

ASX ANNOUNCEMENT (ASX: ANO)

25 FEBRUARY 2010

APPENDIX 4D – HALF YEAR REPORT - 31 DECEMBER 2009

Name of entity	Antaria Limited
ABN	54 079 845 855

1. DETAILS OF THE REPORTING PERIOD AND THE PREVIOUS CORRESPONDING PERIOD.

Reporting period	1 July 2009 to 31 December 2009
Previous corresponding period	1 July 2008 to 31 December 2008

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET.

2.1	Revenue from ordinary activities	Up	641,886	42%	To	2,161,670	From	1,519,784
2.2	(Loss) from ordinary activities after tax attributable to members	Down	1,169,455	62%	To	(726,530)	From	(1,895,984)
2.3	Net (loss) for the period attributable to members	Down	755,219	40%	To	(1,140,766)	From	(1,895,984)
2.4	The Company does not propose to pay a dividend in respect of the 2010 financial year.							
2.5	Not applicable.							
2.6	Refer separate announcement following.							

3. NET TANGIBLE ASSETS PER SECURITY.

Reporting period	3.7 cents per share
Previous corresponding period	1.6 cents per share

4. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD.

Not applicable.

5. DETAILS OF INDIVIDUAL AND TOTAL DIVIDENDS OR DISTRIBUTIONS AND DIVIDEND OR DISTRIBUTION PAYMENTS.

Nil.

6. DETAILS OF ANY DIVIDEND OR DISTRIBUTION REINVESTMENT PLANS IN OPERATION.

Not applicable.

7. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES.

Not applicable.

8. FOR FOREIGN ENTITIES, WHICH SET OF ACCOUNTING STANDARDS IS USED IN COMPILING THE REPORT (E.G. INTERNATIONAL ACCOUNTING STANDARDS).

Not applicable.

9. IF ACCOUNTS ARE SUBJECT TO AUDIT DISPUTE OR QUALIFICATION, A DESCRIPTION OF THE DISPUTE OR QUALIFICATION.

This Appendix 4D is based upon Antaria Limited's Interim Report for the half-year ended 31 December 2009 which has been subject to an independent review.

A copy of the independent review report is set out on page 15 of the Interim Report.

There is no audit dispute or qualification contained in this review report.

For Further Information

Bruce Cameron, Executive Chairman / Deana Cesari, Chief Financial Officer

Tel: +61 (8) 6253 5300

ASX ANNOUNCEMENT (ASX: ANO)

25 FEBRUARY 2010

ANTARIA REPORTS HALF-YEAR RESULTS

Highlights

- Significant growth in sales of Personal Care products, up 48% led by ZinClear®;
- Outlook for further ZinClear® revenue growth encouraging, especially in the key North American market;
- Significant reduction in pre-tax loss – down 40% compared to the prior half-year; and
- Solid cash position - \$2.6 million as at 31 December 2009.

During the first half of the 2010 financial year, Antaria has focussed its efforts on consolidating earlier success in its ZinClear-IM™ business. The Company has further strengthened its global distribution arrangements, has commenced a program to enhance its production capacity, and is progressively phasing out higher-cost first generation product lines.

Our ZinClear-IM™ production capacity upgrade is on track, with the materials handling components now successfully installed and commissioned. This investment of over \$700,000 will be completed over the next two months. This will enable the Company to better support anticipated large-volume customer product launches.

Product order activity and continued positive feedback from our global distribution partners lends confidence to our outlook for continuing sales growth of Antaria's unique ZinClear-IM™ mineral based UV active technology. In particular, order volumes into the North American region are now building at an accelerated pace, and the high quality market approach that has been implemented by Dow Personal Care appears to now be poised to yield encouraging results. ZinClear® orders on hand currently stand at \$1.6 million.

Antaria's Executive Chairman, Bruce Cameron, stated "Over the past two years, Antaria has worked to apply a disciplined approach to the commercialisation of our ZinClear-IM™ products. This required a change in the business culture, and resulted in us temporarily stepping back from some exciting research work that was not core to the ZinClear-IM™ opportunity. I am pleased to report that I believe Antaria is now a more robust company, smaller and leaner. With a stronger base to the ZinClear® business in place, we can now look forward to once again pursuing certain of our other more prospective emerging technology opportunities.

