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ASX ANNOUNCEMENT (ASX: ANO)

31 JULY 2008

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## REPORT FOR FOURTH QUARTER FY08

Antaria Limited (formerly Advanced Nanotechnology Limited) today released its cash report (Appendix 4C) and sales data for the quarter ended 30 June 2008.

Sales of Personal Care products were \$917,186 (unaudited) for the quarter, the highest quarterly sales in the Company's history and an 83.6% increase over the March quarter total of \$499,412. This increase reflects the continued success of ZinClear<sup>®</sup> in Australia as well as the first major commercial shipment of ZinClear<sup>®</sup>-IM to Dow Amerchol, our distributor for the North and South American markets. Total sales for the June 2008 quarter were \$955,883.

For the full 2008 financial year, Antaria achieved substantial growth in its Personal Care lines from \$1,408,240 to \$2,741,458 (unaudited), an increase of 94.7%.

Overall, across all product lines, Antaria's sales to customers for the 2008 financial year totalled \$3,018,893 (unaudited), an increase of 8% compared to the previous financial year.

Antaria's cash balance at the end of the quarter was \$2,460,592 (unaudited), a net increase of \$236,482 compared to \$2,224,110 as at 31 March 2008.

Key contributors to this increase are as follows:

- Cash receipts from customers were up at \$806,410 due to increased sales;
- Grant receipts were \$175,049; and
- In May, the Company received a US\$650,000 working capital advance from its North American distributor, Dow Amerchol.

The Dow Amerchol advance is a contribution towards the increased inventories and other outgoings Antaria is incurring in its preparation for US market demand. Offsetting outflows included approx. \$120,000 in working capital payments to suppliers of raw materials as the Company builds stock of raw materials to support current and anticipated increasing future orders.

The Company has continued to focus on the effective utilisation of its cash reserves and ensuring that its efforts are directed towards products with the best prospects for near-term commercial success.

To this end, several actions have been implemented in the current quarter to reduce cash usage. These include:

- Relocation of the Company's administration to its product development facilities in Technology Park, Bentley;
- Sub-leasing of excess factory and office space, resulting in a reduction in occupancy costs in excess of \$100,000 per annum; and

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- Reduction of the Company's staff levels of over 30% since the beginning of the financial year.

Bruce Cameron, Executive Chairman of Advanced Nano, stated "The Board and management team remain focused on building revenue from principal product lines whilst pruning back expenditures that do not contribute to near-term profitability".

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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 four parent brands, ZinClear<sup>®</sup> – 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<sup>®</sup> – plate-shaped particles used to enhance colour cosmetics formulations to mask wrinkles and fine lines; Cercat<sup>™</sup> – cerium oxide nanoparticle dispersion used in diesel fuel applications; and NanoZ<sup>™</sup> – nano zinc oxide additives that allow stable UV absorber performance for coatings and plastics.

#### **For Further Information:**

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