

APPENDIX 4D

For the Half Year Ended
31 December 2014

Results for Announcement to the Market

Current Reporting Period - Half year ended 31 December 2014

Revenue	Up	5.54%	to	47,989
Loss after tax attributable to members	Up	530.5%	to	(775,982) *
Net loss for the period attributable to members	Up	530.5%	to	(775,982) *

Dividends (distribution)	Amount per Security	Franked Amount per Security
Final dividend	n/a	n/a
Previous corresponding period	n/a	n/a

Net Tangible Asset per Security (cents per security)

As at 31 December 2014	1.72
As at 31 December 2013	(0.20)**
Record date for determining entitlements to dividend :	N/A

Explanation of the above information:

Refer to the Directors' Report - Review of Operations.

* This loss is after fully expensing all research and development costs.

** Capital was subdivided on a 1:1500 basis on 8 May 2014 and 1:5 basis on 11 September 2014, comparative results for Net Tangible Asset and Earnings per Share have been restated to reflect the share splits.

To be read in conjunction with the 30 June 2014 Annual Report

Anatara Lifesciences Ltd

ACN 145 239 872

Appendix 4D
Interim Financial Report
For the half-year ended 31 December 2014

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Contents

Directors' Report	4
Auditor's Independence Declaration	6
Consolidated Statement of Profit or Loss and Other Comprehensive Income	7
Consolidated Statement of Financial Position	8
Consolidated Statement of Changes in Equity	9
Consolidated Statement of Cash Flows	10
Notes to the Consolidated Financial Statements	11
Directors' Declaration	14
Independent Auditor's Review Report	15
Corporate Directory	17

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Directors' Report

The Directors present their Report together with the financial statements of the consolidated entity, being Anatara Lifesciences Ltd ('the Company' or 'Anatara') and its controlled entities ('the Group') for the half-year ended 31 December 2014.

Director details

The following persons were directors of the Company during, or since the end of, the financial period.

Dr Melvyn Bridges	Chairman
Dr David Venables	Chief Executive Officer and Executive Director
Dr Tracey Mynott	Chief Scientific Officer and Executive Director (resigned 4 August 2014)
Mr Iain Ross	Non-Executive Director
Dr Jay Hetzel	Non-Executive Director (Appointed 4 August 2014)
Dr Tracie Ramsdale	Non-Executive Director (Appointed 4 August 2014)

Principal activities

The principal activities of entities within the Group are to develop oral solutions for gastrointestinal diseases in animals and in humans. No significant change in the nature of these activities occurred during the period.

Review of operations and financial results

The Group continued to expend monies in furthering its efforts in developing a non-antibiotic therapy and as a result shows a loss after tax of \$775,982 for the period (31 December 2013: \$123,076). The company has made significant progress since listing in October 2014. The Company has up scaled manufacturing of its lead product Detach, and has recently reported positive results from its first pig trial. The Company is now preparing the start of additional trials in order to completion of its application to the APVMA for approval to launch in 2016. In parallel Anatara is well advanced on pursuing its strategy to gain both European and US regulatory approval.

Given the positive results from the recent Australian trial the Company is pursuing international partnering interest, and will update the market through 2015.

The Company has maintained prudent cost management, whilst advancing key commercial interests. The Company is in a strong financial position, with sufficient cash reserves to deliver on its key milestones.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Signed in accordance with a resolution of the directors.



Melvyn Bridges
Chairman

Brisbane, Queensland

Dated: This 23rd day of February 2015.

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**Auditor's Independence Declaration
To The Directors of Anantara Lifesciences Ltd**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Anantara Lifesciences Ltd for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M.A. Cunningham
Partner - Audit & Assurance

Melbourne, 23 February 2015

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2014

Consolidated Entity			
	Note	31-Dec-14	31-Dec-13
		\$	\$
<i><u>Revenue</u></i>			
Research Grant	7	-	45,000
Interest Income	7	47,989	469
<i><u>Expenses from Operating Activities</u></i>			
Research and Development Expenses		(25,907)	(69,462)
Employee Benefit and Director Expenses		(327,374)	(23,864)
Patent Expense		(40,096)	(33,825)
Consultancy Expenses		(174,589)	(1,450)
Travel and Accommodation		(86,919)	(35,698)
Other Expenses		(169,086)	(4,245)
Loss from Operating Activities		(775,982)	(123,076)
Loss Before Income Tax		(775,982)	(123,076)
Income Tax Expense		-	-
Loss for the Period		(775,982)	(123,076)
Other Comprehensive Income for the Year		-	-
Total Comprehensive Loss for the Period		(775,982)	(123,076)
<i><u>Losses per share:</u></i>			
	8		
Basic losses per share		(0.03)	(0.01)
Diluted losses per share		(0.03)	(0.01)

This statement should be read in conjunction with the notes to the financial statements

