over the next 12 months on more fully exploiting the existing opportunities within the Research and IVD markets. We recognise that, given the risk averse nature of participants in this field, revenues are likely to start slowly and ramp up once all potential pitfalls have been successfully addressed. We are satisfied with the prominence we have achieved amongst the key global participants in these markets and are optimistic about our likely degree of penetration. It is estimated that approximately \$1 billion of beads are sold annually into the IVD and Research markets and that these markets are growing at greater than 6% per year. The market is dominated by a very few participants and Anteo is actively working with about 85% of this market.

The key focus of our activities in the IVD space has been immunoassays. Another significant group of tests within the \$36 billion IVD market are those developed to test for therapeutic drugs and we are currently working with some of the market leaders in this field to demonstrate the commercial benefits of Mix&Go. This work is at an early stage.

Our next target market is the Point of Care market. We are currently undertaking preliminary studies with some of the key players in this field and initial results provide some optimism that our value in this market will rival that of the IVD markets we are currently pursuing.

Separations and purifications represent an additional market opportunity for Mix&Go. Some further research is required to provide us with the data necessary to allow us to present a compelling argument to players relevant to this field.

It is our intent to pursue the commercialisation of Mix&Go in the global IVD market and in parallel to undertake studies and other investigations into new or expanding markets to ensure the ongoing success of Anteo.

## **Financial Result for the year to 30 June 2010**

The net consolidated operating loss of the economic entity for the financial year, after providing for income tax, amounted to \$2.24 million compared to a loss for the 2009 year of \$1.95 million.

The 2010 operating result reflects spending of \$1.74 million on research & development activities and \$0.99 million on business development & administration activities.

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The income of \$0.62 million, received during the year, included licence fees, product sales, rent and tax concession.

### **Capital Requirements**

During the year the Company completed a \$2 million rights issue to existing shareholders.

As reported in the attached Appendix 4E, the Company had cash reserves of \$1.43 million as at 30 June 2010.

The Company considers these reserves plus a projected \$1.75 million from the exercise of outstanding \$0.012 options will meet the operational requirements of the Company while the anticipated development contracts with diagnostic customers are secured and other revenue generation opportunities are established over the course of the year.

**Dr Geoff Cumming**  
**CEO**  
**Anteo Diagnostics Limited**

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## Anteo Diagnostics Limited

ABN 75 070 028 625

### Appendix 4E, Preliminary Final Report

#### Results for announcement to the market

*These accounts are in the process of being audited, and the directors do not anticipate any material changes. It is anticipated that the statutory accounts and audit will be completed and lodged in the ordinary course by 30 September 2010.*

Current Reporting Period

Previous Reporting Period

Year ended 30 June 2010

Year ended 30 June 2009

	up/down			\$
Revenue from ordinary activities	down	23%	to	616,138
Loss from ordinary activities after tax attributable to members	up	15%	to	(2,240,249)
Net loss for the period attributable to members	up	15%	to	(2,240,249)

Dividends / distributions	Amount per security	Franked amount per security
Interim dividend	0.0c	0.0c
Final dividend	0.0c	0.0c

The Directors do not propose or recommend the payment of a dividend

Record date for determining entitlements to the dividend

Not Applicable

Retained earnings	Year ended 30/06/2010	Year ended 30/06/2009
	\$	\$
Accumulated losses at the beginning of the financial year	(20,503,637)	(18,525,655)
Interest on converting note	0	(28,707)
Transfer of Share Option Reserve	0	0
Net loss for the year	(2,240,249)	(1,949,275)
	(22,743,886)	(20,503,637)
Net tangible assets	As at 30/06/2010	As at 30/06/2009
Net tangible asset backing per ordinary share (AU Cents)	0.27	0.57

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## Anteo Diagnostics Limited

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### Appendix 4E, Preliminary Final Report

#### **Anteo Diagnostics Limited**

Appendix 4E, preliminary final report  
Consolidated Income Statement.

	<b>Year ended 30/06/2010 \$</b>	<b>Year ended 30/06/2009 \$</b>
Sales	84,271	226,312
Other revenue from ordinary activities	531,867	575,607
Selling and distribution expenses	(484,502)	(324,651)
Administration expenses	(507,598)	(564,700)
Occupancy Expenses	(33,000)	(11,000)
Borrowing costs	(123)	(201)
Research and development expenses	(1,741,087)	(1,769,450)
Impairment of financial assets	(30,000)	0
Other expenses from ordinary activities	(60,077)	(81,192)
Loss from ordinary activities before income tax benefit	<b>(2,240,249)</b>	<b>(1,949,275)</b>
Income tax benefit relating to ordinary activities	0	0
Loss from ordinary activities after income tax benefit	<b>(2,240,249)</b>	<b>(1,949,275)</b>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>	<b>(2,240,249)</b>	<b>(1,949,275)</b>
Basic earnings per share (cents per share)	(0.62)	(1.08)
Diluted earnings per share (cents per share)	(0.37)	(0.74)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS	362,272,153	179,708,643
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted EPS	602,835,137	262,053,230

