



13<sup>th</sup> September 2012  
Company's Announcement Office  
ASX Limited  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

**ASX ANNOUNCEMENT / MEDIA RELEASE**

Anteo Shareholders,

During recent months I have fielded a number of questions concerning our company, all of which are important to shareholders in understanding Anteo's progress and what our plans and goals are.

We have taken the essence of these questions on board and compiled them along with our answers in the release so all shareholders can benefit

**? What are your goals for Anteo and its shareholders. Specifically, if and when do you consider the company will be in a position to pay a dividend?**

- *It's ALL about shareholder value. Whatever the board decides is the best way to deliver the maximum shareholder value is the way the business will proceed. In the short term we need to keep signing contracts, start receiving cash flow that exceeds our burn rate and delivering growth for the business. This is where the shareholder value will be delivered most.*

*With the Affymetrix/eBioscience agreement we already have in place a core element to delivering a cash positive position from operations. We intend to establish further ongoing business platforms of this nature, where our partner has existing revenues and there is the opportunity for Mix&Go to be used in new areas.*

*Once this is achieved we will continue to focus the development of the use of Mix&Go across all healthcare applications where applicable. Our goal in this regard is for Mix&Go to become the default system used for binding proteins to surfaces in the healthcare industry.*

**Anteo Diagnostics Limited ABN 75 070 028 625**

**Unit 4, 26 Brandl Street, Eight Mile Plains Qld 4113**

**Phone 07 3219 0085 Fax 07 3219 0553 Email [contact@anteodx.com](mailto:contact@anteodx.com) Web [www.anteodx.com](http://www.anteodx.com)**

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*After we become a cash positive business we will be able to assess more closely our priorities for deploying our cash resources towards achievement of business goals, further building a sustainable and profitable business and then providing a cash return to shareholders.*

**? Anteo has commented that is in commercial discussions, is this still the case? Does that status of patents effect these discussions? What is the typical process?**

- *We are in commercial discussions with a number of interested parties concerning parameters of possible contracts. Differences in timespan are caused by the nature of the company, its size, its field and its priorities. The important thing with slow moving companies is for Anteo to continually maintain a presence on the “radar” and grow momentum with demonstrable successes. Patents are not a “road block”, different companies have different priorities and agendas. Our task is to make sure we control and deliver on those aspects which are in our hands, so as to always have the ball in the customer’s court. We are dealing with a variety of companies from large IVD players down to small emerging companies and have a large number of CDAs and MTAs in place, some of which are multi-party. We are in commercial discussions with each of the IVD, Research and POC sectors. It is important to examine our original strategy; this focused our direct dealing on large IVD companies with global operations and some bead manufacturers. There were two reasons for this approach, our available personnel resources could address the relatively few players and the significant rewards that come when a large IVD company decides to adopt Mix&Go. This core market, which constitutes a small number of large companies operating worldwide, whose automated assay platforms are bead orientated, has provided a strong grounding for us to refine and ensure Mix&Go meets all the challenges placed upon it. Whilst possessing large amounts of capital, these large companies are typically slow moving, very conservative and considered when make decisions surrounding licensing agreements. Further, there are a number of stringent regulations and this takes a significant amount of time.*

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*In the last 18 months or so we have started to actively address the expanded Life Science markets with a large number of medium and small companies; an array of different surfaces: beads, plates, sensors, slides; are faster and more nimble in decision making and are technology driven.*

*A portfolio of smaller deals in the expanded market will provide ADO with revenues that allow it to continue to foster deals in the Core market.*

*Commercial discussions can commence at any time from very early in discussions through to after all technical aspects are resolved and value propositions are fully determined. Naturally the time for determining commercial parameters varies. For Life Science companies an average time is about a year. However, once a term sheet is executed it is typically somewhere between 6 weeks and 6 months to close an agreement. The nature of agreements can vary from Research and Collaboration, to materials supply or licensing.*

*Once we have entered into an agreement with a customer the time for a royalty return to eventuate is dependent on a number of factors. IVD companies complete their regulatory processes; and companies with new products must complete development programs and launch their product which may start from a low base. The shortest time frame is with Life Science companies who have existing products they wish to improve with Mix&Go. Regarding giving specific timelines, this is too difficult to pinpoint, however we can confidently say that we continue to work with over 80 companies and remain optimistic about the signing of licensing agreements in the forthcoming year.*

**? With the takeover of eBiosciences by Affymetrix is the contract the company entered into still valid?**

- *Yes and if anything there is an increase in the opportunities for Mix&Go. As with all acquisitions focus on the takeover can effect operations. We are working collaboratively and constructively with eBioscience/Affymetrix on the integration of Mix&Go into relevant products across their range.*

**? Has anyone said no to Mix&Go, and how many companies are there testing it?**

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➤ *No – we are working with many companies and that number is increasing. Some of these companies are very active and others less so. Our available resources determine the number of companies we can be actively engaged with. Accordingly, we prioritise our activities taking into account enthusiasm, customer significance, likely speed to an outcome and known synergies for Mix&Go. In this regard as stated in our presentations this year we have adjusted our strategy and broadened our target sectors beyond IVD to include the Research, Point of Care and broader Life Sciences markets (along with the different surface platforms involved with each of these markets). This strategy expansion is consistent with our ongoing R&D program for Mix&Go.*

