

Anteo Diagnostics Limited
Results for Announcement to the Market
Appendix 4D - Half Year report
given to the ASX under listing rule 4.2A

Current Reporting Period
Half year ended 31 December 2011

Previous Reporting Period
Half year ended 31 December 2010

Revenue from ordinary activities	down	-64%	to	\$251,894
Profit / (loss) from ordinary activities after tax attributable to members	up	-71%	to	(\$1,681,216)
Net profit / (loss) for the period attributable to members	up	-71%	to	(\$1,681,216)

Dividends / distributions	Amount per security	Franked amount per security
Interim dividend	\$ -	\$ -
Final dividend	\$ -	\$ -

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

Record date for determining entitlements to the dividend Not applicable

For an explanation of the figures reported above please see the attached Interim Financial Report.

These accounts have been reviewed.

This information should be read in conjunction with the most recent annual financial report.

Net tangible assets	As at 31 December 2011 cents per share	As at 30 June 2011 cents per share
Net tangible assets backing per ordinary share	0.00	0.00

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ANTEO DIAGNOSTICS LIMITED AND ITS CONTROLLED ENTITIES
ABN 75 070 028 625

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

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INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

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CORPORATE DIRECTORY

Directors

Mark Bouris	Non Executive Chairman
Geoffrey Cumming	CEO, Executive Director
Richard Martin	Non Executive Director
Sandra Andersen	Non Executive Director

Company Secretary Shane Hartwig

Registered office 4/26 Brandl Street, Eight Mile Plains QLD 4113

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Auditors Grant Thornton
102 Adelaide Street, Brisbane QLD 4000

Patent attorneys Freehills
101 Collins Street, Melbourne VIC 3000

Share registry Registries Limited
Level 7, 207 Kent Street, Sydney NSW 2000

Insurance advisors Austcover Pty Ltd
99 Melbourne Street, South Brisbane QLD 4101

Marsh Pty Ltd
123 Eagle St, Brisbane QLD 4000

Bankers Australia and New Zealand Banking Group Limited
3 Sherwood Road, Toowong QLD 4066

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

The Directors of Anteo Diagnostics Limited submit herewith the financial report for the half-year ended 31 December 2011. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

The names of the Directors of the Company during or since the end of the half-year are:

Mr Mark Bouris
Dr Geoffrey Cumming
Mr Richard Martin
Mrs Sandra Andersen

REVIEW OF OPERATIONS

The Company continued to successfully execute its business plan and to experience strong and more diversified activity throughout the half year and to the date of this report. Important milestones include:

- The appointment of Mark Bouris to the Board and his subsequent election to Chairman in August. This represented a further step in the Board restructuring and renewal program.
- Management undertook a strategic review of the business plan, which reinforced the expansion of activities into the Life Sciences sector, leveraging experience and expertise gained in the IVD sector.
- The engagement of Dr Tina Baumgartner has added depth to our Business Development activities and has led to the identification of additional market niches and commercial opportunities.
- We added 3 senior scientists to our technical team improving our capabilities and depth of knowledge for expanding the use of Mix&Go™.
- The further development of the Mix&Go™ technology. The value of Mix&Go™ on different bead varieties and for novel purposes has been demonstrated. Mix&Go™ has been applied to different, non-bead, surface formats (slides, microtitre plates, microarrays) opening additional markets for exploitation. The development of Mix&Go™ specific blockers.
- New patents were granted in the period. Firstly, the Australian patent office accepted application for the "Use of Metal Complexes" patent for Mix&Go™. Following this, in early December the same "Use of Metal Complexes" patent was granted to Anteo by the Japanese Patent Office. More recently, in the current quarter, Anteo has received a Notice of Allowance from the United States Patent and Trademark Office (USPTO) for the "Use of Metal Complexes" patent for Mix&Go™.
- Our website has been substantially revised and is expected to go live through the current quarter.

During the half-year the Company has continued to apply its capital judiciously and properly address, with the increase in our capabilities, the level of activity required to support the assessments being undertaken by prospective licensees.

The granting of the patents has been a significant development for Anteo. Protecting the IP surrounding the Mix&Go™ technology is critical as the company continues to advance negotiations for new sales and licensing agreements. To achieve this in such commercially significant markets provides further confidence to the Board that Anteo can enter into agreements in the knowledge that our Mix&Go™ technology is protected. As has previously been noted, the grant of patents can facilitate the timing and outcome of Freedom to Operate assessments that often precede execution of commercially significant contracts.

