

REPORT FOR FIRST QUARTER FY16

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
Lev Mizikovsky

Company Secretary

Geoff Acton

Quarterly Overview

Cash flow from operations for the quarter was a positive \$450,288, reflecting the collection of trade and R&D receivables carried at 30 June 2015. Net cash flow, after investment into physical assets, was \$424,506 for the quarter compared to \$638,546 for the prior corresponding quarter.

Sales of ZinClear™ continue to grow rapidly, with sales in the quarter increasing by 88% over the prior corresponding quarter. The company continues to invest in formulations, which are proving attractive to customers looking for an all-natural sun-protection solution.

However, offsetting this is the continuing low level of Alusion™ sales to Merck KGaA. Sales of Alusion™ in the quarter were down by 93% on the prior corresponding quarter. As reported previously, the company has invested in additional Alusion™ capacity and, in light of these disappointing sales, is currently reviewing all available options to redress the position.

The company's cash balance at the end of the quarter was \$1,065,340 (unaudited) compared to \$1,199,298 as at the end of the prior corresponding quarter.

For further information, please contact:

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