

Strictly Private and Confidential

ATF GROUP (PDF) LIMITED

ABN 80 106 213 772

INFORMATION MEMORANDUM

June 2009

This is an important document which should be read in its entirety. It contains information which will assist you in making a decision regarding your participation in the Placement. You may wish to consult your financial or other professional adviser about the contents of this Information Memorandum.

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Jon Lamb – Deputy Chairman
J A (Tony) Wigginton
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IMPORTANT NOTICE

This Information Memorandum (**IM**):

- contains **confidential information** regarding ATF Group (PDF) Limited (**ATF**) and its related entities and associated investee companies and is only being made available **on a confidential basis** to a specified potential investors who have expressed an interest in evaluating (**Evaluation**) the opportunity of acquiring fully paid ordinary shares of ATF (**Shares**);
- is issued for the exclusive use of the investors;
- is supplied to investors on the basis set out in this Important Notice; and
- is not to be distributed to any person or used for any purpose other than the Evaluation.

This IM does not constitute an offer or invitation for the issue or sale of securities or of any of the assets, businesses or undertakings described in it. This IM is provided to investors for information purposes only, to assist investors in evaluating any acquisition of the Shares. It does not amount to a recommendation either expressly or by implication with respect to those Shares. It is not an IM or disclosure document which requires lodgement with, or registration by, ASIC.

This IM does not constitute an offer in any place in which, or to any person to whom, it would be unlawful to make such an offer. This IM is not to be distributed, and no offer of Shares is to be made, to a person resident in the United States of America (USA). The Shares have not been, nor will they be, registered under the *Securities Act 1933* (US) (as amended) or the securities law of any state or other jurisdiction of USA and may not be offered or sold in USA or to, or for the account or benefit of, US persons absent registration or in a transaction exempt from or not subject to the registration requirements of USA.

No person is authorised to give any information or to make any representation in connection with the Placement that is not contained in the IM. Any information or representation that is not contained in the IM may not be relied on as authorised by ATF in connection with the Placement. Except as required by law and only to the extent required by such law, neither ATF nor any other person warrants the future performance of ATF or the return on an investment made under the IM.

ATF has no present intention to seek a listing of its Shares on ASX. Therefore, neither the existing Shares nor the Shares offered by this IM will be listed for quotation on the ASX.

Some capitalised words or terms used in this IM have defined meanings – refer to the Glossary. All references to \$, A\$ or cents in this IM are references to Australian currency, unless otherwise stated. All references to time in this IM are to the time in Melbourne, Victoria.

The information contained in this IM is important and investors should read and understand the whole of the IM before deciding to participate in the Placement. The IM does not take into account the investment objectives, financial situation or particular needs of any investor or any other person. Therefore, investors should not rely on the IM as the sole basis for making an investment decision regarding the Shares. Investors should seek independent taxation and financial advice before making such a decision.

The information contained in this Information Memorandum has not been audited or independently verified by any person. Any estimates, projections, targets or forecasts contained in this Information Memorandum involve significant elements of subjective judgment, assumptions and analysis which may or may not prove to be correct. Those estimates, projections, targets and forecasts are illustrative only and outline some only of a number of possible outcomes for the future performance of ATF.

In addition, forward looking statements, opinions and estimates provided in this letter are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends and competitive products. Forward looking statements, including projections, guidance on future financial matters and future trends are provided as a general guide only and should not be relied on as an indication or guarantee of future performance.

None of ATF nor any of investee companies or controlling persons, nor any of their respective directors, officers, partners, employees, agents, representatives or advisers (**Associates**) makes any representation or warranty, express or implied, as to, and the Investor acknowledges that it cannot rely on, the accuracy, currency, significance, origin, reliability, adequacy or completeness of the information contained in this Information Memorandum nor the correctness or reasonableness of any assumption contained in this Information Memorandum.

Nothing contained in this Information Memorandum is, or shall be relied upon as, a promise or representation, whether as to the past or the future of ATF or the markets within which it operates. ATF and its Associates expressly disclaim all liability (including liability to any person by reason of negligence or negligent misstatement) for all statements, opinions, information or matters (express or implied) arising out of, contained in or derived from, or any omissions from, this IM, except in so far as liability under any statute cannot be excluded. The Investors irrevocably release ATF and its Associates in relation to all claims, actions, damages, judgments, losses, remedies and other matters whether in contract, negligence, other tort, under statute, equitable relief or otherwise, in connection with the provision and contents of this Information Memorandum.

This IM does not purport to contain all of the information that may be required for the Evaluation and investors should conduct its own independent analysis of ATF and the data contained or referred to in it. The information may not be appropriate for investors and ATF and its Associates have not had regard to the investment objectives, financial situation and particular needs of Investor.

None of ATF or its respective Associates accepts any responsibility to inform investors of any matter arising or coming to any of their notice which may affect any matter referred to in this IM (including, but not limited to, any error or omission which may become apparent after this IM has been issued). ATF may, in its absolute discretion, update, amend or supplement this IM.

Applications

An application for Shares under in the Placement can only be made by completing and lodging the Application Form accompanying this IM. Detailed instructions on completing the Application Form can be found on the back of the Application Form. The acceptance of Application Forms and the allocation of Shares are at the discretion of the Company.

By making an Application, you declare that you were given access to the entire IM, together with an Application Form. The Company will not accept a completed Application Form if it has reason to believe that an Application Form lodged by an Applicant was not accompanied by, or attached to, the IM or if it has reason to believe that the Application Form has been altered or tampered with in any way.

Questions

If you have any queries relating to the Placement or the procedures for participating in the Placement, including how to complete the Application Form, please contact the Company on (+61 3) 9662 4049.

Other questions can be directed to your stockbroker, lawyer, accountant or other financial adviser.

Privacy Disclosure

If you apply for Shares, you will be required to provide personal information to the Company and the Share Registry. The Company and the Share Registry will collect, hold and use your personal information in order to assess your Application Form, service your needs as an investor and provide the facilities/services that you request and carry out appropriate administration.

All personal information will be collected in accordance with the 'National Privacy Principles' as set out under the Privacy Act 1988. Company and tax law requires some of the information to be collected. If you do not provide the information requested, your Application Form may not be able to be processed.

If you subscribe for Shares, you agree that the Company and the Share Registry may disclose your personal information for any purpose related to your investment in the Company, including to those persons listed below or as otherwise authorised under the Privacy Act 1998:

- the Share Registrar - to assess your Application Form and for the administration of the share register; and
- the printers and the mailing house - for the preparation and distribution of statements and the handling of mail.

The information may also be disclosed to the Company's related companies and/or to their agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy.

Under the Privacy Act 1988, you may request access to your personal information held by (or on behalf of) the Company or the Share Registry. You can request access to your personal information by telephoning the Company on (+61 3) 9662 4049 or by writing to the Company via the Share Registry.

Information about Evivar Medical Pty Ltd

This IM contains certain information about Evivar Medical Pty Ltd (Evivar). To the extent that the IM includes statements made by Evivar or includes statements based on statements of, or information provided by, Evivar, Evivar consents to each such statement being included in the IM in the form and context in which it is included and has not withdrawn that consent at any time prior to the date of the IM.

References to, and explanations of, legislation which appear in this IM are provided for convenience and intended to be indicative only. They may not be accurate or up-to-date and do not purport to summarise all relevant legislation or to be a full explanation of any particular matter. Investor should obtain its own legal advice in relation to such legislation.

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MESSAGE FROM THE COMPANY

25 June 2009

Dear Investor,

On behalf of the Board of ATF Group (PDF) Limited (**ATF**), I have great pleasure in presenting this Information Memorandum (**IM**) and offering you the opportunity to invest, or increase your investment, in ATF.

