

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 2010

Previous Reporting Period
Half year ended 31 December 2009

| | | | | |
|---|------|------|----|-------------|
| Revenue from ordinary activities | up | 331% | to | \$707,619 |
| Profit / (loss) from ordinary activities after tax attributable to members | down | 8% | to | (\$985,730) |
| Net profit / (loss) for the period attributable to members | down | 8% | to | (\$985,730) |

| 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 2010
cents per share

As at 30 June 2010
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 2010

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DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

The Directors of Anteo Diagnostics Limited submit herewith the financial report for the half-year ended 31 December 2010. 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 James Henderson
Dr Geoffrey Cumming
Mr Richard Martin
Ms Lara Iacusso (resigned 25 February 2011)
Mr Robert Gilmour (resigned 3 November 2010)

REVIEW OF OPERATIONS

The Company has experienced high levels of activity and achieved some success throughout the half year and to the date of this report. Important milestones include:

- Entering into a four year supply agreement with Merck Chimie SAS to manufacture two new bead based products for them to package and sell.
- Sending Anteo scientists to work in four prospective partners' laboratories, at their invitation, to transfer Mix&Go™ technology and further assist in the development of proposed new products. This work remains ongoing.
- Expanding the list of commercial groups in the healthcare and other new sectors assessing the Mix&Go™ technology to 55. No group has rejected the technology.
- Entering into three more Confidentiality Agreements (CDAs) and three more Materials Transfer Agreements (MTA's) to allow for free interchange of information and materials with prospective partners.
- A new patent was granted in the United States for Mix&Go™. The Company currently has six families of patents filed in multiple jurisdictions. Anteo now has seven patents granted, and the company expects to file additional patents within the next few months based on new discoveries to further protect core technology.
- Developing and validating two novel Mix&Go™ formulations that address unique customer needs.
- Optimising of Mix&Go™ technology on more than 10 different bead types for pathology, Point of Care, bioseparations, and bead development applications.
- Identifying and developing Mix&Go™-compatible blocking agents.
- Establishing an analytical platform for Quality Control of the manufacture of Mix&Go™ reagents.
- Raising \$5.1 million through the exercise of 6.5 cent options. A further 14,356,713 options priced at 5.5 cents expire on 1st April 2011. The major holders of these options have indicated that it is their intention to exercise these options.
- Launch of a second product line by Bangs Laboratories, Silica Bind-IT, to complement the existing ProMag Bind-IT products. Anteo now has two products licensed with Bangs with other products under consideration.

During the half-year the Company has enjoyed a continued increase in the level of activity required to support the assessments being undertaken by prospective licensees. This has required the appointment of a further two scientists. Current levels of interest in the Mix&Go™ technology remains significant, with the number of inquiries continuing to grow.

New potential applications for the Mix&Go™ technology continue to be brought to our attention, often by interested third parties. At present, our focus remains on the healthcare sector, but with further success in this area, and with greater financial security, we expect to be able to devote more effort to extracting value from these markets in the future.

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

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2010

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CORPORATE DIRECTORY

| | | |
|---------------------------|---|---|
| Directors | James Henderson Geoffrey Cumming Richard Martin | Chairman CEO, Executive Director Non Executive Director |
| Company Secretary | Shane Hartwig | |
| Registered office | 4/26 Brandl Street, Eight Mile Plains QLD 4113 | |
| Mailing address | 4/26 Brandl Street, Eight Mile Plains QLD 4113 | |
| E-mail: | contact@anteodx.com | |
| Website: | www.anteodx.com | |
| Legal advisors | ClarkeKann Lawyers 300 Queen Street, Brisbane QLD 4000 | |
| Auditors | Grant Thornton 102 Adelaide Street, Brisbane QLD 4000 | |
| Patent attorneys | Davies Collison Cave 1 Nicholson 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 | |
| Corporate advisors | Transocean Securities Pty Ltd Level 5, 56 Pitt Street, Sydney NSW 2000 | |
| Bankers | Australia and New Zealand Banking Group Limited 3 Sherwood Road, Toowong QLD 4066 | |

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

RESULT FOR THE PERIOD

The net loss after tax for the half-year ending 31 December 2010 was \$985,730 compared with a loss of \$1,069,683 in the same period last year.