I would like to take this opportunity to acknowledge the extensive contribution of the Company's founder, Dr Paul McCormick, who left the Company and retired as a Director at the beginning of February this year."

Financial Summary

	31-Dec-09	31-Dec-08	Change		
	\$	\$			
Revenue from sale of goods					
Personal Care	2,093,346	1,414,464	678,882	Increased	48%
Industrial Coatings & Environmental	35,796	43,608	(7,812)	Decreased	18%
Total revenue from sale of goods	2,129,142	1,458,072	671,070	Increased	46%
Finance revenue	32,528	61,712	(29,184)	Decreased	47%
Total revenue from continuing operations	2,161,670	1,519,784	641,886	Increased	42%
Cost of goods sold	(1,752,549)	(1,234,995)	(517,554)	Increased	42%
Gross profit (including finance revenue)	409,121	284,789	124,332	Increased	44%
Gross profit (excluding finance revenue)	376,593	223,077	153,516	Increased	69%
<i>As a % of revenue from sale of goods</i>	18%	15%			
Other income	384,664	318,971	65,693	Increased	21%
Expenses and overheads					
Expensed R&D and product development	(531,379)	(512,879)	(18,500)	Increased	4%
Business development, sales and marketing	(245,018)	(451,980)	206,962	Decreased	46%
Corporate and other expenses and overheads	(761,984)	(599,418)	(162,566)	Increased	27%
Total expenses and overheads	(1,538,381)	(1,564,277)	25,896	Decreased	2%

Financial Summary (cont)

	31-Dec-09	31-Dec-08	Change		
	\$	\$			
Net (loss) before non-cash items	(744,596)	(960,517)	215,921	Decreased	22%
Non-cash items not included in above	(396,170)	(935,467)	539,297	Decreased	58%
Net (loss) before income tax	(1,140,766)	(1,895,984)	755,218	Decreased	40%
Income tax benefit	414,236	-	414,236		
(Loss) after tax from continuing operations	(726,530)	(1,895,984)	1,169,454	Improved	62%

Product Revenues and Other Income

Total revenue from continuing operations for the December 2009 half-year was \$2,161,670 compared to the December 2008 total of \$1,519,784.

Dominated by revenue from its unique ZinClear[®] sun protection technology, Antaria's sales for the first half of the 2010 financial year totalled \$2,129,142 – an increase of 46% compared to the 2009 first half total of \$1,458,072.

Personal Care

Personal Care sales for the December 2009 first half totalled \$2,093,346, an increase of 48% from the December 2008 half-year Personal Care sales of \$1,414,464.

Typically, Antaria's first half ZinClear[®] sales are driven by demand from the Australian market. While a slow start to the Australian season reflected in softer volumes in the first quarter, this was more than offset by an increase in sales during October and November. European and North American distributors also contributed strongly to the December half. The outlook for the six months to June 2010 is strong, particularly in North America.

Antaria's North American distributor, The Dow Chemical Company, continues to report progress in securing new customers for Antaria's sun care dispersions. Dow has allocated significant commercial and technical resources to support planned customer launches.

In Europe, our network of personal care distributors promotes ZinClear-IM[™] with a strong focus on the all-natural sector. In Europe, zinc oxide is yet to be added to the EU list of approved UV absorbers despite statements declaring the safety of non-nano sized zinc oxide in sunscreens published by the EU's Scientific Committee on Consumer Products (SCCP) in 2009. Some EU states, such as Germany, have provided their own interim approval. Consequently, the Company has received notification of several new product launches featuring ZinClear-IM[™], and on that basis we expect modest sales growth in Europe in 2010.

During the first half, Antaria has also worked with a number of existing customers to phase out production of its original ZinClear[®] products in favour of its higher volume, lower cost ZinClear-IM[™] range of products. Antaria plans to conclude production of these discontinued products in the 2010 calendar year. This is expected to have a positive impact on the Company's overall production capacity and responsiveness.