The IM explains the reasons for, and effect on, ATF of the proposed placement (**Placement**). Please read this IM carefully to fully understand the impact of the Placement on ATF.

The focus of ATF in 2009 and beyond continues to be the commercialisation of the SeqHepB system licensed to Evivar Medical Pty Ltd (ATF's principal investee company). Solid progress continues to be made towards that objective, with licence agreements concluded with LabCorp, one of the largest US clinical laboratories, and Abbott Molecular, a global diagnostics company.

In addition, a strategic partnering agreement is in the final stages of completion with Advanced Biological Laboratories (ABL) which will include a cross-licensing agreement between the two companies. The negotiations have focused on global strategic initiatives that will assist Evivar to build its therapy management business in not only its present area of focus, Hepatitis B, but also in other blood borne diseases, for example, Hepatitis C.

ATF is also investigating the acquisition of an interest in further intellectual property emanating from Melbourne Health. If the intellectual property is acquired, ATF is confident it will enable Evivar to provide a more complete diagnostic suite for analysis of the Hepatitis B virus (HBV) than is currently the case. Additionally, the intellectual property would also facilitate development by ATF of a diagnostic product for the Hepatitis C virus (HCV).

Your Board believes that now is the time to raise a significant part of the overall funding needed by ATF to continue the commercialisation of the SeqHepB technology licensed by Evivar and, if it is possible to do so, to acquire from Melbourne Health:

- the shares in Evivar not currently owned by ATF; and
- the additional intellectual property required to expand ATF's therapy management business.

Subsequent to the Placement (to private investors), ATF intends to also undertake a rights issue or an offer under a share purchase plan to its shareholders. This is proposed in order to give all existing ATF shareholders the opportunity to participate in the raising of new capital by the Company.

Your Board believes that ATF has an exciting future. The Placement presents a unique opportunity for ATF to secure its strategy of developing an Australian therapy management company.

Yours faithfully
ATF Group (PDF) Limited

Jon Lamb
Deputy Chairman

SECTION 1. KEY OFFER INFORMATION

The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of this IM.

1.1 The Placement

ATF is undertaking a Placement of its Shares. The issue price of the Shares under the Placement is \$0.20 per Share. It is payable in full on application.

ATF is seeking to raise \$6.0 million under the Placement. There is no limit to the number of Shares you can apply for. If applications for Shares exceed the number of Shares available, the number of Shares available to each applicant will be scaled back at the Company's discretion.

The funds to be raised by the Placement (after payment of costs), together with the currently available cash resources of the Company, are to be used by the Company for the purposes set out in sections 3.1 and 3.3 of the IM. Clearly, if the Company is less successful in raising the funds sought under the Placement than expected, only certain of the proposed uses of the funds detailed in this IM will be possible.

Shares will not be available for subscription or be issued to any investor where to do so would or may result in a breach by the Company (or any other person) of the Corporations Act or any other applicable laws.

Subsequent to the Placement, the Company intends to undertake a rights issue. If the Placement and proposed rights issue / share purchase plan are fully subscribed, the Company expects to raise approximately \$11.4 million (before payment of the costs).

1.2 Issue Price / Market price of Shares

The issue price of the Shares under the Placement is \$0.20 per Share.

As the Shares are not listed for quotation on ASX or any other stock exchange, there is no ready or liquid market for the trading of Shares. Accordingly, there is no readily available information that the Company can provide as a guide to Shareholders as to the fair market price of the Shares (or, after the Placement, the likely price at which Shares may change hands (assuming there is a market for the Shares)).

1.3 No minimum subscription

There is no minimum amount sought to be raised by the Company under the Placement.

The Placement will proceed regardless of the total number of Shares subscribed for under the Placement.

1.4 Underwriting

The Placement is not underwritten.

1.5 ASX quotation

ATF has no present intention to seek a listing of its Shares on ASX. Therefore, neither the existing Shares nor the Shares offered under this IM will be listed for quotation on the ASX.

1.6 Issue of Shares

If the Placement proceeds as contemplated, the Shares are expected to be issued in early July 2009.

As ATF is not listed on ASX, it operates a certificated share register. It is expected that share certificates will be despatched on or soon after the date of issue of the Shares.

Subscription monies for the Shares will be held in a subscription account until the Shares are issued to you and your name recorded in the Register of Members of the Company as the holder of the Shares. This account will be established and kept by ATF (or its Share Registry) on behalf of each subscriber for Shares.

Interest earned on the application monies will be for the benefit of ATF and will be retained by ATF irrespective of whether Shares are issued.

1.7 Ranking of Shares

The Shares will, on issue, rank equally in all respects with the existing Shares.

Details of the rights attaching to the Shares are set out further in Section 5.3 of the IM.

1.8 Risk factors

ATF is a company that invests in new technologies and products. An investment in ATF involves all of the general risks associated with an investment in the shares of a company. There are also a number of risk factors specific to ATF which may affect the future operating and financial performance of ATF and, therefore, the market price of the Shares. Further, as ATF has a limited history and its primary business involves greater risk than investment in operating businesses with a track record, investment in ATF must be considered speculative.

A number of these risks, but not all, are described in more detail in section 4. Before deciding to subscribe for Shares, investors should consider very carefully the risk factors associated with an investment in the Company.

1.9 Professional advice

If you are in any doubt about whether to subscribe for Shares under the Placement, please contact your stockbroker or other professional and/or financial adviser.

SECTION 2. WHAT YOU NEED TO DO

If you have any questions about subscribing for Shares, please contact:

- the Company on (+61 3) 9662 4049; or
- your stockbroker or professional and financial adviser.

2.1 How to subscribe under the Placement

Complete the accompanying Application Form according to the instructions on the Form.

Send the completed Form and all other necessary documents, together with a cheque or bank draft in payment for all the Shares applied for to reach the Company as soon as reasonably practicable. A reply paid envelope is enclosed with the IM for this purpose.

Your completed Application Form, once sent to the Share Registry, cannot be withdrawn.

2.2 Payment

Applications for Shares must be accompanied by payment in full of \$0.20 per Share. Payments will only be accepted in Australian currency and must be by cheque or bank draft drawn on and payable at any Australian bank or, by arrangement with the Company, by electronic funds transfer to such account as nominated by the Company.

ATF will treat you as applying for as many Shares as your payment will pay for in full, subject to any scale-back it may determine to implement in its absolute discretion in respect of the Placement.

Cheques or bank drafts should be made payable to 'ATF Group (PDF) Limited - Placement' and crossed 'Not Negotiable'. Cash payments will not be accepted. Receipts for payment will not be provided. Any application monies received for more than your final allocation of Shares will be refunded. No interest will be paid to investors on any application monies received or refunded.

You should note that ATF is not required to issue any Shares to a person subscribing for Shares under this IM unless:

- the Company receives a completed Application Form and a cheque in payment of the subscription amount for the relevant number of Shares; and
- there are sufficient funds in the account on which the cheque is drawn so that the cheque clears in favour of ATF when it is first presented for payment.

2.3 No cooling off rights

Cooling off rights do not apply to an investment in the Shares. You cannot withdraw your application once it has been accepted.

2.4 Taxation

Shareholders should be aware that there may be taxation implications of participating in the Placement and receiving Shares. The taxation consequences of participating in the Placement and/or acquiring Shares may vary depending on the individual circumstances of the investor. Investors should consult

their own professional taxation advisers to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances.

No Australian Goods and Services Tax (GST) or stamp duty is payable in respect of the acquisition of Shares under the Placement.

2.5 Brokerage and Stamp Duty

No brokerage or stamp duty is payable by investors on the issue of the Shares.

