

ATF GROUP (PDF) LIMITED
ABN: 80 106 213 772

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2007

This half-year financial report is to be read
in conjunction with the financial report for
the year ended 30 June 2007.

**ATF GROUP (PDF) LIMITED
FINANCIAL REPORT FOR THE HALF-YEAR ENDED
31 DECEMBER 2007**

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ATF GROUP (PDF) LIMITED

DIRECTORS' REPORT

The directors present their report together with the condensed financial report of ATF Group (PDF) Limited, for the half-year ended 31 December 2007 and independent auditor's review report thereon.

Directors Names

The names of the director in office at any time during or since the end of the half-year are:

<u>Name</u>	<u>Period of Directorship</u>
Sean Magee	Appointed 5 September 2003, Dismissed 9 th April 2008
Jennifer Page	Appointed 27 March 2006, Dismissed 9 th April 2008
Jim McLauchlan	Appointed 14 February 2006, Resigned 3 August 2007
J A Wigginton	Appointed 28 May 2007, Resigned 3 August 2007, Reappointed 7 September 2007
Keith Walter Witney	Appointed 3 August 2007, Resigned 7 September 2007
Christopher Edgar Cuffe	Appointed 3 August 2007, Resigned 24 October 2007
Shane Barr	Appointed 3 August 2007, Resigned 7 September 2007
Jon Lamb	Appointed 7 November 2007
Raymond Schinazi	Appointed 3 August 2007

The directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Review of Operations

The loss of the company for the half-year after providing for income tax amounted to \$1,896,732.

During the period the company issued 13,770,400 shares. Of these 6,680,400 represented shares issued upon the conversion of options, with the remainder representing the issue of further new shares. The issuing of the shares raised \$2,628,991 net of transaction costs.

ATF GROUP (PDF) LIMITED

DIRECTORS' REPORT

After Balance Date Events

At a meeting of the Board in April 2008, the non-executive directors assumed full control of the Company. This followed from the termination by the Company of Sean Magee and Jennifer Page as executives and the consequent cessation of their directorships. This action on the part of the Board was a direct result of the improper conduct of Sean Magee and Jennifer Page which the Board believed was not in the best interests of shareholders.

As a consequence of the conduct of Sean Magee and Jennifer Page, it is likely that the Company will be issuing proceedings against them and ATF Management Ltd, a company associated with Sean Magee.

Subsequently, the Company has reviewed all aspects of the Company's business and its financial position. As part of the remedial action, the Board has taken the following action:

- as an interim measure to address management issues, Mr Tony Wigginton has been appointed as acting CEO and Mr Bernie Romanin, who heads Evivar Medical Pty Ltd (**Evivar**), as acting COO within the ATF Group;
- to strengthen the Company's financial position, the Board is undertaking a recapitalisation programme. It has commenced a series of meetings with potential investors, some of whom have already invested in the Company; and
- to reduce its recurring costs, the Company has closed its Sydney office and will co-share office accommodation in Melbourne with Evivar Medical. The decision to relocate was a commercial and cost effective decision and it will allow Evivar Medical and ATF Group to work more closely together in achieving their strategic objectives.

The Board is committed to increasing the value of the Company for the benefit of all shareholders and investors by creating a unique global position in the diagnostic arena and, more specifically, in the treatment of blood borne diseases. The company has issued 13,770,400 shares and raised \$2,628,991 net of transaction costs.

In addition to the above, since Balance Date, the company has continued to prepare for the forthcoming Extraordinary General Meeting of shareholders to approve the in-specie distribution of Therapy Management International Limited (incorporated on 31 January 2008) together with the ATF Group (PDF) shareholding in Evivar Medical Pty Ltd.

Heads of Agreement with Melbourne Health (a Victorian Government Health Authority and fellow shareholder in Evivar) for the scrip for scrip swap of Melbourne Health shares in Evivar for shares in Therapy Management International Limited have been executed and formal legal documentation to approve the transactions is in the final stages of drafting for submission to the respective Directors of ATF Group (PDF) Ltd and Melbourne Health.

Pursuant to the Heads of Agreement signed with Advanced Biological Laboratories S.A. of Luxembourg final stage legal documentation is in the process of preparation for approval by the Boards of both Therapy

ATF GROUP (PDF) LIMITED

DIRECTORS' REPORT

After Balance Date Events

Management International Limited and of Advanced Biological Laboratories S.A. for submission to their respective shareholders for approval.