Since commencing our license arrangements for the Alusion[®] product range with Merck (Germany) in April 2009, Antaria has continued to work closely with Merck. The transition of Antaria's previous Alusion[®] customers is complete, and the global launch of this new addition to their range of functional fillers for the cosmetics market is well underway. Antaria has also supplied Merck with product throughout the first half of the 2010 financial year, and expects continued supply throughout the second half.

Industrials

Sales of Industrial products for the December 2009 half-year were \$35,796, compared to the December 2008 half-year total of \$43,608, principally the sale of NanoZ[®] zinc oxide dispersions for UV protective coatings.

Due to the focus of the Company on its near-term opportunities with its Personal Care products, over the past year Antaria has reduced its allocation of R&D resources to the development of its Industrial products. During this time, however, a limited amount of important work was carried out reformulating some of our Industrial products, and Antaria now offers two new NanoZ[®] product variants. Both of these, NanoZ[®] 40SP-Plus (solvent-based zinc oxide dispersion) and NanoZ[®] Plus-E (zinc oxide powder), have a reduced cost structure and improved scalability compared their predecessors.

During the past year, the evaluation and testing of Antaria's Industrial products has continued, led primarily by Antaria's key distributors in Asia and UK/Europe.

In the Coatings sector, initial results are expected in the coming months from the first round of evaluations currently underway in Thailand on Antaria's new NanoZ[®] 40SP-Plus. A strategic re-pricing of the product was implemented in 2009 to improve the competitiveness of the product against other UV absorbers sold in the Thai coatings market.

In the Plastics sector, the first commercial sale of our NanoZ[®] Plus-E has been achieved in Thailand. Our European distributor has also reported a promising project for NanoZ[®] Plus-E via a major masterbatch producer, with a food packaging end use. Further trials evaluating NanoZ[®] Plus-E in automotive plastics, UV protective film and UV stabilised fibres are ongoing.

During the first half, Energenics (Singapore) placed an irrevocable order totaling US\$437,000 for the supply of Cercat[™], Antaria's cerium oxide particle dispersion used in diesel fuel applications. In October 2009, Antaria received an advance payment from Energenics of \$376,044 (US\$345,966) towards their order. The shortfall in the Energenics payment is being pursued. However, Antaria does not currently expect to supply this product during the 2010 financial year.

Other Income

With the recognition of licence income and the commencement of the contract research and development work with licence partner Merck, other income increased 21% to \$384,664 from \$318,971. Included in this total was Commercial Ready grant income of \$220,326 compared to \$318,971 in the prior half-year. Antaria's Commercial Ready grant concluded at 31 December 2009.

Gross Profit Contribution

Antaria's gross margin as a percentage of sales to customers increased in the December 2009 half-year from 15% to 18%, primarily attributable to the positive impact of product mix changes towards the lower cost ZinClear-IM[™] sunscreen dispersions and the absorption of fixed overheads across increased volumes.

Offsetting this improvement was an increase in fixed overheads, mainly repairs and maintenance. During the first half, the Company conducted a review of its production processes and capabilities. This has led to a significant increase in repairs and maintenance as the Company implemented a more proactive maintenance program, including the identification and sourcing of critical spares. Antaria believes this review, along with the expected benefits of the current plant upgrade, enhances the Company's ability to meet anticipated high volume customer orders.

Expenses and Overheads

Cash Items

Antaria's total expenses and overheads (excluding non-cash items) for the December 2009 half-year were \$1,538,381 down 2% from \$1,564,277 in the December 2008 half-year. Total expenses (cash and non-cash items) were reduced by more than 20% when compared to the December 2008 half.

Expensed research, product development and scale-up costs increased by 4% from \$512,879 in 2008 to \$531,379 in 2009. Offsetting these costs is the Company's contract research and development income and Commercial Ready grant included in other income (refer above).