2.6 Enquiries Regarding the Placement

This IM provides information for investors concerning a further potential investment in the Company, and should be read in its entirety. If you have any questions regarding the content of this IM or how to complete the Application Form, please contact the Company, your stockbroker, accountant, lawyer or independent financial adviser.

SECTION 3. PURPOSE AND EFFECT OF THE PLACEMENT

3.1 Reasons for the Placement

The Company intends to undertake the following activities over the next 12 to 24 months:

- the acquisition of the outstanding shares in Evivar that are not presently held by ATF;
- further investment in the business of Evivar and, in particular, the strengthening and expanding its IP portfolio;
- further investment in the commercialisation of the SeqHepB database and technology of Evivar;
- the acquisition of new intellectual property for application in the treatment and management of patients suffering from Hepatitis B and Hepatitis C; and
- payment of the costs of the Placement.

The Company requires the proceeds from the Placement (and the subsequent rights issue (assuming it is fully subscribed)) to meet its expected funding needs for the above. For further details of the use of funds, refer to section 3.3 of the IM.

3.2 Funds to be raised

The Company expects to raise up to \$6.0 million under the Placement. After the Placement is finalised, the Company intends to also undertake a rights issue or an offer under a share purchase plan to its shareholders. This is proposed in order to give all existing Shareholders the opportunity to participate in the raising of new capital by the Company.

If the Company is able to successfully complete both the Placement and the further rights or other issue to the existing Shareholders, the Company expects to raise gross proceeds of up to \$11.4 million for use by the Company (together with the existing cash resources of the Company) as indicated above and in section 3.3 of the IM.

3.3 ATF's business

ATF was established in September 2003 as a pro-active investment company by its then major shareholder The Australian Technology Fund Pty Ltd (ATFP).

ATF's original investments were:

- Evivar, an on-line therapy management company delivering real time predictive decision support services to clinicians treating patients suffering from chronic HBV enabling them the right medication at the right time for their patients. The system was developed by the Victorian Infectious Diseases Reference Laboratory (VIDRL), a World Health Organisation Collaborating Centre for virus reference and research based in Melbourne. Evivar is ATF's primary investment. Details of the business of Evivar and ATF's investment in Evivar are set out below.
- Hunter Immunology Ltd (Hunter) holds a suite of oral vaccines under development, the principle one being a vaccine being developed to treat Chronic Obstructive Pulmonary Disease, which is the fourth largest cause of death in the world. Given the size of our investment and the long lead time to market, the decision was made to progressively sell down our investment in Hunter. At present, ATF holds 1.6 million shares in Hunter.
- The Medcina companies which were established for the purpose of bringing to market clinically proven natural medications. Following changes in the executive management of the Company in

April 2008, ATF ceased to fund the two Medcina companies and, in effect, abandoned its investment in those companies as it considered that neither was commercially viable and there was no reasonable likelihood of return of its investment funds.

Evivar Medical Pty Ltd (Evivar)

At the present time, ATF has a 45% shareholding in Evivar. Evivar is a joint venture company established in conjunction with Melbourne Health in February 2006.

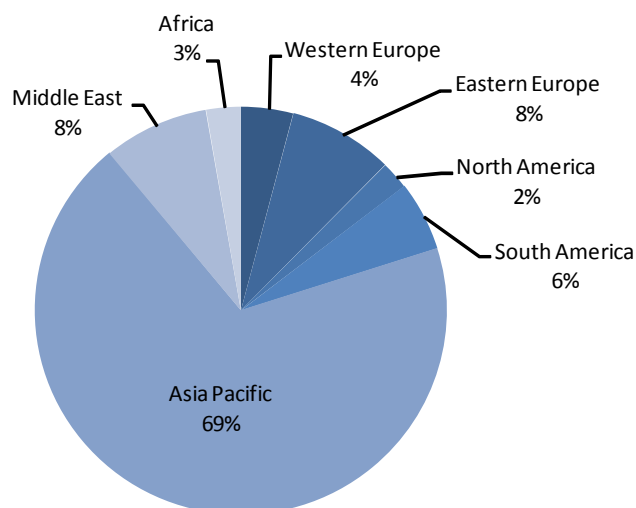
Evivar provides accurate and timely therapy management for Hepatitis B (HBV) patients through its SeqHepB program - a web-based, secure, on-line decision support tool to assist physicians to optimise and individualise the treatment of patients with chronic Hepatitis B (CHB).

The SeqHepB system can be used to identify HBV mutations present in the patient and to determine drug resistance levels to the various available medications. SeqHepB is a unique viral genomics sequence analysis program that is linked to a HBV genomic database.

Evivar enables physicians to individualise the treatment of patients with CHB by selecting the right drug, at the right time, in response to the mutations diagnosed. The ultimate result is an increase in the overall health and longevity of patients and a reduction in the treatment costs.

HBV is one of the top 10 causes of mortality globally. There is an estimated 360 million individuals worldwide who suffer from CHB, with a further estimated 7 million people becoming chronically infected each year. There is no cure for CHB.

The estimated dispersion (based on World Health Organisation data) around the world of the estimated 360 million chronically infected individuals is as follows:



Like many infectious diseases, HBV mutates in response to drug treatments. The emergence of these mutations, without the appropriate changes in therapy management, leads to treatment failure resulting in progression of the liver disease, a rapidly diminishing quality of life and ultimately, in many cases, mortality.

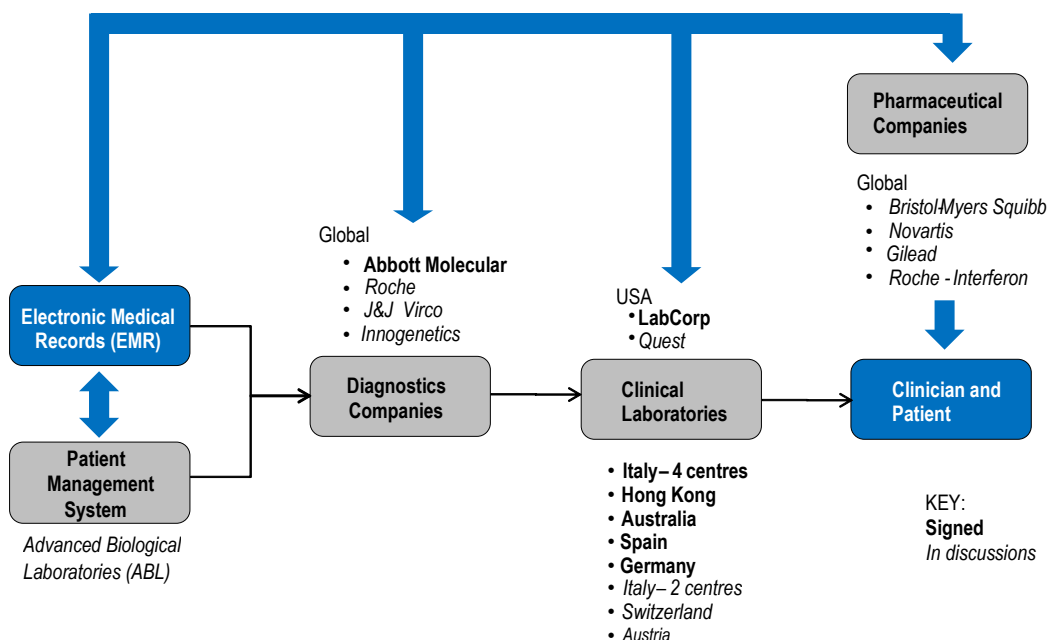
Clinicians have an increasing choice of therapies but need guidance on what drugs to use. Antiviral drug resistance mutational analysis is the key but current methods have limits. The SeqHepB system licensed to Evivar by Melbourne Health (on behalf of itself and a group of collaborators) is the world's most comprehensive database that includes genetic, clinical and phenotypic details for HBV.

