

REPORT FOR SECOND QUARTER FY15

Antaria is a specialist manufacturer and supplier of materials used in the personal care and cosmetic sectors.

Antaria's two primary products are ZinClear™ a transparent zinc oxide based broad spectrum UV absorber for use in the sun care and cosmetics sector and Alusion™ an aluminium oxide pigment with applications in cosmetics products.

Antaria services its international customer-base via a global network of distributors.

ASX: ANO

Directors

Rade Dudurovic (Chairman)

Ron Higham

Paul Pisasale

Company Secretary

Geoff Fussell

Quarterly Overview

- Cash flow from operations for the quarter improved over the corresponding quarter for the prior year with a cash outflow from operations of \$180,986 compared to the prior year cash outflow from operations of \$219,193, an improvement of \$38,207.
- Receivables as at the end of the quarter increased by \$755,045 when compared to the prior quarter. The increase is due to improved sales activity during the quarter and the collection of the receivables is expected to positively impact cash flow from operations in the third quarter.
- The company has continued to benefit from the investment in business development, formulation support and the change in the distributors in North America resulting in improved order intake for *ZinClear*.
- The company completed the appointment of the Canadian distributor with first orders delivered in December 2014.
- Continued reduction of capital expenditure whilst improving productivity is reflected in capital expenditure of \$15,573 for the quarter compared to \$172,111 in the corresponding quarter in the prior year.
- The company's cash balance at the end of the second quarter was \$1,053,334 (unaudited) compared to \$539,409 as at 30 June 2014.
- To date, Merck KGaA has agreed to take and has placed purchase orders for 10MT of Alusion to be supplied for the period January 2015 to 30 June 2015.
- The company continues to work on new product initiatives with Merck KGaA.

For further information, please contact:

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