As at 31 December 2010, the Company maintained cash reserves of \$1,595,335.

DIVIDENDS

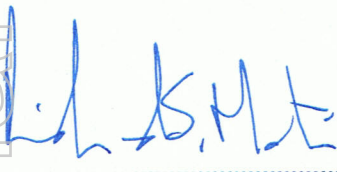
The Directors have not declared a dividend to be paid during the period.

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 16 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



Richard Martin
Director

Sydney, Dated this 25 day of February 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME THE HALF YEAR ENDED
 31 DECEMBER 2010

| | Note | 31 December 2010 \$ | 31 December 2009 \$ |
|--|------|---------------------------|---------------------------|
| Other revenue from ordinary activities | 2 | 707,619 | 184,186 |
| Selling, distribution and business development expenses | | (330,585) | (155,066) |
| Occupancy expenses | | (65,501) | (77,361) |
| Administration expenses | | (338,717) | (242,753) |
| Borrowing costs | 2 | (10) | (118) |
| Research and development expenses | | (933,536) | (748,494) |
| Other expenses from ordinary activities | | (25,000) | (30,077) |
| Loss from ordinary activities before income tax | | (985,730) | (1,069,683) |
| Income tax benefit relating to ordinary activities | | - | - |
| Loss from ordinary activities after income tax | | (985,730) | (1,069,683) |
| Loss attributable to members of the parent entity | | (985,730) | (1,069,683) |
| Other Comprehensive Income | | - | - |
| Total Comprehensive Income | | (985,730) | (1,069,683) |
| Basic earnings per share (cents per share) | | (0.2) | (0.4) |
| Diluted earnings per share (cents per share) | | (0.2) | (0.4) |

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 2010

| | 31 December 2010 \$ | 30 June 2010 \$ |
|----------------------------------|---------------------------|-----------------------|
| CURRENT ASSETS | | |
| Cash assets | 1,595,335 | 1,425,894 |
| Receivables | 636,672 | 53,271 |
| Other | 20,889 | 1,939 |
| TOTAL CURRENT ASSETS | <u>2,252,896</u> | <u>1,481,104</u> |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 268,664 | 242,102 |
| TOTAL NON-CURRENT ASSETS | <u>268,664</u> | <u>242,102</u> |
| TOTAL ASSETS | <u>2,521,560</u> | <u>1,723,206</u> |
| CURRENT LIABILITIES | | |
| Payables | 213,070 | 204,406 |
| Provisions | 134,476 | 124,434 |
| TOTAL CURRENT LIABILITIES | <u>347,546</u> | <u>328,840</u> |
| TOTAL LIABILITIES | <u>347,546</u> | <u>328,840</u> |
| NET ASSETS | <u>2,174,014</u> | <u>1,394,366</u> |
| EQUITY | | |
| Contributed equity | 25,918,785 | 24,153,408 |
| Accumulated losses | <u>(23,744,771)</u> | <u>(22,759,042)</u> |
| TOTAL EQUITY | <u>2,174,014</u> | <u>1,394,366</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 2010

| | Contributed Equity | | Accumulated Losses \$ | Total \$ |
|--|-----------------------|----------------|-----------------------------|------------------|
| | Ordinary Shares \$ | Options \$ | | |
| Balance at 1 July 2009 | 21,466,602 | 69,635 | (20,503,637) | 1,032,600 |
| Issued during the year | 1,317,680 | - | - | 1,317,680 |
| Capital raising costs | (115,302) | - | - | (115,302) |
| Options expensed for the period | - | 1,772 | - | 1,772 |
| Losses attributable to members of the parent entity | - | - | (1,069,683) | (1,069,683) |
| Balance at 31 December 2009 | 22,668,980 | 71,407 | (21,573,320) | 1,167,067 |
| 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 |
| 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 |