During the past year, much progress has taken place in establishing a solid client base. Evivar operates on an ubiquitous licensing model that targets three key service providers in the management of HBV

infected patients – clinical laboratories (that analyse the patient’s blood), global diagnostics companies (that develop and market the blood analysis instruments) and the pharmaceutical companies (that provide the therapeutic drugs).

In addition, Evivar is finalising a strategic partnership with Advanced Biological Laboratories (ABL) which has a Patient Management/Electronic Medical Records (EMR) system that integrates the HBV data in its management report.

Evivar's approach provides broad market access and allows flexibility for the different dynamics in each region that Evivar is seeking to enter. In the last year, Evivar has made significant progress in securing licensing agreements and is in negotiation with most of the relevant global parties as outlined by the following diagram.



In the United States, a non-exclusive licence agreement has been reached with Laboratory Corporation of America Holdings (**LabCorp**). This long term agreement covers the United States and Canada for the use of the SeqHepB resistance test service.

LabCorp is one of the world’s largest clinical laboratories and one of the two largest in the United States. Based in North Carolina, It operates a network of primary testing facilities throughout the United States and employees over 25,000 people nationwide. It offers a broad range of molecular tests among other diagnostic tests.

Evivar has also concluded a non-exclusive licence agreement with Abbott Molecular Inc. (**Abbott**) of Des Plaines, Illinois. Abbott is one of the four leading global diagnostic companies (the others being Johnson and Johnson, Roche and Siemens). The licence agreement gives Abbott certain rights of use and access to the intellectual property in the SeqHepB database. The Abbott licence is a very important step on the commercialisation of the Evivar intellectual property. It is recognition by a major multinational company of the value of Evivar’s intellectual property. The Board of Evivar believes it can reasonably be expected that others, if not all, of the major global diagnostic companies will follow that lead and that it will attract the interest of the global pharmaceutical companies which market HBV and HCV therapeutic drugs.

In addition to the non-exclusive licences with the above companies, Evivar has also signed licence agreements with clinics in Italy (4 centres), Spain (1) Germany (1), Hong Kong (1) and Australia (and is

deriving revenues from those licences). Further licence agreements are under negotiation with clinics in Switzerland, Austria and an additional two centres in Italy.

Relevantly, with very limited marketing or promotion of the SeqHepB system, Evivar expects revenues from the licence agreements in the financial year ending 30 June 2009 will be approximately A\$700,000. This is expected to increase to approximately US\$1.5 million in the next financial year.

In addition to the commercialisation of the SeqHepB system by entry into licensing agreements, Evivar is also seeking to develop the system and its usefulness by integrating it with other technologies and intellectual property that will enhance its utility, ease of use and, equally importantly, the ability of Evivar to expand its therapy management systems into other areas, primarily Hepatitis C.

Examples of the above include the negotiations (which are nearing completion) with ABL. ABL has developed a Patient Management/Electronic Medical Records (EMR) “black box platform” which provides a powerful clinical and patient management system. The ABL system, called TherapyEdge, is ideally suited for developing countries as it provides comprehensive integration of various clinical, virological and therapeutic data to assist the treating clinician. It is today strongly focussed on HIV, but it is equally applicable to HBV and other viruses.

From ATF's perspective, ABL is another channel to market, especially in countries such as South Africa, Mexico and Thailand where it has been successful due to the government policy of the incorporation of the EMR system in each of their clinics, thereby providing national coverage. ABL is seeking to become a strategic partner with ATF and is ideally placed to assist ATF to build an infrastructure in such economies as China, India, Russia and Eastern Europe.

New investments

ATF holds an option to acquire further intellectual property (from Melbourne Health) which is expected to provide a predictor mechanism that will enable physicians seeking to treat patients with HBV or HCV by prescribing interferon, prior to the initiation of that treatment, to identify the 30% of young patients who will positively respond to that therapy and avoid the side effects for the other 70% who are likely to be non-responders. If the proposed diagnostic works as expected, it will make the use of interferon therapy a much less risky treatment solution for both HBV and HCV sufferers.

While the intellectual property, if acquired by ATF, will be developed separately to Evivar, use of the new diagnostic (if successfully developed) will be licensed to Evivar. It is expected that it will provide Evivar with an entry strategy to the lucrative HCV market, the basis for entry by Evivar into therapy management of HCV and opportunities to develop new clinical tools with utility in both pharmaceutical and diagnostic fields.

Future Prospects / Use of funds

The future intentions of ATF can be summarised as follows:

- Broadening the intellectual property portfolios of ATF and Evivar in the area of therapy management of both HBV and HCV;
- Developing a SeqHepC platform for the management of HCV;
- Finalisation of the proposed partnership with ABL and use it to provide a total patient management solution for HIV, HCV and HBV; and
- Implementation of business development strategies for key countries – for example, China, the world's largest HBV market (170 million chronic cases).

The use of the funds raised by the Placement (assuming full subscription of approximately \$6 million under the Placement) and the subsequent rights or other issue to the existing Shareholders, together with the currently available cash resources of the Company, can be summarised as follows:

- **Securing complimentary IP** - to acquire 100% of the intellectual property that ATF will require if it is to develop a new diagnostic tool in HBV and HCV fields.
- **Commercialisation** - to provide working capital for Evivar to further leverage its existing licences and to secure other global diagnostic companies, laboratory and clinic centre licensees in target geographies. This includes the appointment by Evivar of business development staff in Europe, USA and Asia; the development of Evivar's business in China and selecting strategic partners for other key markets. Exceptional human capital is essential to the success of the commercialisation program for Evivar. The first steps in the recruitment of a team to lead business development programs for Evivar in Europe and the US have already commenced and will need to be expanded.
- **IP Development** - a key to the success of Evivar will be the maximization of its intellectual property portfolio and continued investment to further build that portfolio. Evivar will require funds to manage the appropriate expansion and protection of its intellectual property.
- **Acquisition of remaining shares in Evivar** - to fund the expected cash component of the acquisition of the outstanding 55% of Evivar not currently owned by ATF (thereby making it a wholly owned subsidiary of ATF). ATF intends to pursue negotiations with Melbourne Health to buy the shareholdings of it, and its collaborators, in Evivar. If this occurs, it is expected that it will be a cash and shares transaction.
- **Exit** - it is the ultimate aim of ATF that either it, or Evivar, will be offered for sale to a trade buyer. Part of the funds raised will be used to identify buyers, undertake the necessary preparations and groundwork for that sale and appropriately conduct the sale process.
- **Working capital and costs** - The balance of the funding will be used for general working capital purposes and to pay the costs of the capital raising.

If the amount raised by the Placement is less than the expected amount of \$6 million, the funds raised will be used initially in the acquisition of the complimentary intellectual property and/or in the commercialisation of Evivar's intellectual property. If funds are raised that are surplus to the funding required for those objectives, the funds will be used to assist in the acquisition of the outstanding shares in Evivar not presently owned by ATF. If less than the full amount required for that acquisition is available to the Company, the Company may still seek to complete the acquisition of the Evivar shares from Melbourne Health and its collaborators, but the acquisition would likely involve a greater proportion of the purchase price being satisfied by the issue of ATF Shares than might otherwise be the case.

If less than the amount required for the acquisition of the complimentary intellectual property and/or the commercialisation of Evivar's intellectual property is raised under the Placement, the money raised by the Placement will be used by the Company for working capital purposes, which will include the provision of further funding to Evivar (subject to agreement with Melbourne Health on the terms of that funding) to assist in the commercialisation of its intellectual property and building its business.