Business development, sales and marketing expenses decreased by 46% from \$451,980 to \$245,018, net of the reversal of advertising costs no longer expected to be incurred. Local marketing programs implemented by Antaria's European distributors, and by Dow and Merck, has allowed Antaria to reduce its resources, and costs, in those areas.

Corporate and other expenses increased by 27% from \$599,418 to \$761,984. This increase was primarily due to ending the previous program of salary sacrifice share payments to directors. In addition, corporate expenses also now include the position of Chief Operating Officer as part of Antaria's executive team.

Non-Cash Items

Non-cash items for the December 2009 half-year totalled \$396,170. This was comprised of depreciation and amortisation charges of \$369,939 and unrealised net foreign exchange gains of \$26,231 primarily due to the revaluation of USD denominated unearned income.

About Antaria

Antaria Limited develops, manufactures and sells a range of advanced metal oxide powders and dispersions worldwide. Antaria's products include: **ZinClear[®]** – broad spectrum, mineral-only UV filters in cosmetic emollients used for sunscreen, skincare, and pharmaceutical formulations that allow SPF 30+ sunscreens containing only zinc oxide as the UV absorber; **Cercat[™]** – cerium oxide particle dispersion used in diesel fuel applications; and **NanoZ[™]** – zinc oxide additives that allow stable UV absorber performance for coatings and plastics. In 2009, Antaria also exclusively licensed its plate-like alumina technology to Merck KGaA, Germany for use in Merck's cosmetics and industrial products.

For Further Information

Bruce Cameron, Executive Chairman / Deana Cesari, Chief Financial Officer
Tel: +61 (8) 6253 5300

Antaria Limited

ACN 079 845 855

Interim Report – 31 December 2009

Contents

PAGE

Directors' Report.....	2
Interim Financial Report.....	6
Consolidated Statement of Comprehensive Income.....	6
Consolidated Statement of Financial Position.....	7
Consolidated Statement of Cash Flows.....	8
Consolidated Statement of Changes in Equity.....	9
Notes to the Consolidated Financial Statements.....	10
1. Basis of preparation of half-year report.....	10
2. Change in accounting policy.....	10
3. Segment information.....	10
4. Loss for the half-year.....	11
5. Dividends.....	12
6. Equity securities issued.....	12
7. Subsidiaries.....	13
8. Contingent assets and liabilities.....	13
9. Events occurring after the balance sheet date.....	13
Directors' Declaration.....	14
Independent Auditor's Review Report to the Members.....	15

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Antaria Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Your directors present their report on the consolidated entity consisting of Antaria Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2009.

DIRECTORS

The following persons were directors of Antaria Limited during the whole of the half-year and up to the date of this report.

Bruce Cameron (Executive Chairman)
 Robert Mangioni (Non-Executive Director)
 John Young (Non-Executive Director)

Paul McCormick was a director from the beginning of the financial year until his resignation on 2 February 2010.

REVIEW OF OPERATIONS

Highlights

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REVIEW OF OPERATIONS (continued)Gross Profit Contribution

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Non-Cash Items

Non-cash items for the December 2009 half-year totalled \$396,170. This was comprised of depreciation and amortisation charges of \$369,939 and unrealised net foreign exchange gains of \$26,231 primarily due to the revaluation of USD denominated unearned income.

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 page 5.

This report is made in accordance with a resolution of directors.



Bruce Cameron
Executive Chairman

Perth, Western Australia
25 February 2010

25 February 2010

The Directors
Antaria Limited
3 Brodie Hall Drive
Bentley WA 6102


Dear Sirs

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF ANTARIA LIMITED

As lead auditor of Antaria Limited for the half-year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Antaria Limited and the entities it controlled during the period.