? **Has Anteo received negative feedback concerning Mix&Go when measured against its nearest competitor?**

➤ *To date Mix&Go has not performed worse than a comparative technology. Sometimes companies initially do not always have a highly positive outcome. This can be because our protocols may not have been used, or Mix&Go is being tried for an unproven use or on a surface where methods of use and optimisation are not developed. We have always found that once the cause is apparent we are able to address any issues and superior outcomes result.*

*It is important to note that here we are focusing on sensitivity. There are of course numerous factors where Mix&Go always outperforms its competitors such as ease-of-use, speed of coupling, reproducibility, stability and using less materials (such as beads and antibodies)*

? **Anteo has focused on the use of Mix&Go on beads, how does Mix&Go function on Microtiter plates, what is the significance of the market and speed to market?**

➤ *Technically the smaller the surface format the more likely it is that Mix&Go will demonstrate clear benefits over current binding methods. Developing Mix&Go for microtiter plates is part of our ongoing R&D program. We are pleased with the outcomes we are achieving and we are working with a number of potential partners on in this area. The plate segment of the market forms a significant component of both the IVD and Life Sciences sectors. Like beads, the speed to market on plates is dependent on the end*

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*use, IVD being considerably slower than Life Sciences. Again our focus is up the value chain with the test manufacturers rather than the plate manufacturers.*

- ? The Merck agreement announced in July 2010 required projected Sales forecasts by in 2012. Can you provide an update of these forecasts?**
- *Yes that is true. Such forecasts are confidential as they can be commercially sensitive. Further we cannot make any public forecasts until we have historical or definitive binding information to substantiate guidance.  
We are working collaboratively and constructively with Merck on broader product opportunities for Mix&Go.*
- ? What is happening with companies where significant quantities of Mix&Go have been supplied for testing?**
- *We are working with a number of companies who have received large quantities of Mix&Go. Large quantities are often used for testing in scale. We are actively working with all these companies, including the initial company.*
- ? Are there any major 'competitors' to the Mix & Go technology? What is the biggest hurdle that needs to be overcome for companies to sign up for Mix&Go?**
- *Companies have been making immunoassay's for over 30 years and our major competitors are the methods currently being used; plus some variations of old technology, such as Tosyl and E Proxy. These methods are broadly recognised as being flawed, hence why Mix&Go is unique.  
Achieving sufficient momentum and willingness to change within a company is our biggest hurdle, because it is easier not to change if current practise works even though not well.*

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? **Has the company researched previous lead-in times for the products it is trying to supersede within its target companies repertoire, as a guide to potential timeframes that shareholders can expect?**

- *Yes. The issue is becoming accepted as the product to supersede current approaches to binding antibodies and proteins.*

? **What is the effect of the divisional patent approval for the Use of Metal Complexes on commercial discussions and negotiations?**

- *First of all, I think that more importance is given to the granting of patents than is warranted. We have an ongoing patenting program for Mix&Go, to protect our intellectual property, as we develop its capabilities and uses. When we are talking to companies and they see our patent history, they realize that there is a general belief that the patents will also be issued in other markets. Patent protection is important, as it underwrites the ownership of our technology, but the filing of the divisional is restricted to the claims made in the parent patent. By exemplifying the claims differently we can subtly strengthen the claims of the parent patent. By having two patents we provide ourselves with greater licensing flexibility.*

? **Do you foresee the current cash burn resulting in the need for a future capital raising?**

- *Our objective is not to require a further capital raising to establish the Mix&Go business, however this will be determined by the rate we close business and the speed of implementation of Mix&Go.  
We monitor our progress closely at all levels and I am now firmly of the belief that it is not a matter of will we succeed but rather it is a question of timing.  
Naturally, if there was a special event, such as a potential acquisition opportunity, a capital raising would not be out of the question.*

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? **In dealing in an international environment often a number of different companies may be working together on a project, who would be the licensee in that case?**

- *Firstly, we believe we have something to offer all parties on a given project both individually and jointly, as Mix&Go can assist them with the many products they develop and manufacture. Accordingly we would like to have agreements with all parties involved. I believe any license we enter into would, preferably, always be with the vendor of the final product in question.  
We would like to progress CDAs and MTAs in place to agreements with all these organisations.*

? **In late 2010/early 2011 – comments were made about being ‘perilously close’ with some companies. In hindsight what is the reality of this comment and did exercising of options in 2010 and 2011 effect the way Anteo has dealt with customers?**

- *The comments at that time concerned a number of companies, including Bangs who we proceeded on a second product with. Certainly we believed outcomes were closer than reality has proven, due mainly to the nature in which IVD companies address their priorities and changes which may occur in those priorities.*

*The capital increase from option conversion has provided a stable base to work from and permitted us alter our strategy to incorporate the more dicers and faster moving Life Sciences market sector*