On successful completion of the Placement and the proposed rights issue (or other issue) to the existing Shareholders, assuming full subscription under those offers, it is not presently intended that ATF would undertake any further substantive capital raisings. If, however, less than the expected amount is raised by the Placement or subsequent offer, if ATF is to maximise the value of the Evivar intellectual property, further capital raisings will be necessary.

However, it is always difficult to predict with certainty the likely future funding requirements of a company like ATF. For example, if the commercialisation plans for Evivar are delayed or prove to be more difficult to execute than presently expected, or the costs associated with the development of the Company's new diagnostic intellectual property are greater than expected, it may be that the Company

will need to vary or add to its development program and/or to speed development in one or more areas of interest to the Company. If that occurs, the Company may require additional funding. While the Company expects to be able to obtain that additional funding, if it is needed, there can, of course, be no guarantee that the additional funding will be available or that the terms on which it may be available will be acceptable to the Company.

3.4 Intellectual property

The Evivar business is based on an exclusive, royalty free licence granted to it by Melbourne Health, for and on behalf of itself and its collaborators, of the numerous patents and filed patent applications relevant to the SeqHepB system and database.

In the commercialisation of the SeqHepB system, ATF and Evivar are constantly seeking to strengthen their intellectual property position. ATF believes its intellectual property position is a strong commercial barrier to potential competitors, but despite that view, ATF expects to continue to invest material amounts in the maximization of its intellectual property portfolio and in further building and strengthening that portfolio.

Investors should note, however, that the making of a patent application or the granting of a patent does not guarantee that the rights of others are not infringed or that competitors will not seek to develop alternative strategies in order to avoid ATF's licensed intellectual property rights. Further, because the patent positions of bio-technology and pharmaceutical companies can be highly uncertain and frequently involve complex legal and factual questions, neither the breadth of claims allowed in bio-technology and pharmaceutical patents nor their enforceability can be predicted with certainty. Accordingly, there can be no assurance that any patents which ATF may licence (assuming the patent applications are granted) will afford ATF or Evivar commercially significant protection of its technology or its products or have commercial application.

3.5 Capital structure

The capital structure of ATF following the issue of Shares will be as follows:

Shares	Number
Shares on issue before the Placement	98,983,975
Shares offered under this Placement	30,000, 000
Total number of Shares on issue after the Placement (assuming full subscription of \$6 million)	128,983,975

Note:

- ATF has an Executive Share Option Plan (**Plan**). At the date of this IM, ATF has agreed to issue 250,000 options to two consultants. Each option is exercisable at \$0.20 and at any time prior to fifth anniversary of the date of issue of the options.

In addition, ATF intends to issue up to 10,000,000 options to its Directors under the Plan. Subject to finalisation of the present proposals of the Federal Government for changes to the rules applicable to the taxation of benefits received by employees in respect of the issue of shares, options or rights under employee incentive schemes, the Company proposes to issue these options to the Directors and other senior executives, consultants and/or advisers to the Company. It is presently proposed that each option would entitle the holder to subscribe for one Share on payment of an exercise price of \$0.25 on or before the final exercise date, which date is expected to be either 4 or 5 years after the date of grant. It is expected that the issue of these options will not occur until after the Placement is completed.

3.6 Major Shareholders

No individual shareholder of the Company holds in excess of 15% of the Company. Relevantly, as at the date of this IM, the largest Shareholder held, in aggregate, 13,669,772 Shares (or approximately 13.8%) in the issued capital of the Company.

3.7 Financial Effect of the Placement

The primary effect of the Placement on ATF (assuming successful completion of the Placement) will be that the number of issued Shares is expected to increase by 30 million Shares and the cash resources (net of the costs of the Placement) of ATF will increase by approximately \$5.95 million.

To illustrate the expected effect of the Placement on ATF, an unaudited pro-forma Statement of Financial Position of ATF has been prepared as at 31 December 2008 based on the unaudited Statement of Financial Position of ATF as at that date (as extracted from the Half Yearly Report for the period ended 31 December 2008) adjusted for:

- the issue of 30 million Shares at \$0.20 per Share under the Placement to raise gross proceeds of \$6 million; and
- the write off against share capital of the costs of the Placement of approximately \$50,000.

The accounting policies adopted in the preparation of the pro-forma consolidated Statement of Financial Position are consistent with the accounting policies adopted and described in ATF's Annual Report. The unaudited pro-forma Statement of Financial Position should be read in conjunction with the unaudited (but reviewed) Statement of Financial Position of ATF as at 31 December 2008 (as set out in the Half Yearly Report of the Company that is on the Company's website – www.atfgroup.com.au).

Statement of Financial Position (Actual & Proforma - as at 31 December 2008)	Actual \$'000	Impact of Placement \$'000 ¹	Proforma \$'000
CURRENT ASSETS:			
Cash ²	546	6,000	6,546
Receivables			
Inventories	10		10
Other			
TOTAL CURRENT ASSETS	556	6,000	6,556
NON CURRENT ASSETS:			
Property, plant and equipment (net)	15		15
Intangibles (net)	2,046		2,046
Other financial assets	2,196		2,196
TOTAL NON CURRENT ASSETS	4,257		4,257
TOTAL ASSETS	4,813	6,000	10,813
CURRENT LIABILITIES:			
Payables	385		385
Interest Bearing Debt			

Provisions			
TOTAL CURRENT LIABILITIES:	385		385
NON CURRENT LIABILITIES:			
Interest Bearing Debt	0		0
Provisions	0		0
TOTAL NON CURRENT LIABILITIES	0		0
TOTAL LIABILITIES	385		385
NET ASSETS	4,428	6,000	10,428
EQUITY:			
Contributed Equity	11,282	6,000	17,282
Reserves	0	0	0
Accumulated Losses	(6,854)		(6,854)
TOTAL EQUITY	4,428	6,000	10,428

Note 1:

Proceeds of Placement	\$6,000,000
Less the costs of the Placement	\$50,000
Net Proceeds of Placement	\$5,950,000

Note 2:

The pro-forma cash amount of \$6,546,000 reflects cash based on the unaudited accounts at 31 December 2008 as adjusted for the Placement, and therefore does not include changes to cash resulting from operating, financing and investing activities from 1 January 2009 to the date of this IM. As at close of business on the second last business day before the date of this IM, ATF had cash on hand of \$309,652. The Company has no borrowings.

3.8 Future Financial Position and Dividend policy

Investors should not expect to receive dividends from ATF. The primary objective of ATF is the development and commercialisation of Evivar and any other intellectual property that may be acquired by ATF. It is therefore expected that ATF will record losses in the medium term and will not be in a position to pay dividends.

In the longer term, the ability of ATF to pay dividends in the future (and the timing of those dividends) will be dependent principally on the successful outcome of the development and commercialisation of the SeqHepB system by Evivar and ATF's ability to develop any other intellectual property or products acquired by ATF. There will also be many other factors that will affect the future profitability (or otherwise) of ATF and its ability to pay dividends or return capital to its Shareholders in the future, including the future capital requirements and the financial position generally of ATF at the time.

Based on the above, the Company cannot give any assurances concerning the future financial position or profitability (or otherwise) of ATF, the payment of dividends or, if dividends are paid, the likely timing of any such dividend payments in the future.

All investors must take account of these inherent uncertainties concerning the future financial position of ATF before subscribing for Shares. Investment in ATF must be regarded as speculative.

3.9 No Underwriting / minimum subscription

The Placement is not underwritten and there is no minimum subscription. In other words, the Company intends to accept all subscriptions for Shares lodged with it following the issue of this IM.