Brad McVeigh
Director



BDO Audit (WA) Pty Ltd
Perth, Western Australia

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
ANTARIA
For the half-year ended 31 December 2009

	Note	31-Dec-09 \$	31-Dec-08 \$
Continuing operations			
Revenue	4	2,161,670	1,519,784
Cost of goods sold		<u>(1,752,549)</u>	<u>(1,234,995)</u>
Gross profit		409,121	284,789
Other income	4	384,664	318,971
Research and development expenses	4	(553,261)	(605,745)
Sales and marketing related expenses	4	(245,231)	(453,598)
Corporate and administrative expenses	4	<u>(1,136,059)</u>	<u>(1,440,401)</u>
(Loss) before income tax		(1,140,766)	(1,895,984)
Income tax credit		414,236	-
(Loss) after tax		<u>(726,530)</u>	<u>(1,895,984)</u>
Net (loss) for the half-year		<u>(726,530)</u>	<u>(1,895,984)</u>
Other comprehensive income/(loss)			
Exchange differences on translation of foreign operations		30,399	-
Other comprehensive income/(loss) for the half year, net of tax		<u>30,399</u>	<u>-</u>
Total comprehensive (loss) for the half year		<u>(696,131)</u>	<u>(1,895,984)</u>
(Loss) is attributable to:			
Owners of Antaria Limited		(726,530)	(1,895,984)
Non-controlling interest		-	-
		<u>(726,530)</u>	<u>(1,895,984)</u>
Total comprehensive (loss) for the half year is attributable to:			
Owners of Antaria Limited		(696,131)	(1,895,984)
Non-controlling interest		-	-
		<u>(696,131)</u>	<u>(1,895,984)</u>
Earning per share for (loss) from continuing operations attributable to the ordinary equity holders of the company			
- basic for loss for the year		(0.32)	(1.01)
- diluted for loss for the year		(0.32)	(1.01)
Earning per share for (loss) attributable to the ordinary equity holders of the company			
- basic for loss for the year		(0.31)	(1.01)
- diluted for loss for the year		(0.31)	(1.01)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**ANTARIA****As at 31 December 2009**

	31-Dec-09	30-Jun-09
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	2,625,872	3,254,895
Trade and other receivables	1,393,369	1,028,980
Inventories	1,540,521	1,220,160
Prepayments	95,222	25,749
Other financial assets	7,573	4,680
Total Current Assets	5,662,557	5,534,464
Non-Current Assets		
Other financial assets	95,000	95,000
Property, plant and equipment	1,558,994	1,339,790
Intangible assets	4,231,030	4,583,802
Deferred tax assets	5,375,297	5,021,194
Total Non-Current Assets	11,260,321	11,039,786
TOTAL ASSETS	16,922,878	16,574,250
LIABILITIES		
Current Liabilities		
Trade and other payables	531,793	361,414
Provisions	129,225	211,198
Deferred income	1,113,840	955,767
Other liabilities	171,188	238,734
Total Current Liabilities	1,946,046	1,767,113
Non-Current Liabilities		
Deferred tax liabilities	69,534	129,667
Provisions	341,902	245,980
Deferred income	2,104,459	2,165,137
Total Non-Current Liabilities	2,515,895	2,540,784
TOTAL LIABILITIES	4,461,941	4,307,897
NET ASSETS	12,460,937	12,266,353
Equity		
Issued capital	33,768,158	32,877,443
Option premium reserve	1,100,215	1,100,215
Other reserves	10,993	(19,406)
Accumulated losses	(22,418,429)	(21,691,899)
TOTAL EQUITY	12,460,937	12,266,353

The above Consolidated Statement of Financial Position should be read in accordance with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2009

