

ATF GROUP (PDF) LIMITED
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2009 ANNUAL GENERAL MEETING

CHAIRMAN'S ADDRESS

BEFORE MOVING TO THE CHAIRMAN'S ADDRESS, I WOULD LIKE TO TAKE THIS OPPORTUNITY ON BEHALF OF THE COMPANY TO THANK ALL OUR SHAREHOLDERS AND ALL OF THOSE PARTIES THAT HAVE SUPPORTED THE COMPANY THROUGHOUT THE YEAR. I LOOK FORWARD TO RECEIVING YOUR CONTINUED SUPPORT.

2009 HAS ONCE AGAIN BEEN A PRODUCTIVE, SUCCESSFUL AND ANOTHER MILESTONE YEAR FOR THE SMALL BUT DEDICATED TEAM RUNNING YOUR COMPANY.

THROUGHOUT THE YEAR, THE FOCUS HAS BEEN ON THE COMMERCIALISATION OF EVIVAR'S IP AND THE LICENSING OF THAT IP TO THE THREE TIERS OF POTENTIAL USERS – CLINICAL LABORATORIES, GLOBAL DIAGNOSTICS COMPANIES AND THE PHARMACEUTICAL COMPANIES THAT PRODUCE THE DRUGS FOR HEP B SUFFERERS.

DURING THE YEAR A MAJOR CLINICAL LABORATORY GROUP IN THE NORTH AMERICAN MARKET, QUEST DIAGNOSTICS, HAS BEEN LICENSED. QUEST AND LABCORP, PREVIOUSLY LICENSED, ACCOUNT FOR MORE THAN 75% OF THE US MARKET FOR MOLECULAR TESTING. IN ADDITION SPECIALIST CLINICS IN EUROPE CONTINUE TO SEEK LICENCES FROM EVIVAR. THE FIRST GLOBAL DIAGNOSTICS COMPANY, ABBOTT MOLECULAR, IS NOW ALSO LICENSED AND PROCESSING PATIENTS.

MANAGEMENT ATTENDED THE EUROPEAN LIVER CONFERENCE IN COPENHAGEN IN APRIL WHICH ENABLED THEM TO CONTACT THE KEY PHARMA COMPANIES. THE EVIVAR MEDICAL AND SCIENTIFIC ADVISORY BOARD ALSO MET IN COPENHAGEN AND WERE ABLE TO PROVIDE AN INSIGHTFUL ADVICE TO THE MANAGEMENT TEAM ON THE DIRECTION OF DRUG DEVELOPMENT AND THE ISSUES THAT CLINICIANS ARE FACING IN THEIR TREATMENT OF THE HEP B VIRUS.

WHILE IN EUROPE WE WERE ABLE TO MEET WITH POTENTIAL LICENSEES THAT WE NEED TO BRING INTO THE NETWORK TO STRENGTHEN OUR UBIQUITOUS OFFERING. WE ALSO MET WITH ABL, THE PARIS BASED COMPANY WITH WHICH WE WANT TO BUILD A STRATEGIC ALLIANCE. WE HAVE NOW CONCLUDED NOT ONLY A STRATEGIC ALLIANCE AGREEMENT WITH ABL BUT ALSO A CROSS LICENSING AGREEMENT. WE HAVE STARTED TO WORK CLOSELY WITH THEM. ABL HAS AGREEMENTS WITH COMPANIES THAT WE WANT TO TARGET AND WE HAVE AGREEMENTS WITH COMPANIES THAT THEY WOULD LIKE TO TARGET. WE ARE CONVINCED THAT A COMBINED ABL / EVIVAR / ATF GROUP WILL BE A STRONGER ENTITY THAN EACH OPERATING ON ITS OWN.

IN THE COURSE OF THE YEAR WE HAVE COMMENCED A MAJOR REVIEW OF EVIVAR'S IP POSITION USING A LEADING US BASED ATTORNEY WHO SPECIALISES IN INTELLECTUAL PROPERTY STRATEGY. WE EXPECT THE REVIEW WILL LEAD TO A STRENGTHENING OF OUR IP BASE BOTH IN ITS BREADTH AND IN THE PRODUCT

OFFERING. THIS PROCESS WILL BE ON GOING THROUGH 2010 AND IS NECESSARY TO ENSURE THAT OUR IP CONTINUES TO CREATE SUBSTANTIAL LICENSING OPPORTUNITIES AND NONE OF THE MAJOR DIAGNOSTICS AND PHARMACEUTICAL COMPANIES ARE ABLE TO WORK AROUND OUR IP WITHOUT VIOLATING OUR INTELLECTUAL PROPERTY RIGHTS.

THIS YEAR WE ALSO COMMENCED DISCUSSIONS WITH MELBOURNE HEALTH ON THEIR INTENTIONS REGARDING THEIR SHAREHOLDING IN EVIVAR. AT THE SAME TIME THEY HAVE OFFERED NEW IP TO US TO COMMERCIALISE WHICH MAY WELL INCREASE OUR OVERALL POSITION IN THE HEP B AND HEP C SPACE. THESE NEGOTIATIONS ARE ONGOING AND WE HOPE TO CONCLUDE OUR DUE DILIGENCE WORK BY THE END OF THE FIRST QUARTER OF 2010.

LOOKING TO THE FUTURE.