3.10 Pooled development funds

ATF is a pooled development fund (PDF). It was registered as a PDF on 29 September 2003.

The Pooled Development Funds Program was established under the Pooled Development Fund Act (PDF Act). The PDF Act regulates, among other things, the capital structure and investment activities of PDFs.

A PDF is a unique tax structure - its shareholders do not incur any capital gains tax on the sale of their shares and may elect to treat dividends paid by the PDF as tax exempt or to treat the franked amount of any such dividend as assessable income in order to receive the benefit of the attached franking credits. A PDF also enjoys concessional tax rates – it pays a corporate tax rate of 15% on PDF investment income and 25% on other income.

A PDF is intended to have a spread of shareholders. Consequently, unless the PDF Board approves otherwise, no shareholder (together with its associates) may hold more than 30% of the issued shares of a PDF. This restriction does not apply to an authorised deposit-taking institution, a life office or a widely-held complying superannuation fund.

A PDF is also prohibited from borrowing money, accepting a deposit of money, issuing debentures or convertible notes or making available an interest in a managed investment scheme. However, the PDF Act does not prohibit PDFs from making a permitted short term borrowing, for example, a temporary borrowing for cash flow purposes.

Investments by a PDF are regulated by the PDF Act. The following restrictions apply to investments made by a PDF, subject to any concessions granted by the Venture Capital Committee (VCC) (a committee established within Innovation Australia in the Federal Department of Innovation, Science and Research):

- (a) The investment must be made by:
 - subscribing for or buying ordinary shares in a company;
 - acquiring non-transferable options in a company; or
 - the making of loans to existing investee companies (provided that the volume of loans made by a PDF at any one time must not exceed 20% of the shareholders' funds of the PDF);
- (b) A PDF must not invest in another PDF;
- (c) A PDF must not invest in a company whose primary activity is an 'excluded activity', which includes the following activities (refer to the PDF Regulations):
 - retail sale operations; and
 - the acquisition or disposal of an interest in, or development of, land except where this is wholly incidental to the conduct of an activity other than retail sale operations;
- (d) It must subscribe for new equity in a company and, after that investment, hold at least 10% of the issued capital of that investee company. The VCC may permit a PDF to acquire existing equity if, among other things, that appears to be in the best interests of the investee company.

The VCC may also in certain circumstances permit the PDF to invest in less than 10% of the company's equity;

- (e) It must not invest in companies with total assets in excess of \$50 million;
- (f) It must not invest more than 30% of the PDF's shareholders' funds in any one company; and
- (g) It must invest at least 65% of any capital raised within 5 years of that raising (unless a determination from the PDF Board stipulates otherwise).

The VCC may deregister a PDF if it fails to comply with the requirements of the PDF Act. If a company is deregistered as a PDF, it cannot subsequently be re-registered as a PDF. Revocation of registration does not affect the status of the former PDF as a company, but will result in the immediate loss of the tax concessions available to the PDF and its shareholders (refer below).

At the present date, by reason of the amount that ATF has invested in Evivar, ATF is in breach of section 25 of the PDF Act. That section of the PDF Act precludes a PDF, without a waiver from the VCC, from investing in excess of 30% of its shareholders' funds in any one company. At the date of this IM, ATF has invested approximately 32% of its shareholders' funds in Evivar.

By letter dated 25 May 2009, the VCC has advised ATF that it requires ATF submit to the VCC, by 19 October 2009, a creditable plan for returning its investment in Evivar to compliance with section 25 of the PDF Act. ATF will comply with this requirement of the VCC. If its plans, as detailed in this IM, are fully implemented, ATF expects that those actions will result in its investment in Evivar being compliant with section 25 of the PDF Act before the date that ATF needs to submit its plans to the VCC.

If, for any reason, that is not the case, ATF will implement such other plans as required to achieve that goal as failure to do so may result in ATF being de-registered as a PDF (with consequent loss by both it and its shareholders of the tax concessions granted under the PDF Act).

SECTION 4. RISK FACTORS

This section of the IM identifies what the Directors regard as the major risks associated with an investment in ATF. Investors should read the whole of this IM in order to fully appreciate all risks and the manner in which ATF intends to operate before any decision is made to subscribe for Shares. The principal risk factors include, but are not limited to, the risks set out below.

While the Directors believe that prudent management will minimise the risks to the investors, many of the risks are outside the control of ATF and cannot be mitigated.

4.1 General risk factors

There are general risks with any investment in the securities of a company. The fair market value of Shares may rise or fall depending on a range of factors and market conditions which are outside of ATF's control, including:

- (a) changes in interest rates, both in Australia and worldwide;
- (b) changes in government policy and regulatory environment;
- (c) changes in economic and political conditions in Australia and worldwide;
- (d) changes in investor sentiment and local and international market conditions; and
- (e) developments in technology markets generally.

These factors may have an impact on ATF's operational and financial performance and may impact on the price at which the Shares may be traded (if there is market for those Shares).

The Shares are not listed on a stock exchange. Therefore, there is no ready market for the trading of the Shares. Therefore, an investment in the Shares must be regarded as illiquid.

4.2 Risk factors specific to ATF and its business

Development and commercialisation programs

Development and commercialisation programs involve long lead times, and while ATF's program for Evivar are materially advanced, risks inherent in these activities may include:

- (a) uncertainty of the outcome of Evivar's licensing and marketing programmes;
- (b) difficulties or delays in Evivar's further development of the SeqHepB system; and
- (c) general uncertainty and resistance relating to the development of a new medical therapies.

The SeqHepB system requires significant further development as part of its commercialisation, which is uncertain, expensive and time consuming. There may be difficulties or delays in the commercialisation process and progress is dependent on Evivar's corporate partners and licensees. These partners and licensees may not perform to expectation.

No assurance can be given that Evivar's product commercialisation efforts will be successful, that any required regulatory approvals will be obtained, that Evivar's products will achieve market acceptance or, if other intellectual property is acquired, that ATF will be able to successfully commercialise it.

Regulatory Approvals / Insurance

Complex government, health and insurance regulations, which are subject to change, add uncertainty to any marketing or commercial programmes.

Delays may be experienced in obtaining regulatory approvals and these may add to cost and delay products from entering the market place. This may adversely affect ATF's (and Evivar's) competitive position and the financial value.

Delays or failure to obtain regulatory approval for a product or acceptance in the market place would be likely to have a serious adverse effect on the financial value of ATF and have a consequent impact on the financial performance and position of ATF.

ATF's operations are subject to laws, regulatory restrictions and certain governmental directives, recommendations and guidelines. There can be no assurance that future legislation will not impose further government regulation with which ATF will be required to comply.

The approval process for new products often takes several years and will involve substantial expenditures. In addition, governmental policies may change and additional regulations may be promulgated that could delay or prevent regulatory or market approval of products / technologies sought to be commercialised by ATF.

SeqHepB system

Evivar licenses the SeqHepB system from Melbourne Health. If Evivar loses the benefit of that licence, it will not be able to continue its business in the future.

There can be no assurance that Evivar will be able to enter into acceptable licence or collaborative agreements in the future, that companies with which Evivar will establish such agreements will perform their obligations under those agreements or that the services they provide will comply with those agreements.

Other Intellectual Property

There can be no assurance that ATF will be able to successfully licence or acquire other intellectual property licences or, if it is able to do so, that it will be able to successfully commercialise that intellectual property.

Competition

Intense competition exists in the diagnostics industry, including in relation to:

- (a) developing products for existing and new markets;
- (b) obtaining and sustaining proprietary rights to technology; and
- (c) marketing, selling and distributing products.