ANTARIA

	31-Dec-09 \$	31-Dec-08 \$
Cash flows from operating activities		
Receipts from customers (including advance payment)	1,487,907	1,592,589
Payments to suppliers and employees	<u>(3,580,764)</u>	<u>(2,777,662)</u>
	(2,092,857)	(1,185,073)
Receipt of government grants	195,940	285,116
Interest received	29,639	64,917
Receipt of contract research and development fees	161,744	-
Receipt of payment in advance (irrevocable purchase order)	376,044	-
Receipt of license fee	89,730	-
Borrowing costs	-	(7,270)
Net cash (outflows) from operating activities	<u>(1,239,760)</u>	<u>(842,310)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(335,659)	(94,648)
Purchase of patents, trademarks, and development costs	-	(37,594)
Proceeds from sale of property, plant and equipment	-	36,432
Net cash (outflows) from investing activities	<u>(335,659)</u>	<u>(95,810)</u>
Cash flows from financing activities		
Proceeds from issues of shares	1,000,000	700,000
Payment for selective share buy back	(87,864)	-
Share issue/share buy-back costs	(21,421)	(12,177)
Repayment of borrowings	-	(9,768)
Net cash inflows from financing activities	<u>890,715</u>	<u>678,055</u>
Net (decrease) in cash and cash equivalents held	(684,704)	(260,065)
Cash and cash equivalents at the beginning of the period	3,254,895	2,460,592
Exchange rate adjustment	55,681	(27,187)
Cash and cash equivalents at the end of the period	<u><u>2,625,872</u></u>	<u><u>2,173,340</u></u>

The above Consolidated Statement of Cash Flows should be read in accordance with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2009

ANTARIA

CONSOLIDATED	Attributable to equity holders of the parent				
	Issued capital \$	Option premium reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total \$
As 1 July 2008	31,367,412	1,056,918	-	(23,246,698)	9,177,632
Currency translation differences	-	-	-	-	-
Profit/(loss) for the year	-	-	-	(1,895,984)	(1,895,984)
Total comprehensive income for the half-year	-	-	-	(1,895,984)	(1,895,984)
Transactions with owners in their capacity as owners					
Shares issued	944,634	-	-	-	944,634
Share-based payment	-	26,994	-	-	26,994
At 31 December 2008	32,312,046	1,083,912	-	(25,142,682)	8,253,276
As 1 July 2009	32,877,443	1,100,215	(19,406)	(21,691,899)	12,266,353
Currency translation differences	-	-	30,399	-	30,399
Profit/(loss) for the year	-	-	-	(726,530)	(726,530)
Total comprehensive income for the half-year	-	-	30,399	(726,530)	(696,131)
Transactions with owners in their capacity as owners					
Shares issued	890,715	-	-	-	890,715
Share-based payment	-	-	-	-	-
At 31 December 2009	33,768,158	1,100,215	10,993	(22,418,429)	12,460,937

The above Consolidated Statement of Changes in Equity should be read in accordance with the accompanying notes.

1. BASIS OF PREPARATION OF HALF-YEAR REPORT

These general purpose financial statements for the interim half-year reporting period ended 31 December 2009 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended 30 June 2009 and any public announcements made by Antaria Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2. CHANGE IN ACCOUNTING POLICY

The group has applied AASB 8 Operating Segments from 1 July 2009. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes.

Operating segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Executive Chairman.

Comparatives for the 2009 financial year have been restated.

3. SEGMENT INFORMATION

(a) Description of Segments

Management has determined the operating segments based on the reports reviewed by the Executive Chairman that are used to make strategic decisions.

The Executive Chairman considers the business from a market perspective and has identified two reportable segments. The Personal Care segment produces and distributes dispersions of mineral-only UV filters in cosmetic emollients used for sunscreen, skincare, and pharmaceutical formulations. The Industrials segment produces and distributes transparent zinc-oxide powders and dispersions and alumina substrates used in coating, plastics and related applications, and cerium oxide nanoparticle dispersions to date used in diesel fuel applications.

(b) Segment information provided to the Executive Chairman

The segment information provided to the Executive Chairman for the reportable segments for the half-year ended 31 December 2009 is as follows:

	Personal Care	Industrials	All other Segments	Consolidated
	31-Dec-09	31-Dec-09	31-Dec-09	31-Dec-09
	\$	\$	\$	\$
Total segment revenue	2,093,346	35,796		2,129,142
Revenue from external customers	2,093,346	35,796		2,129,142
Adjusted EBITDA	514,362	3,228	(1,179,948)	(662,358)
	Personal Care	Industrials	All other Segments	Consolidated
	31-Dec-08	31-Dec-08	31-Dec-08	31-Dec-08
	\$	\$	\$	\$
Total segment revenue	1,414,464	43,608		1,458,072
Revenue from external customers	1,414,464	43,608	-	1,458,072
Adjusted EBITDA	365,188	11,653	(1,791,511)	(1,414,670)
Total segments assets				
31 December 2009	108,856	43,178	16,770,844	16,922,878
30 June 2009	135,199	60,474	16,378,577	16,574,250

The amounts provided to the Executive Chairman with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are not allocated to segments as Antaria's assets are used for multiple product lines and are often used to manufacture both Personal Care products as well as Industrial products.