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 CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2010

| | 31 December 2010 \$ | 31 December 2009 \$ |
|---|---------------------------|---------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from customers | 84,940 | 158,410 |
| Payments to suppliers and employees | (1,609,099) | (1,273,531) |
| Borrowing costs | (508) | (442) |
| Interest received | 37,808 | 14,780 |
| Net cash (used in) operating activities | <u>(1,486,859)</u> | <u>(1,100,783)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Payment for property, plant and equipment | (72,183) | (10,000) |
| Proceeds from disposal of property, plant and equipment | - | 20,000 |
| Net cash (used in) investing activities | <u>(72,183)</u> | <u>10,000</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Capital raising costs | - | (115,301) |
| Converting note distributions | - | - |
| Proceeds from issues of shares, options, etc. | 1,728,483 | 1,317,680 |
| Net cash (used in) provided by financing activities | <u>1,728,483</u> | <u>1,202,379</u> |
| Net increase (decrease) increase in cash held | 169,441 | 111,596 |
| Opening cash brought forward | 1,425,894 | 953,353 |
| Closing cash carried forward | <u><u>1,595,335</u></u> | <u><u>1,064,949</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 2010.

Going Concern

As at 31 December 2010, the company had cash reserves of \$1,595,335. Post balance date the Company has seen the uptake of the 78,835,313 6.5c options that expired on 1 February 2011. Current cash levels are now sufficient to sustain the Company's activities at current levels for approximately three years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2010

2. Loss from Ordinary Activities

31 December
 2010
 \$

31 December
 2009
 \$

The loss from ordinary activities before income tax expense has been determined after:

Depreciation of non-current assets:

| | | |
|--|---------------|---------------|
| Plant and equipment | 42,282 | 36,115 |
| Total depreciation of non-current assets | <u>42,282</u> | <u>36,115</u> |

Borrowing costs:

| | | |
|-------------------------|-----------|------------|
| Interest, other persons | 10 | 118 |
| | <u>10</u> | <u>118</u> |

Movements in provisions:

| | | |
|---|---------------|---------------|
| Employee benefits increase / (decrease) | <u>10,042</u> | <u>15,082</u> |
|---|---------------|---------------|

Other Revenue from ordinary activities

| | | |
|---|----------------|----------------|
| Grants | - | 20,000 |
| Other revenue from operating activities | 66,060 | 129,406 |
| R&D Tax Concession Rebate | 603,751 | - |
| Profit on sale of assets | - | 20,000 |
| Interest – other corporations | 37,808 | 14,780 |
| | <u>707,619</u> | <u>184,186</u> |

3. Events Subsequent to Reporting Date

There is one event that the Directors believe should be reported to shareholders.

- 78,813,613 \$0.065 options were exercised to subscribe for ordinary shares contributing capital amounting to \$5,122,885.


DIRECTORS' DECLARATION

The Directors declare that:

1. The financial statements and notes, as set out on pages 2-14:
 - (a) in the Directors' opinion, the attached financial statements and notes thereto comply with the Accounting Standard AASB134 to be consistent with the rest accounts, Interim Financial Reporting and the Corporations Regulations;
 - (b) give a true and fair view of the economic entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date.
2. In the Director's opinion, subject to the disclosure provided in note 1 of the accounts, there are reasonable grounds to believe that the entity 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.

On behalf of the Directors



Richard Martin

Director

Sydney, Dated this 25 day of February 2011

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

Grant Thornton Queensland Partnership
ABN 13 131 589 059

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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 2010, 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
GRANT THORNTON QUEENSLAND PARTNERSHIP
Chartered Accountants



M S Bell
Partner

Brisbane, Dated 25 February 2011

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF ANTEO DIAGNOSTICS LIMITED

Grant Thornton Queensland Partnership
ABN 13 131 589 059

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W www.granthornton.com.au

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 2010, 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 2010 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.

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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 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 2010 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
GRANT THORNTON QUEENSLAND PARTNERSHIP
Chartered Accountants



M S Bell
Partner

Brisbane, Dated 25 February 2011