The current level of interest in the Mix&Go™ technology has our internal resources fully deployed as the range and quality of interactions continues to grow. Discussions and work with potential customers has increased in both number and intensity compared to the corresponding period last year. Whilst the large companies spend considerable time on due diligence to assess the Mix&Go™ technology and its potential applications and conduct extensive Freedom to Operate assessments, we are also addressing the broader and less regulated opportunities that exist in the Life Sciences sector and remain confident that this strong pipeline of opportunities will result in commercial agreements for Anteo.

We look forward to reporting on further progress in many of these activities through the remainder of this financial year.

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

RESULT FOR THE PERIOD

The net loss after tax for the half-year ending 31 December 2011 was \$1,681,216 compared with a loss of \$985,730 in the same period last year. Prior year results included a Research and Development Taxation Concession Rebate of \$603,751.

As at 31 December 2011, the Company maintained cash reserves of \$5,528,617. Subsequent to balance date a R&D Tax Concession Rebate of \$787,327 was received.

DIVIDENDS

The Directors have not declared a dividend to be paid during the period.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration (as required under Section 307C of the Corporations Act 2001) is shown on page 11 and forms part of this report.

Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the Corporations Act 2001.

On behalf of the Directors



.....
Mr Mark Bouris
Chairman
Sydney, Dated 27 February 2012

ANTEO DIAGNOSTICS LIMITED AND ITS CONTROLLED ENTITIES
ABN 75 070 028 625

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED
31 DECEMBER 2011

	Note	31 December 2011 \$	31 December 2010 \$
Other revenue from ordinary activities	2	251,894	707,619
Selling, distribution and business development expenses		(316,621)	(330,585)
Occupancy expenses		(71,047)	(65,501)
Administration expenses		(439,760)	(338,717)
Borrowing costs	2	(4)	(10)
Research and development expenses		(1,105,678)	(933,536)
Other expenses from ordinary activities		-	(25,000)
Loss from ordinary activities before income tax		(1,681,216)	(985,730)
Income tax benefit relating to ordinary activities		-	-
Loss from ordinary activities after income tax		(1,681,216)	(985,730)
Loss attributable to members of the parent entity		(1,681,216)	(985,730)
Other Comprehensive Income		-	-
Total Comprehensive Income		(1,681,216)	(985,730)
Basic earnings per share (cents per share)		(0.2)	(0.2)
Diluted earnings per share (cents per share)		(0.2)	(0.2)

The financial statements should be read in conjunction with the accompanying notes.

ANTEO DIAGNOSTICS LIMITED AND ITS CONTROLLED ENTITIES
ABN 75 070 028 625

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	31 December 2011 \$	30 June 2011 \$
CURRENT ASSETS		
Cash assets	5,528,617	6,863,593
Receivables	31,187	137,352
Other	22,496	2,448
TOTAL CURRENT ASSETS	<u>5,582,300</u>	<u>7,003,393</u>
NON-CURRENT ASSETS		
Property, plant and equipment	289,656	281,874
TOTAL NON-CURRENT ASSETS	<u>289,656</u>	<u>281,874</u>
TOTAL ASSETS	<u>5,871,956</u>	<u>7,285,267</u>
CURRENT LIABILITIES		
Payables	282,374	217,044
Provisions	203,189	177,049
TOTAL CURRENT LIABILITIES	<u>485,563</u>	<u>394,093</u>
TOTAL LIABILITIES	<u>485,563</u>	<u>394,093</u>
NET ASSETS	<u>5,386,393</u>	<u>6,891,174</u>
EQUITY		
Contributed equity	32,035,786	31,859,351
Accumulated losses	<u>(26,649,393)</u>	<u>(24,968,177)</u>
TOTAL EQUITY	<u>5,386,393</u>	<u>6,891,174</u>

The financial statements should be read in conjunction with the accompanying notes.

ANTEO DIAGNOSTICS LIMITED AND ITS CONTROLLED ENTITIES
ABN 75 070 028 625

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	Contributed Equity		Accumulated Losses \$	Total \$
	Ordinary Shares \$	Options \$		
Balance at 1 July 2010	24,082,001	71,407	(22,759,042)	1,394,366
Issued during the year	1,728,483	-	-	1,728,483
Capital raising costs	-	-	-	-
Options expensed for the period	-	36,895	-	36,895
Losses attributable to members of the parent entity	-	-	(985,730)	(985,730)
Balance at 31 December 2010	25,810,484	108,302	(23,744,772)	2,174,014
Balance at 1 July 2011	31,749,967	109,384	(24,968,177)	6,891,174
Issued during the year	-	-	-	-
Options expensed for the period	-	176,435	-	176,435
Losses attributable to members of the parent entity	-	-	(1,681,216)	(1,681,216)
Balance at 31 December 2011	31,749,967	285,819	(26,649,393)	5,386,393

The financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	31 December 2011 \$	31 December 2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	87,090	84,940
Payments to suppliers and employees	(1,631,534)	(1,609,099)
Borrowing costs	(4)	(508)
Interest received	266,484	37,808
Net cash (used in) operating activities	<u>(1,277,964)</u>	<u>(1,486,859)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for property, plant and equipment	(57,012)	(72,183)
Proceeds from disposal of property, plant and equipment	-	-
Net cash (used in) investing activities	<u>(57,012)</u>	<u>(72,183)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Capital raising costs	-	-
Converting note distributions	-	-
Proceeds from issues of shares, options, etc.	-	1,728,483
Net cash (used in) provided by financing activities	<u>-</u>	<u>1,728,483</u>
Net increase (decrease) increase in cash held	(1,334,976)	169,441
Opening cash brought forward	6,863,593	1,425,894
Closing cash carried forward	<u><u>5,528,617</u></u>	<u><u>1,595,335</u></u>

The financial statements should be read in conjunction with the accompanying notes.

1. Summary of accounting policies

Basis of Preparation

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001, AASB 134 Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year financial report does not include disclosures or notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and any other public announcements made during the half-year in accordance with the continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies set out below have been applied in preparing the financial statements for the half-year ended 31 December 2011.

(a) Going Concern

As at 31 December 2011, the company had cash reserves of \$5,528,617. The Board believes that based upon current spending forecasts there is adequate funding to provide for the Company's requirements to complete its strategic plan and in any case beyond 12 months of operation.

2. Loss from Ordinary Activities

31 December 2011 \$	31 December 2010 \$
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The loss from ordinary activities before income tax expense has been determined after:

Depreciation of non-current assets:

Plant and equipment	<u>49,230</u>	<u>42,282</u>
Total depreciation of non-current assets	<u><u>49,230</u></u>	<u><u>42,282</u></u>

Borrowing costs:

Interest, other persons	<u>4</u>	<u>10</u>
	<u><u>4</u></u>	<u><u>10</u></u>

Movements in provisions:

Employee benefits increase / (decrease)	<u>26,140</u>	<u>10,042</u>
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Other Revenue from ordinary activities

Other revenue from operating activities	77,876	66,060
R&D Tax Concession Rebate	-	603,751
Interest – other corporations	<u>174,018</u>	<u>37,808</u>
	<u><u>251,894</u></u>	<u><u>707,619</u></u>

Application for the R&D Tax Concession Rebate was lodged after 31 December 2011 and a rebate of \$787,327 was received subsequent to 31st December, 2011.

3. Events Subsequent to Reporting Date

A R&D Tax Concession Rebate of \$787,327 was received after balance date.

4. Options Issued

During the period 9,600,000 options maturing on 24th October, 2015 with an exercise price of \$0.12 were issued to Directors in accordance with an ordinary resolution of shareholders. An independent valuation of these options was undertaken and the value attributed of \$166,080 was expensed during the period.

A further 4,000,000 options on the same terms were issued to employees and consultants as part of the Anteo Diagnostics Limited Officer, Employee and Consultants Share Option Plan. These options did not vest during the period and no expense was charged.

DIRECTORS' DECLARATION

In the opinion of the directors:

- a. the consolidated financial statements and notes of Anteo Diagnostics Limited set out on pages 2 to 9 are in accordance with the Corporations Act 2001, including
- i. giving a true and fair view of its financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
 - ii. complying with Accounting Standard AASB 134 Interim Financial Reporting; 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.

Signed in accordance with a resolution of the directors:.

On behalf of the Directors



Mr. M Bouris
Chairman


Dated 27 February 2012

AUDITOR'S INDEPENDENCE DECLARATION**TO THE DIRECTORS OF ANTEO DIAGNOSTICS LIMITED**

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In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Anteo Diagnostics Limited for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M S Bell
Partner - Audit & Assurance

Brisbane, Dated 27 February 2012

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INDEPENDENT AUDITOR'S REVIEW REPORT**TO THE MEMBERS OF ANTEO DIAGNOSTICS LIMITED**

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We have reviewed the accompanying half-year financial report of Anteo Diagnostics Limited (“Company”), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors’ declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year’s end or from time to time during the half-year.

Directors’ responsibility for the half-year financial report

The directors of the Company are responsible for the preparation 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 controls 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 consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the 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 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Anteo Diagnostics 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.

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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.

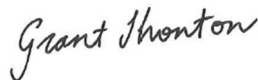
Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

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 Anteo Diagnostics Limited is not in accordance with the Corporations Act 2001, including:

- 1 Giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- 2 Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M S Bell
Partner - Audit & Assurance

Brisbane, Dated 27 February 2012

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