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Notes to the Income Statement

1	Analysis of Revenues	Year ended 30/06/2010 \$	Year ended 30/06/2009 \$
	<b>Revenues from operating activities</b>		
	Sale of goods	84,271	226,312
	Other revenue from operating activities	181,481	448,303
	<b>Revenues from non-operating activities</b>		
	Interest - other corporations	43,995	127,304
	R&D Tax Concession	286,391	-
		<u>596,138</u>	<u>801,919</u>
2	Net revenue / (expense) since the beginning of the reporting period resulting from deductions from the carrying amounts of assets		
	Depreciation of non current assets	(72,117)	(103,678)
	Sale on Non-Current Assets	20,000	-
		<u>(52,117)</u>	<u>(103,678)</u>
3	Large and unusual items included in the stated loss from ordinary activities		
	Charging as an expense to profit and loss		
	Impairment of financial assets	30,000	-
		<u>30,000</u>	<u>-</u>

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Appendix 4E, preliminary final report

Consolidated Balance Sheet

	<b>As at 30/06/2010 \$</b>	<b>As at 30/06/2009 \$</b>
<b>CURRENT ASSETS</b>		
Cash assets	1,425,894	953,354
Receivables	53,271	75,643
Other	1,939	1,541
<b>TOTAL CURRENT ASSETS</b>	<u>1,481,104</u>	<u>1,030,538</u>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	242,102	301,591
<b>TOTAL NON-CURRENT ASSETS</b>	<u>242,102</u>	<u>301,591</u>
<b>TOTAL ASSETS</b>	<u>1,723,206</u>	<u>1,332,129</u>
<b>CURRENT LIABILITIES</b>		
Payables	204,406	241,703
Provisions	109,277	57,826
<b>TOTAL CURRENT LIABILITIES</b>	<u>313,683</u>	<u>299,529</u>
<b>TOTAL LIABILITIES</b>	<u>313,683</u>	<u>299,529</u>
<b>NET ASSETS</b>	<u>1,409,523</u>	<u>1,032,600</u>
<b>EQUITY</b>		
Contributed equity	24,153,409	21,536,237
Accumulated losses	<u>(22,743,886)</u>	<u>(20,503,637)</u>
<b>TOTAL EQUITY</b>	<u>1,409,523</u>	<u>1,032,600</u>

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### Appendix 4E, Preliminary Final Report

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Appendix 4E, preliminary final report

Consolidated statement of cash flows.

	Year ended 30/06/2010 \$	Year ended 30/06/2009 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers and grants	549,510	734,141
Payments to suppliers and employees	(2,743,020)	(2,796,997)
Borrowing costs	(717)	(568)
Interest received	43,995	127,304
Net cash (used in) operating activities	<u>(2,150,232)</u>	<u>(1,936,120)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of non-current assets	20,000	-
Payment for property, plant and equipment	(12,628)	(196,112)
Net cash (used in) investing activities	<u>7,372</u>	<u>(196,112)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from share issues	2,732,448	-
Capital raising costs	(117,048)	-
Converting note distributions	-	(35,366)
Net cash (used in) provided by financing activities	<u>2,615,400</u>	<u>(35,366)</u>
Net increase (decrease) increase in cash held	472,540	(2,167,598)
Opening cash brought forward	953,354	3,120,952
Closing cash carried forward	<u>1,425,894</u>	<u>953,354</u>

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Appendix 4E, preliminary final report

	<b>As at 30/06/2010 \$</b>	<b>As at 30/06/2009 \$</b>
Reconciliation of cash.		
Cash on hand	1,031	949
Cash at bank	1,278,201	669,377
Deposit at call	146,662	283,028
	<u>1,425,894</u>	<u>953,354</u>
Reconciliation of net loss after tax to net cash flows from operations		
Net Loss	(2,240,249)	(1,949,275)
<b>Non Cash Items</b>		
Depreciation	72,117	102,864
Net Loss on non-current assets written off	-	3,583
Profit on sale of non-current assets	(20,000)	-
Interest on convertible notes	-	6,658
Options issued	1,772	371
<b>Changes in assets &amp; liabilities</b>		
(Increase) / decrease in trade debtors	22,372	62,187
(Increase) / decrease in other current assets	(398)	(154)
Increase/(Decrease) in trade creditors & accruals	(37,297)	(170,049)
Increase / (Decrease) in other current liabilities	51,451	7,695
<b>Net Cash flow from operations</b>	<u>(2,150,232)</u>	<u>(1,936,120)</u>

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