The risk exists that one or more of the competitive products in development now or in the future will prove more efficacious, more cost effective or more acceptable to patients than the SeqHepB system used by Evivar or any new intellectual property that ATF may acquire in related fields. It is possible that a competitor may enter the market place and establish itself as the preferred product for an indicated use.

Such competition and new technologies can have the effect of:

- (a) rendering costly development obsolete;
- (b) decreasing the financial value of products or research projects; and

- (c) reducing pricing and profit margins.

Major pharmaceutical companies may also change their focus in a manner adverse to ATF.

Market Acceptance

Market acceptance of ATF's / Evivar's products is uncertain. These uncertainties can be caused by:

- (a) difficulties and delays in marketing the SeqHepB system (or any new product developed by ATF); and
- (c) the advancement of new competitive products.

Accordingly there can be no assurance that the SeqHepB system (or any new product developed by ATF) will be successful in the market place, or that Evivar or ATF will receive any profits from the sale of its products.

Additional Capital Requirements

Development and commercialisation activities require a high level of funding over a long period of time. The proceeds of the Placement are expected to be sufficient to fund the commercialisation and operational activities of ATF and Evivar for the immediate future. However, additional development costs may arise within this period, and substantial additional funding may be required to complete the development and commercialisation of the SeqHepB system (or any new product developed by ATF) beyond this time. There is no assurance that additional funding will be available to ATF in the future or that it can be secured on acceptable terms.

Technology Intellectual Property Rights

The granting of a patent does not guarantee that the rights of others are not infringed or that competitors will not develop technology to avoid the patented technology licensed to Evivar (i.e. the SeqHepB system).

ATF's and Evivar's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties. Because the patent positions of bio-technology and pharmaceutical companies can be highly uncertain and frequently involves complex legal and factual questions, neither the breadth of claims allowed in bio-technology and pharmaceutical patents nor their enforceability can be predicted with certainty. There can be no assurance that any patents which Evivar may licence, own or control will afford Evivar commercially significant protection of its technology or its products or have commercial application.

The enforceability of a patent is dependent on a number of factors which may vary between jurisdictions. These factors include the validity of the patent and the scope of protection it provides. The validity of a patent depends upon factors such as the novelty of the invention, the requirement in many jurisdictions that the invention not be obvious in light of the prior art (including any prior use or documentary disclosure of the invention), the utility of the invention and the extent to which the patent specification clearly discloses the best method of performing the invention. The legal interpretation of these requirements often varies between jurisdictions. The scope of rights provided by a patent can also differ between jurisdictions. There can be no assurance that others will not seek to imitate the SeqHepB system or circumvent it, and in doing so, attempt to design their products in such a way as to circumvent Evivar's rights. Additionally, the ability of the legal process to provide efficient and effective procedures for dealing with actual or suspected infringements can vary considerably between jurisdictions.

Dependence on Key Personnel

ATF and Evivar are dependent on the principal members of its management teams, the loss of whose services could materially and adversely affect ATF and/or Evivar and might impede the achievement of its development and commercial objectives.

There can be no assurance that ATF or Evivar will be able to retain sufficient qualified personnel on a timely basis, retain its key scientific and management personnel or maintain its relationships with its key collaborators. The failure to attract and retain such personnel and develop such expertise could materially adversely affect ATF's and Evivar's prospects for success.

Risk of Product Liability

Evivar's business exposes it to potential product liability risks which are inherent in the development, marketing and commercialisation of diagnostic products. It may be necessary for ATF to secure certain levels of insurance as a pre-condition to its commercialisation programme. ATF will seek to obtain adequate product liability insurance whenever prudent. However, there can be no assurance that adequate or necessary insurance coverage will be available at an acceptable cost or that a product liability or other claim would not materially and adversely affect the business or financial condition of ATF / Evivar.

Future Demand for product

Evivar is a relatively new market entrant and the SeqHepB system it possesses is only now being commercialised. There is a risk that Evivar's estimates of future demand for its diagnostic products are overstated or may not be able to be achieved. There is no comparable information regarding penetration of diagnostic products of the nature contemplated by Evivar in the relevant markets. Failure to achieve customer acceptance of its SeqHepB system product will have an adverse effect on the future results of Evivar and ATF.

General investment risks

There are a number of risks of investment which are considered beyond the control of the Company.

- the local, state, national and international economies;
- changes in accounting standards;
- movements in local and international stock markets;
- adverse currency movements;
- movements in interest rates; and
- changes in laws / barriers to commercialisation.

The Company's performance may be affected by various business risks including:

The above risk factors ought not to be taken as exhaustive of the risks faced by ATF or by the holders of Shares in ATF. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of ATF and the fair market price of the Shares offered under the Placement.

Therefore, the Shares to be issued under the Placement carry no guarantee with respect to the payment of dividends, returns of capital or the ultimate market price of those Shares.

Investment in ATF must be regarded as speculative and neither ATF nor any of its Directors or any other party associated with the Placement and the preparation of the IM guarantees that any specific objectives of ATF will be achieved or that any particular performance of ATF or of the Shares will be achieved.

SECTION 5. ADDITIONAL INFORMATION

5.1 Inspection of documents lodged with ASIC

ATF is a disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosing obligations under the Corporations Act. These obligations require ATF to lodge with ASIC information of which it becomes aware concerning ATF which a reasonable person would expect to have a material effect on the price or value of its securities.

Copies of documents lodged with ASIC in relation to ATF (which are not documents of the type referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an office of ATF or ASIC.

Copies of continuous disclosure documents lodged with ASIC in relation to ATF may be obtained from, or inspected at, an office of ASIC.

5.2 Obtaining copies of Documents

The Company will provide, free of charge to any person who asks before the Closing Date, a copy of:

- (a) the annual financial report of the Company for the year ended 30 June 2008, being the most recently lodged annual financial report of the Company before the date of this IM;
- (b) the half yearly financial report of the Company for the half year ended 31 December 2008, being the most recently lodged half yearly financial report of the Company before the date of this IM; and
- (c) any continuous disclosure notices given by the Company to ASIC, including notices given by the Company to ASIC after the lodgement of the annual financial report of the Company for the year ended 30 June 2008 with ASIC.

Investors should note that the Annual Report of the Company (which incorporates the financial statements of the Company for the year ended 30 June 2008) was lodged with ASIC on 14 December 2008 and the half yearly report on 13 March 2009.

The following documents have been lodged by the Company with ASIC since the Annual Report of the Company (which incorporates the financial statements of the Company for the year ended 30 June 2008) was lodged with ASIC on 14 December 2008:

- 19 January 2009 - Form 484 Notification of change of registered address of the Company
- 28 January 2009 - Copy of the Deputy Chairman's address to the 2008 Annual General Meeting
- 28 January 2009 - Notification of the results of the polls at the 2008 Annual General Meeting
- 28 January 2009 - Form 484 notification of issue of Shares
- 13 March 2009 - Copy of the Company's half year accounts (period ending 31 December 2008)
- 30 March 2009 - Form 484 notification of issue of Shares

All requests for copies of any of the above documents lodged at ASIC should be addressed to the Company Secretary of ATF.

5.3 Rights attaching to Shares

There is only one class of shares in ATF - fully paid ordinary shares (Shares). The Shares will rank equally with the existing fully paid ordinary shares of ATF.

The rights attaching to the Shares are:

- set out in the constitution of ATF, a copy of which is available for inspection at ATF's registered office; and
- in certain circumstances, regulated by the *Corporations Act 2001* (Cth) and the general law.

The following is a summary of the principal rights of the holders of Shares:

Voting

Every holder of Shares present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a show of hands, and on a poll every holder of Shares who is present in person or by proxy, attorney or representative has one vote for every fully paid Share held by him or her, and a proportionate vote for every partly paid Share, registered in that Shareholder's name on ATF's share register.