Consolidated Statement of Financial Position

As at 31 December 2014

	Note	Consolidated Entity	
		31-Dec-14	30-Jun-14
		\$	\$
ASSETS			
Current Assets			
Cash and Cash Equivalents		2,472,585	1,051,080
Trade and Other Receivables		17,416	26,105
Other Financial Assets – Term Deposit		4,000,000	-
Other Assets		32,605	2,860
Total Current Assets		6,522,606	1,080,045
Non-Current Assets			
Property, Plant and Equipment		20,793	-
Total Non-Current Assets		20,793	-
TOTAL ASSETS		6,543,399	1,080,045
LIABILITIES			
Current Liabilities			
Trade and Other Payables		53,185	253,264
Total Current Liabilities		53,185	253,264
TOTAL LIABILITIES		53,185	253,264
NET ASSETS		6,490,214	826,781
EQUITY			
Issued Capital	9	8,410,706	1,971,292
Accumulated Losses		(1,920,492)	(1,144,511)
TOTAL EQUITY		6,490,214	826,781

This statement should be read in conjunction with the notes to the financial statements

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Consolidated Statement of Changes in Equity

for the half-year ended 31 December 2014

Consolidated Entity	Share Capital \$	Accumulated Losses \$	Total \$
Balance as at 1 July 2013	1,000	(281,655)	(280,655)
Total Comprehensive Income/(Loss) for the Period	-	(123,076)	(123,076)
<i>Transactions with Owners in their Capacity as Owners:</i>			
Shares Issued	140,000	-	140,000
Balance at 31 December 2013	141,000	(404,731)	(263,731)

Consolidated Entity	Share Capital \$	Accumulated Losses \$	Total \$
Balance as at 1 July 2014	1,971,292	(1,144,511)	826,781
Total Comprehensive Income/(Loss) for the Period	-	(775,982)	(775,982)
<i>Transactions with Owners in their Capacity as Owners:</i>			
Shares Issued	7,000,000	-	7,000,000
Capital Raising Cost	(560,586)	-	(560,586)
Balance at 31 December 2014	8,410,706	(1,920,492)	6,490,214

This statement should be read in conjunction with the notes to the financial statements.

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Consolidated Statement of Cash Flows

for the half-year ended 31 December 2014

Consolidated Entity			
	Note	31-Dec-14	31-Dec-13
		\$	\$
Cash Flow Related to Operating Activities			
Payments to suppliers and employees		(1,024,644)	(76,998)
Interest received		27,526	469
Net Cash Flows from Operating Activities		(997,118)	(76,529)
Cash Flows Related to Investing Activities			
Payment for purchases of plant and equipment		(20,793)	-
Investment in financial assets (term deposits)		(4,000,000)	-
Net Cash Flows used in Investing Activities		(4,020,793)	-
Cash Flow Related to Financing Activities			
Proceeds from issues of securities		7,000,000	140,000
Capital raising costs		(560,586)	-
Net Cash Flows used in Financing Activities		6,439,414	140,000
Net Increase/(Decrease) in Cash and Cash Equivalents		1,421,503	63,471
Cash and cash equivalents at the beginning of the year		1,051,082	66,015
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and Cash Equivalents at the End of the Year		2,472,585	129,486

This statement should be read in conjunction with the notes to the financial statements.

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Notes to the Consolidated Financial Statements

1. Nature of operations

Anatara Lifesciences Ltd and its controlled entity ('the Group') principal activities are to develop oral solutions for gastro-intestinal diseases in animals and in humans.

2. General information and basis of preparation

Anatara Lifesciences Ltd listed on the Australian Stock Exchange on 16 October 2014.

The condensed interim consolidated financial statements (the interim financial statements) of the Group are for the six months ended 31 December 2014 and are presented in Australian dollar (\$), which is the functional currency of the parent company. These general purpose interim financial statements have been prepared in accordance with the requirements of AASB 134 *Interim Financial Reporting* and to meet the needs of the Directors. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2014 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The interim financial statements have been approved and authorised for issue by the board of directors on 23 February 2015.

3. Significant accounting policies

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2014.

4. Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2014.

5. Going concern

The Group has incurred a net loss for the half year ended 31 December 2014 and 30 June 2014, negative operating cash flows from operations and has accumulated losses, therefore material uncertainty exists regarding going concern. The directors have performed a review of the cash flow forecasts and have considered the cash flow needs of the Group. Management expects operating losses and negative cash flows will continue for the foreseeable future and anticipates that expenses will increase from current levels because of additional expenses related to research and development and commercial activities.

In September 2014 to October 2014, Anatara has raised \$7 million of capital to progress the development of Detach™ in Europe and the United States as these markets are much larger and profitable for the Group. Given the above the Directors consider it appropriate to prepare the financial statements on a going concern basis.

6. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors (Chief Operating Decision Makers), which make strategic decisions for the Group.

The Chief Operating Decision Maker evaluates the results on a company wide basis and as such does not have specific operating segments.