A pre IPO offer of shares in ATF Group (PDF) Ltd is currently open for subscription. This offer precedes the proposed in-specie distribution of shares in Therapy Management International Limited and its proposed IPO and listing on the ASX.

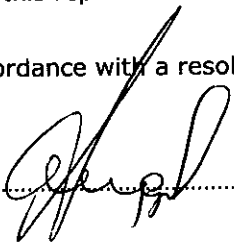
Medcina Pty Limited

Development of Medcina continues with the US patent for "Compositions, Methods for treating gynaecological disorders" under examination.

Auditor's Declaration

A copy of the auditor's declaration in relation to the review for the half-year is provided with this report.

Signed in accordance with a resolution of the directors:

Director..........
J A Wigginton

Dated this 21st day of July 2008



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AUDITOR'S INDEPENDENCE DECLARATION To the Directors of ATF Group (PDF) Limited

In relation to the half-year independent auditor's review for the six months to 31 December 2007, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the Corporations Act 2001
- (ii) No contraventions of any applicable code of professional conduct


MARK GODLEWSKI
Sydney

21 July 2008

CONDENSED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Note	31 Dec 2007 \$	31 Dec 2006 \$
Revenue			
Sales revenue		25,000	161,271
Other income		26,397	20,896
		<u>51,397</u>	<u>182,167</u>
Management Fees		640,610	603,290
Depreciation and amortisation		11,819	10,942
Professional Fees		324,362	89,484
Travel expenses		193,720	61,587
Other expenses		244,317	73,317
Write off due diligence and associated costs	9	533,301	-
		<u>1,948,129</u>	<u>838,620</u>
Loss before income tax		<u>(1,896,732)</u>	<u>(656,453)</u>
Income tax expense		-	-
Loss from continuing operations		<u>(1,896,732)</u>	<u>(656,453)</u>

CONDENSED BALANCE SHEET**AS AT 31 DECEMBER 2007**

	Notes	31 Dec 2007	30 June 2007
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		599,475	1,313,960
Other current assets		1,431,528	507,202
TOTAL CURRENT ASSETS		<u>2,031,003</u>	<u>1,821,162</u>
NON-CURRENT ASSETS			
Other financial assets	6	2,720,061	2,720,061
Property, plant and equipment		96,293	91,725
Other non-current assets		27,073	127,073
TOTAL NON-CURRENT ASSETS		<u>2,843,427</u>	<u>2,938,859</u>
TOTAL ASSETS		<u>4,874,430</u>	<u>4,760,021</u>
CURRENT LIABILITIES			
Trade and other payables		165,961	783,811
TOTAL CURRENT LIABILITIES		<u>165,961</u>	<u>783,811</u>
TOTAL LIABILITIES		<u>165,961</u>	<u>783,811</u>
NET ASSETS		<u>4,708,469</u>	<u>3,976,210</u>
 EQUITY			
Share capital	7	9,577,181	6,948,190
Accumulated Losses		<u>(4,868,712)</u>	<u>(2,971,980)</u>
TOTAL EQUITY		<u>4,708,469</u>	<u>3,976,210</u>

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

	31 Dec 2007 \$	31 Dec 2006 \$
TOTAL EQUITY AT THE BEGINNING OF THE HALF-YEAR	<u>3,976,210</u>	<u>3,498,089</u>
Loss for the half-year	<u>(1,896,732)</u>	<u>(656,453)</u>
Total recognised income and expense for the period	<u>(1,896,732)</u>	<u>(656,453)</u>
Transactions with equity holders in their capacity as equity holders:		
Contributions of equity net of transaction costs	<u>2,628,991</u>	<u>734,715</u>
TOTAL EQUITY AT THE END OF THE HALF-YEAR	<u>4,708,469</u>	<u>3,576,351</u>

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

	31 Dec 2007	31 Dec 2006
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	25,000	25,000
Payments to suppliers and employees	(2,158,231)	(1,133,281)
Interest received	26,397	20,896
Net cash used in operating activities	<u>(2,106,834)</u>	<u>(1,087,385)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(16,387)	(17,505)
Loans to Related Entities	(1,220,255)	-
Payment for investments	-	(152,384)
Net cash used in investing activities	<u>(1,236,642)</u>	<u>(169,889)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share issue net of transaction costs	2,628,991	734,715
Net cash provided by financing activities	<u>2,628,991</u>	<u>734,715</u>
Decrease in cash and cash equivalents	(714,485)	(522,559)
Cash and cash equivalents at beginning of half year	1,313,960	1,172,988
Cash and cash equivalents at end of the half-year	<u>599,475</u>	<u>650,429</u>

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS 31 DECEMBER 2007

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This half-year financial report does not include all the notes of the type usually included in an annual financial report.