3. SEGMENT INFORMATION (continued)

A reconciliation of adjusted EBITDA to operating loss before income tax is provided as follows:

	31-Dec-09	31-Dec-08
	\$	\$
Adjusted EBITDA	(662,358)	(1,414,670)
Interest Revenue	32,528	61,712
Depreciation and Amortisation (Included in COGS)	(140,997)	(153,764)
Depreciation and Amortisation	(369,939)	(389,262)
Loss before income tax from continuing operations	(1,140,766)	(1,895,984)

4. LOSS FOR THE HALF-YEAR

Loss for the half-year includes the following items:

	31-Dec-09	31-Dec-08
	\$	\$
<i>Revenue</i>		
Sale of goods	2,129,142	1,458,072
Finance revenue	32,528	61,712
	<u>2,161,670</u>	<u>1,519,784</u>
<i>Other income</i>		
Government grants realised	220,326	318,971
Contract research and development income	76,231	-
License income	80,678	-
Gain on sale of assets	7,429	-
	<u>384,664</u>	<u>318,971</u>
<i>Research and development expenses</i>		
Labour and personnel expenses	358,528	306,244
Occupancy expenses	81,860	58,017
Patent expenses	40,381	73,523
Depreciation and amortisation	31,055	29,005
Equipment rental, repairs and maintenance, tools	18,787	50,377
Development costs expenses/written-off	-	45,338
Other R&D operating expenses	22,650	43,241
Total research and development expenses	<u>553,261</u>	<u>605,745</u>
<i>Sales and marketing related expenses</i>		
Labour and personnel expenses	213,172	323,002
Advertising, conferences, formulations	(2,232)	66,441
Travel and related expenses	29,651	34,968
Other sales and marketing expenses	4,640	29,187
Total sales and marketing related expenses	<u>245,231</u>	<u>453,598</u>

4. LOSS FOR THE HALF-YEAR (continued)

	31-Dec-09	31-Dec-08
	\$	\$
<i>Corporate and administrative expenses</i>		
Labour and personnel expenses	501,988	481,053
Depreciation and amortisation	338,884	358,639
Insurance expenses	85,722	75,066
Legal and compliance expenses	78,137	93,482
Unrealised foreign exchange losses	26,231	149,196
Patents and trademarks expensed/written-off	-	80,009
Write-off of unutilised plant and equipment	-	67,123
Provision for doubtful debts/bad debts expense	(23,054)	15,000
Other corporate and administrative expenses	128,151	120,833
Total corporate and administrative expenses	<u>1,136,059</u>	<u>1,440,401</u>

5. DIVIDENDS

No dividends were paid or proposed during the half-year.

6. EQUITY SECURITIES ISSUED

(a) Issues of ordinary shares during the half-year

	31-Dec-09		31-Dec-08	
	# Shares	\$	# Shares	\$
Issued during the period				
Salary Sacrifice Share Plan (i)	-	-	9,490,004	418,227
Selective share buy-back (ii)	(2,479,290)	(87,864)	-	-
Private Placement 24 December 2008 (iii)	-	-	17,500,000	700,000
Private Placement 07 September 2009 (iv)	4,545,455	1,000,000	-	-
Transaction costs	-	(21,421)	-	(12,177)
Total shares issued during the period	<u>2,066,165</u>	<u>890,715</u>	<u>26,990,004</u>	<u>1,106,050</u>

- (i) In November 2006 (and as amended in November 2007), the Company established a Salary Sacrifice Share Plan (the Plan) so that non-executive directors and employees can elect to receive all or part of their remuneration by way of fully paid shares rather than cash.