7. Revenue

	Consolidated Entity	
	31-Dec-14	31-Dec-13
	\$	\$
<u>Revenue</u>		
Interest from external parties	47,989	468
	<u>47,989</u>	<u>468</u>
<u>Other income</u>		
Grant from the Australian Research Council (ARC)	-	45,000
	<u>-</u>	<u>45,000</u>

8. Losses per share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of Anatara as the numerator, i.e. no adjustments to profits were necessary during the six months period to 31 December 2014 and 2013.

The weighted average number of shares for the purposes of the calculation of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	Consolidated Entity	
	31-Dec-14	31-Dec-13
	\$	\$
Basic loss per share	(\$0.03)	(\$0.01)
Diluted loss per share	(\$0.03)	(\$0.01)
a) Net loss used in the calculation of basic and diluted loss per share	(775,982)	(123,076)
b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	29,684,783	13,387,500
c) Options that are considered to be potential ordinary shares are excluded from the weighted average number of ordinary shares used in the calculation of basic loss per share. All the options on issue do not have the effect of diluting the loss per share therefore, they have been excluded from the calculation of diluted loss per share.	-	-

There have been no other conversions to, call of, or subscriptions for ordinary shares, or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

* Capital was subdivided on a 1:1500 basis on 8 May 2014 and 1:5 basis on 11 September 2014, comparative results for the Losses per Share have been restated to reflect the share splits.

9. Issued capital

		Consolidated Entity	
		31-Dec-14	30-Jun-14
		\$	\$
Ordinary fully paid shares	9(a)	8,410,706	1,971,292
		<u>8,410,706</u>	<u>1,971,292</u>

9(a) Ordinary Shares	six months to 31 December 2014		Year to 30 June 2014	
	No.	\$	No.	\$
Balance at the beginning of the period	4,750,000	1,971,292	1,785	1,000
Debt to equity conversion	-	-	215	363,226
Subdivision of shares, 1,500 shares for every 1 share	-	-	2,998,000	-
Subdivision of shares, 5 shares for every 1 share	19,000,000	-	-	-
Shares issued during the period	14,000,000	7,000,000	1,750,000	1,750,000
Transaction costs relating to share issues	-	(560,586)	-	(142,934)
Balance at the end of the period	37,750,000	8,410,706	4,750,000	1,970,292

Ordinary shares participate in dividends and the proceeds on winding up the Group in proportion to the number of shares held. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. The ordinary shares have no par value.

10. Net tangible assets

		Consolidated Entity	
		31-Dec-14	31-Dec-13
		\$	\$
Net Tangible Assets		\$6,490,214	(\$246,751)
Shares (No.)		37,500,000	13,387,500*
Net Tangible Assets per security		0.173	(0.09)

* Capital was subdivided on a 1:1500 basis on 8 May 2014 and 1:5 basis on 11 September 2014, comparative results for Net Tangible Asset have been restated to reflect the share splits.

11. Dividends

No dividends were paid and no dividends are expected to be paid during the half year period ended in 31 December 2014 (2013: Nil).

12. Commitments and contingencies

Contingent liabilities relate to amounts payable to the former vendors of the intellectual property which is payable upon the disposal of the intellectual property or from product sales of \$5million to \$10million. The amount contingent is up to \$750,000.

13. Events after the reporting date

No matters or circumstances have arisen since the end of the reporting period, not otherwise disclosed in this report, which significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

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Directors' Declaration

The Directors' of the Company declare that;

1. The financial statements and notes, as set out on pages 7 to 13, are in accordance with the *Corporations Act 2001* including:
 - a. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
 - b. giving a true and fair view of the Company's financial position as at 31 December 2014 and of its performance for the half year ended on that date; and
2. In the Directors' opinion there are reasonable grounds to believe that the Company 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 Board of Directors.

Signed in accordance with a resolution of the directors:



Melvyn Bridges
Chairman

Brisbane, Queensland

Dated: This 23rd day of February 2015.

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Independent Auditor's Review Report To the Members of Anatarata Lifesciences Ltd

We have reviewed the accompanying half-year financial report of Anatarata Lifesciences Ltd ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information 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 Anatarata Lifesciences Ltd are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Anatarata Lifesciences Ltd consolidated entity's financial position as at 31 December 2014 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 Anatarata Lifesciences Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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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. 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 Anantara Lifesciences Ltd is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M.A. Cunningham
Partner - Audit & Assurance

Melbourne, 23 February 2015

Corporate Directory

DIRECTORS

Dr Melvyn Bridges	Chairman
Dr David Venables	Chief Executive Officer and Executive Director
Dr Tracey Mynott	Chief Scientific Officer and Executive Director (resigned 4 Aug 2014)
Mr Iain Ross	Non-Executive Director
Dr Jay Hetzel	Non-Executive Director (Appointed 4 Aug 2014)
Dr Tracie Ramsdale	Non-Executive Director (Appointed 4 Aug 2014)

COMPANY SECRETARY

Mr Stephen Denaro

COMPANY

Anatara Lifesciences Ltd
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