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# REPORT FOR FIRST QUARTER FY09

Antaria Limited today released its sales data and cash report for the quarter ended 30 September 2008.

## Customer Sales

Sales to customers were $758,260 (unaudited) for the quarter, compared to $955,883 for the June 2008 quarter.

Personal Care sales were $731,654 (unaudited) for the quarter, compared to $917,186 in the June 2008 quarter which included $329,000 of initial sales to Antaria's new ZinClear-IM™ distributor, Dow Amerchol. Excluding this initial sale to Dow Amerchol, Personal Care sales increased by 24% from the June to the September quarter.

Antaria continues to see increased take-up of its micron-sized ZinClear-IM™ UV active, particularly in the Australian market. This momentum is not immediately apparent in sales revenue since the ZinClear-IM™ product is a more competitively priced product than the traditional ZinClear™ range. This pricing advantage is enabling our customers to begin incorporating ZinClear-IM™ into their mass-market formulations. Overall, sales of ZinClear-IM™ have exceeded expectations for the September quarter.

In the North and Latin American markets, feedback from Dow Amerchol is very encouraging. Dow is working closely with an increasing number of potential customers in these markets, ranging from smaller suncare manufacturers to larger personal care manufacturers with longer product development cycles.

Over the past few years, Antaria has been supplying Alusion®, Antaria's platelet alumina product, to the cosmetics market. Recently, the Company has developed AlPearl™ for industrial applications, with the Company experiencing strong interest for use as a substrate for pearlescent pigments from coatings manufacturers. A further variation of the underlying alumina particle technology has also been trialled in certain other industrial uses with the first small sales recently made.

Antaria also continues to promote its NanoZ™ range with a number of potential customers, particularly in Asia where the interest level is high for use in coatings and plastics.

## Cash Balance

Antaria's cash balance at the end of the quarter was $1,570,000 (unaudited), a net decrease of $890,582 compared to $2,460,592 as at 30 June 2008.

The Company's working capital requirements are typically higher in the September quarter as Antaria prepares for the Australian summer season and anticipated overseas sales. The Company maintains its expectations for sales growth in the ZinClear-IM™ product range for the 2009 financial year.

Bruce Cameron, Executive Chairman of Antaria, stated "Market acceptance of our product range has been very encouraging. We are focusing our development and marketing resources on those products with the best prospects for near-term commercial success. Management of the Company's cash reserves remains a key objective for the Company".

Key contributors to the cash movement for the quarter were:

- Cash receipts from customers were $534,317 for the quarter compared with $806,410 for the June 2008 quarter. Antaria had approx. $640,000 in trade debtors outstanding at the end of the quarter, of which approximately $308,000 has since been received;
- Total cash staff costs were approximately $650,000 for the quarter compared to approximately $674,000 for the June 2008 quarter. Current staff costs are a reduction of 28% from the corresponding quarter last financial year reflecting the success of cost reduction strategies implemented earlier in the year. There has been no adverse impact on either production or R&D related to the Company's current and near-term product range as a result of reduced staffing levels;
- Other working capital payments totalled $762,510 ($645,851 for the June 2008 quarter) which included annual insurance payments of just over $100,000; and
- Capital equipment purchases of $48,963, of which approximately $36,000 was reimbursed in October as an insurance claim.

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**About Antaria**

Antaria Limited develops, manufactures and sells a range of advanced metal oxide powders and dispersions worldwide. Antaria's products are marketed under five parent brands, **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; **Alusion®** – plate-shaped particles used to enhance colour cosmetics formulations to mask wrinkles and fine lines; **AlPearl™** – alumina particles for industrial pigment applications; **Cercat™** – cerium oxide nanoparticle dispersion used in diesel fuel applications; and **NanoZ™** – nano zinc oxide additives that allow stable UV absorber performance for coatings and plastics.

**For Further Information:**

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