? **Have there been any overtures as regards a takeover, in particular, companies we are talking to but have not yet signed?**

- *No serious overtures more interest in possible investment in Anteo. We have also not pursued any as we believe it is premature.*

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**? What are your thoughts on this on the level and frequency of information provided by Anteo to shareholders?**

- *It is not my perception that we make announcements any more or less than previously.*

*We, as a company listed on the ASX, comply with the listing regulations and continuous disclosure requirements. We also do not believe it is in shareholders' interest to make announcements unless there is something constructive to say. In this framework whenever we sign a material agreement with a client (such as the eBioscience agreement) it is announced immediately; we provide a quarterly update on operational activities when each 4C statement is issued; we participate in conferences and presentation days where we provide ongoing updates of our strategy and an overview of progress; and I endeavour to make myself available to shareholder questions.*

*We have given close consideration to providing more regular updates to shareholders; currently we report quarterly plus announce any events. Of course we would like to have more to report but we consider it is not beneficial reporting trivial matters, such as NDAs, or repeating information already issued. Shareholders would then become numb to important matters.*

**? Is it a significant responsibility of yours, and the board's, to maximise shareholder value? Consequently do your KPIs include deliverance of shareholder value?**

- *Yes, the board, Anteo staff and I all work VERY hard on adding shareholder value and yes share price is one of our KPIs.*

*To this end the Board and management undertook a major review of our strategy and business implementation plan this year. This review included assessment of markets we are addressing, plus opportunities and methods for improving the rate at which we can achieve our business goals.*

*The market is not perfect, so on any given day the share price may not reflect our commitment and progress. Our initial focus, since my appointment, was on survival and ensuring that there was no unnecessary dilution of the shares on offer. We feel this has been a success thus far. The board and I are working to deliver commercial progress so that the market clearly reflects our commitment. Again, announcements are not made*

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*unless there is significant news or events.*

**? How do you see the role of your non-executive directors and are they providing the input desired.**

- *Both our non-executive directors provide management and other board members with insightful, practical and lateral points for consideration. They also test very acutely our corporate governance, business approaches and progress. This year these inputs have focused on our business strategy plan and execution, the R&D Plan and how it dovetails in with our strategy, Workplace, Health and Safety and Risk Management. These are exactly the inputs we hoped for. The combination of a settled Board, who provide strong direction; our experienced technical group and our expanded business development capabilities are now providing a well balanced team capable of delivering our goals.*

**? Is M&G being considered/tested for POC devices and, if so, is it being considered/tested for multiple devices or just a single device as this stage? Is it envisaged that M&G would be able to be licensed to multiple devices/companies moving forward, should there be a increase in demand for this type of equipment in the future?**

- *We are dealing with a number of POC companies and yes we are targeting entering into agreements with more than one company. Yes we are confident that in each sector once a player is using Mix&Go more players will want it.*

**? Is ADO in constant communication with companies trialling Mix&Go, what are the issues they are raising, and what can ADO do to help them reach a decision?**

- *We address each company from as many different aspects and levels as is appropriate to move to the next stage or undertake the next piece of work. We are focussed on being proactive and to gain better clarity of time frames, expectations and input requirement for ADO to target. Persistence is the key.*

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*We are also undertaking a program of providing test kits to potential users so they can undertake initial testing without one-on-one engagement with our scientists. This frees up resources to address the more advanced opportunities.*

**? In ADO's Investor Presentations names of potential customers are referred to. What is the status of dealings with these companies and what "event" will trigger an announcement by Anteo that it is in fact assisting such companies?**

- *In our presentations we use scenario examples of companies to illustrate the market place in which we are dealing. There is no direct correlation with company names used as illustration and our actual pipeline.*
- Using that type of scenario an announcement would be dependent on the attitude of our partner companies. It would be no later than a formal license and may be as early as engaging into a substantive R&D program.*

**? In the March 2012 Investor presentation there is a slide titled "What Could Mix&Go be worth"? Can you provide an indication of the percentage of the available market you are dealing with?**

- *We cannot project the revenues we will obtain from available markets. We know the size of the available markets, which we estimated at that time to be over \$1Bn. We are actively trying to penetrate these markets and fully appreciate that we will never obtain 100% of any one sector.*
- Our focus in addressing a market sector is to ensure we are addressing companies that are appropriate for us within that particular sector.*
- Our research tells us that once a player of significance adopts a technology interest in that technology increases dramatically and speed of process increases accordingly.*

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? **Is it possible to tabulate the status of Anteo's Business pipeline to provide a meaningful insight for shareholders and interested investors on customer progress?**

- *We will take this request on board. The difficulties with this sort of table are that testing may recommence from another perspective or companies may have events affecting their priorities delaying progress. This is not unusual and is one thing we find frustrating as it makes monitoring of our business more complex.*

Should any shareholder have other questions they would like addressed we will be more than pleased to endeavour to answer them directly after the Annual General Meeting on 25<sup>th</sup> October, 2012.

Kind Regards,

Dr Geoff Cumming

CEO

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