WE WILL CONTINUE TO SEEK TO LICENSE THOSE ENTITIES THAT ARE INVOLVED WITH THE HEP B VIRUS TO STRENGTHEN OUR COMMERCIAL TIES. WE ARE IN NEGOTIATION WITH CLINICS IN SWITZERLAND AND AUSTRIA. WE HAVE ALSO COMMENCED DISCUSSIONS WITH A MAJOR CLINIC IN BEIJING. CHINA HAS THE LARGEST INFECTION RATE OF HEP B WITH APPROXIMATELY 170M CHRONICALLY INFECTED SUFFERERS REGISTERED OUT OF THE TOTAL WORLD NUMBER OF 350M.

WE WILL CONTINUE TO BUILD OUR STRATEGIC ALLIANCE WITH ABL. WITH ITS CLINIC MANAGEMENT SYSTEM, THERAPYEDGE, AND ITS DIAGNOSTIC TOOL FOR HIV, ABL IS AN IDEAL PARTNER FOR EVIVAR AND ITS HEP B DIAGNOSTIC TOOL. ABL HAS AN ESTABLISHED DISTRIBUTION NETWORK IN SOUTH AFRICA AND IS THE EXCLUSIVE GATE KEEPER FOR PEPFAR, THE USA PRESIDENT'S EMERGENCY US\$32BILL FUND FOR HIV DRUGS. WITH CO-INFECTION OCCURRING WITH HIV SUFFERERS NOW CONTRACTING HEP B IN INCREASING NUMBERS, IT IS PROBABLE THAT PEPFAR WILL THROUGH THE ABL SYSTEM FUND DRUGS FOR HEP B. ABL ALREADY HAVE A NUMBER OF LICENSE AGREEMENTS WITH MAJOR PHARMA COMPANIES AND, THROUGH THEIR NETWORK IN EUROPE AND NORTH AMERICA, EVIVAR WILL SEEK TO INCREASE ITS DISTRIBUTION NETWORK IN THESE TERRITORIES. WE ALSO INTEND TO PARTNER WITH ABL TO IDENTIFY NATURAL BUYERS FOR OUR IP WITH THIS PROCESS COMMENCING SOMETIME IN 2010.

WE HAVE TWO MORE KEY DIAGNOSTICS PLAYERS TO LICENSE TO COMPLETE THE TOP TIER OF GLOBAL LICENSEES. THEREAFTER WE WILL FOCUS ON THE SECOND TIER PLAYERS AND ON ASIA OVER THE NEXT 12 MONTHS AS THIS IS THE REGION THAT IS EXPERIENCING THE HIGHEST INCREASE IN THE INCIDENCE OF HEP B INFECTION.

IN REGARD TO THE BOARD AND MANAGEMENT OF THE COMPANY, WE HAVE APPROACHED TWO EXPERIENCED PERSONS TO JOIN THE BOARD AS INDEPENDENT DIRECTORS. CHRIS CUFFE HAS ACCEPTED AND WILL BE RE-JOINING THE BOARD IN THE NEAR FUTURE. THE SECOND PERSON, WHO IS NOT ABLE TO BE NAMED, HAS ALSO INDICATED THAT HE WILL BE PREPARED TO JOIN THE BOARD. THIS WILL STRENGTHEN THE BOARD AND GIVE IT GREATER BREADTH OF KNOWLEDGE AND EXPERIENCE IN FINANCE AND LEGAL MATTERS. AT THIS TIME I WOULD LIKE TO ACKNOWLEDGE THE CONTRIBUTION THAT TONY WIGGINTON HAS MADE OVER THE PAST YEARS AND, IN PARTICULAR, IN THE LAST TWO YEARS WHICH HAVE BEEN EXTREMELY CHALLENGING. TONY HAS DECIDED NOT TO STAND FOR RE-ELECTION THIS YEAR. WE HAVE ALSO IDENTIFIED A EUROPEAN BASED REPRESENTATIVE AND HAVE HAD PRELIMINARY DISCUSSIONS WITH HIM REGARDING A GREATER ROLE IN THE COMPANY. OF COURSE DR SCHINAZI IS OUR NORTH AMERICAN REPRESENTATIVE. WHILE WE ARE AN AUSTRALIAN BASED COMPANY, WE ARE DEVELOPING A GLOBAL BUSINESS AND NEED TO BE SEEN BY OUR LICENSEES TO HAVE A PRESENCE IN ALL PARTS OF THE WORLD, PARTICULARLY EUROPE AND NORTH AMERICA.

LOOKING TO 2010 YOUR COMPANY IS IN A GOOD POSITION TO TAKE ADVANTAGE OF THE COMMERCIALISATION PROCESS THAT HAS BEEN STARTED. WE NEED TO RAISE FURTHER FUNDS TO MEET THE COSTS ASSOCIATED WITH THE PROPOSED ACQUISITION OF THE MELBOURNE HEALTH INTEREST IN EVIVAR, THE NEW IP AND TO FUND OTHER OPPORTUNITIES THAT MAY ARISE THROUGH THE COMMERCIALISATION OF THE IP. THIS FUND RAISING IS PRESENTLY UNDERWAY AND WE ARE CONFIDENT THAT WE WILL CONCLUDE THIS BY CHRISTMAS.