Under the Plan, the number of shares issued to each participant is the proportion of remuneration so elected divided by the issue price. The issue price per share is calculated as the weighted average sale price of Antaria shares on the Australian Securities Exchange over the five trading days immediately preceding (but excluding) the date of issue of the shares.

During the FY09 half-year a total of 9,490,004 shares were issued under the Plan as follows:

- 15 September 2008 – 2,609,311 ordinary shares at an issue price of 6.50 cents per share; and
- 15 December 2008 – 2,300,950 ordinary shares at an issue price of 3.79 cents per share; and

- (ii) On 24 November 2009, Antaria undertook a selective share buy-back as approved at the Company's Annual General Meeting held on 16 November 2009. Through an administrative oversight, 2,479,290 shares were issued to directors under the Plan in excess of the 8,800,000 limit. The issue of these excess shares resulted in a technical noncompliance by the Company with Listing Rule 10.11. Following consultation with the ASX, the Company rectified this situation by buying back and cancelling the buy-back shares.
- (iii) On 24 December 2008, Antaria issued 17,500,000 ordinary shares as part of a private placement to existing shareholders of the Company. These shares were issued at 4 cents per share, raising a total of \$700,000.
- (iv) On 20 July 2009, Antaria and Energenics Holdings Pte Ltd of Singapore reached an agreement in relation to a private placement to the Energenics group to raise \$1,000,000 (4,545,455 ordinary shares at an issue price of 22 cents per share). Following receipt of funds, completion of the placement took place on 7 September 2009.

Pursuant to a deed which varies the provisions of a Subscription Agreement entered into in June 2007, the balance of Energenics' previously contracted subscription commitment, being a further \$2,000,000 placement (9,090,909 ordinary shares at an issue price of 22 cents), has been deferred until June 2010.

7. SUBSIDIARIES

The consolidated financial statements include the financial statements of Antaria Limited and the subsidiaries listed in the following table:

Name of subsidiary	Country of Incorporation	Equity Interest %	
		31-Dec-09	30-Jun-09
Advanced Nano Technologies Pty Limited	Australia	100%	100%
Antaria, Inc	USA	100%	100%
Antaria Europe, B.V.	Netherlands	100%	100%

8. CONTINGENT ASSETS AND LIABILITIES

There were no changes to contingent assets or liabilities during the half-year other than the receipt of a further \$195,940 in funding under the Federal Government's Commercial Ready Program. As at 31 December 2009, instalments totalling \$1,764,070 (GST exclusive) have been received from the Commonwealth.

9. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future years.

In the directors' opinion:

- a) the financial statements set out on pages 6 to 13 are in accordance with the *Corporations Act 2001*, including:
 - i) complying with Accounting Standard AASB 134 Interim Financial reporting, and the *Corporations Regulations 2001*, and
 - ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- b) there are reasonable grounds to believe that Antaria Limited 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 directors.



Bruce Cameron
Executive Chairman

Perth, Western Australia
25 February 2010

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ANTARIA LIMITED

Matters Relating to the Electronic Presentation of the Half-Year Financial Report

This auditor's report relates to the half-year financial report of Antaria Limited for the period ended 31 December 2009 included on Antaria Limited's web site. The disclosing entity's directors are responsible for the integrity of Antaria Limited's web site. We have not been engaged to report on the integrity of Antaria Limited's web site. The auditor's review report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this half-year report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information included in the reviewed half-year financial report presented on this web site.

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Antaria Limited, which comprises the statement of financial position as at 31 December 2009, 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 the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity 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 half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim and Other Financial Reports 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 disclosing entity's financial position as at 31 December 2009 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 Antaria 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. 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

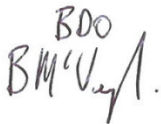
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's review report was made.

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 Antaria Limited 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 2009 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.

BDO Audit (WA) Pty Ltd



Brad McVeigh
Director

Signed in Perth, Western Australia
Dated this 25th day of February 2010.