It is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2007 and any public announcements made by ATF Group (PDF) Limited during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of preparation of the half-year financial report

This general purpose half year financial report has been prepared in accordance with Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*.

(b) Summary of the significant accounting policies:

The half-year consolidated financial report has been prepared using the same accounting policies as used in the annual financial report for the year ended 30 June 2007.

NOTE 2: GOING CONCERN

The company has incurred substantial losses to date. In order for the company to continue trading it is reliant on the following types of funding:

- Raising funds from existing shareholders;
- Raising funds from new shareholders through Initial Prospectus Offers;
- Generating cash inflows from its trading operations.

As such there is uncertainty as to whether the company will be able to continue as a going concern and therefore whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

NOTE 3: AFTER BALANCE DATE EVENTS

At a meeting of the Board in April 2008, the non-executive directors assumed full control of the Company. This followed from the termination by the Company of Sean Magee and Jennifer Page as executives and the consequent cessation of their directorships. This action on the part of the Board was a direct result of the improper conduct of Sean Magee and Jennifer Page which the Board believed was not in the best interests of shareholders.

As a consequence of the conduct of Sean Magee and Jennifer Page, it is likely that the Company will be issuing proceedings against them and ATF Management Ltd, a company associated with Sean Magee.

Subsequently, the Company has reviewed all aspects of the Company's business and its financial position. As part of the remedial action, the Board has taken the following action:

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS 31 DECEMBER 2007

NOTE 3: AFTER BALANCE DATE EVENTS (CONTINUED)

- as an interim measure to address management issues, Mr Tony Wigginton has been appointed as acting CEO and Mr Bernie Romanin, who heads Evivar Medical Pty Ltd (**Evivar**), as acting COO within the ATF Group;
- to strengthen the Company's financial position, the Board is undertaking a recapitalisation programme. It has commenced a series of meetings with potential investors, some of whom have already invested in the Company; and
- to reduce its recurring costs, the Company has closed its Sydney office and will co-share office accommodation in Melbourne with Evivar Medical. The decision to relocate was a commercial and cost effective decision and it will allow Evivar Medical and ATF Group to work more closely together in achieving their strategic objectives.

The Board is committed to increasing the value of the Company for the benefit of all shareholders and investors by creating a unique global position in the diagnostic arena and, more specifically, in the treatment of blood borne diseases.

Since Balance Date, the company has continued to prepare for the forthcoming Extraordinary General Meeting of shareholders to approve the in-specie distribution of Therapy Management International Limited (incorporated on 31 January 2008) together with the ATF Group (PDF) shareholding in Evivar Medical Pty Ltd.

Heads of Agreement with Melbourne Health (a Victorian Government Health Authority and fellow shareholder in Evivar) for the scrip for scrip swap of Melbourne Health shares in Evivar for shares in Therapy Management International Limited have been executed and formal legal documentation to approve the transactions is in the final stages of drafting for submission to the respective Directors of ATF Group (PDF) Ltd and Melbourne Health.

Pursuant to the Heads of Agreement signed with Advanced Biological Laboratories S.A. of Luxembourg final stage legal documentation is in the process of preparation for approval by the Boards of both Therapy Management International Limited and of Advanced Biological Laboratories S.A. for submission to their respective shareholders for approval.

A pre IPO offer of shares in ATF Group (PDF) Ltd is currently open for subscription. This offer precedes the proposed in-specie distribution of shares in Therapy Management International Limited and its proposed IPO and listing on the ASX.

Medcina Pty Limited

Development of Medcina continues with the US patent for "Compositions, Methods for treating gynaecological disorders" under examination.

Relocation of Sydney Office

The Sydney office has been relocated to Melbourne and will operate from the Evivar Medical offices. The decision to relocate was a commercial and cost effective decision and it will allow Evivar Medical and ATF Group to work more closely together in achieving their strategic objectives.

NOTE 4: DIVIDENDS

No dividend was declared by the Directors.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS 31 DECEMBER 2007**NOTE 5: CONTINGENT LIABILITIES**

There have been no changes in contingent liabilities since 30 June 2007.

NOTE 6: OTHER FINANCIAL ASSETS

	31 Dec 2007	30 June 2007
	\$	\$
NON CURRENT		
Shares in unlisted companies – at cost	<u>2,720,061</u>	<u>2,720,061</u>
<i>Represented by:</i>		
Evivar Medical Pty Ltd	2,051,025	2,051,025
Hunter Immunology Pty Ltd	519,034	519,034
Medcina Pty Ltd	150,000	150,000
Medcina Group Pty Ltd	<u>2</u>	<u>2</u>
	<u>2,720,061</u>	<u>2,720,061</u>

NOTE 7: SHARE CAPITAL

	31 December 2007		30 June 2007	
	No. of Shares	\$	No. of Shares	\$
(a) Shares on issue - Ordinary shares	<u>83,641,775</u>	<u>9,577,181</u>	<u>71,371,375</u>	<u>6,948,190</u>
(b) Movement in shares on issue - Ordinary shares				
Opening balance	69,871,375	6,948,190	61,383,875	5,045,870
Issue of ordinary shares	7,090,000	2,734,070	9,987,500	1,997,500
Options Converted	6,680,400	-	-	-
Less: transaction costs	-	(105,079)	-	(95,180)
Closing balance	<u>83,641,775</u>	<u>9,577,181</u>	<u>71,371,375</u>	<u>6,948,190</u>

NOTE 8: RELATED PARTY TRANSACTIONS

An amount of \$640,610 was charged by Australian Technology Management Limited for the services of Sean Magee, Jennifer Page, Tony Wigginton and other matters in accordance with a Management Service Agreement.

An amount of \$97,489 is owed at 31 December 2007 to the company by Australian Technology Management Limited.

NOTE 9: SIGNIFICANT ITEMS

An amount of \$533,301 previously capitalised has been written off.

This cost related to the due diligence process undertaken for proposed corporate restructure, acquisition strategy of ABL and IPO funding.

The costs incurred were for legal and financial advice.

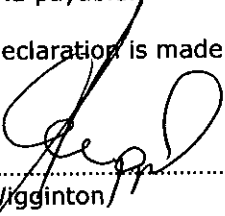
DIRECTORS DECLARATION

The directors declare that the financial statements and notes set out on pages 7 to 13 in accordance with the *Corporations Act 2001*:

- (a) Comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001*, and
- (b) Give a true and fair view of the financial position of the entity as at 31 December 2007 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that ATF Group (PDF) Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.


.....
J A Wigginton
Director
Melbourne
Date 21st July 2008



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ATF GROUP (PDF) LIMITED ABN 38003367084

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of ATF Group (PDF) Limited. The half-year financial report comprises the condensed consolidated balance sheet as at 31 December 2007, and the condensed consolidated income statement, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the half-year ended on that date, for the company and the entities it controlled at the half-year or from time to time during the period, together with a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the ATF Group (PDF) Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of ATF Group (PDF) Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
ATF GROUP (PDF) LIMITED
ABN 38003367084**

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of ATF Group (PDF) Limited on 21 July 2008, would be in the same terms if provided to the directors as at the date of this auditor's report.

Inherent Uncertainty Regarding Continuation as a Going Concern and Recoverability of the Carrying Value of Investments.

Without further qualification to the conclusion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 2 Going Concern, there is significant uncertainty whether the company will be able to:

- (a) continue as a going concern and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report; and
- (b) pay their debts as and when they become due and payable.

In particular included in the balance of Other Financial Assets (Note 6) are investments, as follows:

- Hunter Immunology Limited - \$519,034; and
- Medcina Pty Limited totalling \$150,000.

In addition amounts included in the balance of Other Current Assets are the following receivables due from related entities:

- Medcina Pty Limited - \$114,751; and
- Medcina Group Pty Limited - \$63,857.

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. No impairment has been recognised in respect of these investments in the unlisted entities or receivables for the half year ended 31 December 2007, as the related entities continue to commercially develop their products. Accordingly there is an inherent uncertainty associated with the valuation of these amounts and the potential recoverability of the associated assets.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
ATF GROUP (PDF) LIMITED
ABN 38003367084**

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of ATF Group (PDF) Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Pitcher Partners

PITCHER PARTNERS

Sydney

Mark Godlewski

MARK GODLEWSKI

28 July 2008