A poll may be demanded by the chairperson of the meeting, at least 5 shareholders entitled to vote on the resolution or shareholders with at least 5% of the votes that may be cast on the resolution on a poll.

Dividends

Dividends are payable out of ATF's profits and are declared by the Directors. Dividends declared will be payable on the Shares at a fixed amount per share.

Transfer of Shares

A shareholder may transfer Shares by a market transfer according to any computerised or electronic system established or recognised under the *Corporations Act 2001* (Cth) for the purpose of facilitating transfers of Shares or by an instrument in writing in any form approved by the Directors.

Meetings and Notice

Each shareholder is entitled to receive notice of and to attend general meetings of ATF and to receive all notices, accounts and other documents required to be sent to shareholders under the constitution of ATF or the *Corporations Act 2001* (Cth).

Liquidation Rights

ATF has only one class of shares on issue, which all rank equally in the event of liquidation. Once all the liabilities of ATF are satisfied, a liquidator may, with the authority of a special resolution of shareholders, divide among the shareholders at the time the whole or any part of the remaining assets of ATF. The liquidator may with the sanction of a special resolution of ATF vest the whole or any part of the assets in trust for the benefit of shareholders as the liquidator thinks fit, but no shareholder of ATF can be compelled to accept any shares or other securities in respect of which there is any liability.

Shareholder Liability

As the Shares offered under the IM are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three-quarters of shareholders present and voting at a general meeting.

5.4 Taxation

Investors should be aware that there may be taxation implications of participating in the Placement and/or receiving Shares. The taxation consequences of participating in the Placement and acquiring Shares may

vary depending on the individual circumstances of the investors. Investors should consult their own professional taxation advisers to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances.

5.5 Options

ATF has agreed to issue 250,000 options to each of two consultants. Each option is exercisable into one Share at an exercise price of \$0.20. The final exercise date is the date that is 5 years from date of issue of the options.

ATF Executive Share Option Plan

The Company has implemented an Executive Share Option Plan (Plan). It is intended that options will be granted under the Plan to the Directors, in particular, Mr Lamb and Mr Romanin (as the chief executive officer of Evivar), consultants and advisers to the Company and its investee companies (including Evivar). Subject to finalisation of the present proposals of the Federal Government for changes to the rules applicable to the taxation of benefits received by employees in respect of the issue of shares, options or rights under employee incentive schemes, the Company proposes to issue up to 10,000,000 options to the Directors. It is proposed that each option would entitle the holder to subscribe for one Share on payment of an exercise price of \$0.25 on or before the final exercise date, which date is expected to be either 4 or 5 years after the date of grant.

The terms of the issue of the options will vary and, in certain cases, vesting of the options in the holders will be subject to the achievement of certain performance hurdles and benchmarks. Those options that have vested (or are not subject to performance hurdles and benchmarks) may be exercised at any time.

5.6 Litigation

As at the date of this IM, ATF is not aware of any litigation or claims against ATF which are material to a person considering a subscription for Shares other than as set out below:

- Currently, ATF has instituted legal proceedings against its former executive officers, Mr Sean Magee and Ms Jennifer Page, to recover funds of in excess of \$1.2 million that ATF alleges were improperly and wrongly paid by ATF to Australian Technology Fund Management Ltd (a Hong Kong based company associated with Mr Magee), Mr Magee and/or Ms Page. The proceedings have been instituted in the Supreme Court of Victoria and are in the interlocutory stage. Apart from the costs of the litigation, ATF does not believe there is any significant liability faced by it in respect of this litigation claim; and
- Australian Technology Fund Management Ltd (the Hong Kong based company associated with Mr Magee) has instituted proceedings in the Supreme Court of New South Wales seeking damages and compensation for loss suffered by it arising from the termination by the Company in March 2008 of the Management Agreement entered into with Australian Technology Fund Management Ltd in August 2007. It is alleged that ATF, in terminating the Agreement, acted in breach of the Agreement. The Company does not believe that the claims made by Australian Technology Fund Management Ltd in these proceedings have any merit.

Other legal proceedings can arise from time to time particularly regarding patent and intellectual property infringements.

5.7 Interests of Directors and promoters

Except as set out below or elsewhere in this IM:

- no Director, proposed Director or promoter of ATF holds or has held in the two years before the date of this IM, any interest:

- in the formation or promotion of ATF;
- in property acquired or proposed to be acquired by ATF in connection with its formation or promotion of ATF; or
- the Placement; and
- no amount has been paid or agreed to be paid and no value or any benefit has been given or agreed to be given to:
 - any Director, or proposed Director, to induce him or her to become, or to qualify as, a director of ATF; or
 - any Director, proposed Director or promoter of ATF for services that he or she has provided in connection with the formation or promotion of ATF or the Placement.

Directors share holdings (includes interests held directly and indirectly):

<i>Director</i>	<i>Ordinary Shares</i>
Professor Raymond Schinazi	2,471,734
Mr Jon Lamb	2,965,000
Mr J A(Tony) Wigginton	1,262,500
Mr Bernard Romanin	Nil

No Director presently holds options or other securities convertible into Shares. However, as set out in section 5.5 of the IM, the Company proposes to issue up to 10,000,000 options to the Directors, consultants and advisers to the Company and its investee companies (including Evivar). It is expected that each option would entitle the holder to subscribe for one Share on payment of an exercise price of \$0.25 on or before the final exercise date, which date is expected to be either 4 or 5 years after the date of grant. It is not expected that the issue of these options will occur until after the Placement.

Shareholding qualifications

The Directors are not required to hold any Shares under the constitution of ATF as a qualification for, or prerequisite to, holding office as a director.

Remuneration of Directors

The constitution of ATF provides that the non-executive Directors are entitled to remuneration as determined by ATF in a general meeting. The total maximum remuneration currently able to be paid to non-executive Directors is an amount not exceeding \$250,000 per annum, which amount may be apportioned among them in the manner that the Directors in their absolute discretion determine.

For the financial year ended 30 June 2008, no fees were paid to the non-executive Directors. Subsequent to the end of that financial year, in recognition of the services provided by the non-executive Directors, ATF has agreed to pay fees to the non-executive Directors for that year totalling \$65,000. The fees have been paid by the issue of 650,000 Shares to the non-executive Directors. For the current financial year ending 30 June 2009, it is expected that the fees not exceeding \$150,000 will be paid (by the issue of Shares at \$0.20 each) to the non-executive Directors.

A Director may be paid fees or other amounts as the Directors determine where a director performs special duties or otherwise performs services outside the scope of the duties of a director. A Director may

also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Each of Mr Jon Lamb and Mr Tony Wigginton has provided services to the Company. In the case of Mr Lamb, as ATF as does not have any permanent full time employees, he has provided consulting services and acted in an executive capacity (on a part time basis) subsequent to the resignations of the ATF's executive officers, Mr Sean Magee and Ms Jennifer Page, in April 2008. Mr Lamb has played a vital role in the progress of the Company since April 2008 and has been instrumental in raising the capital necessary to complete ATF's initial investment in Evivar. For the period from April 2008 to 30 June 2009, the Company has agreed to pay Mr Lamb a total fee of \$500,000 for services rendered (in respect of both executive services to the Company and in raising new capital). The fee has been satisfied by the issue of 2,500,000 Shares (at \$0.20 each) to Mr Lamb.

After 1 July 2009, it is intended that Mr Lamb will enter into a formal consulting agreement with the Company for the provision of his services. The terms of that agreement are yet to be negotiated.

In the case of Mr Wigginton, he has provided company secretarial, administrative and financial consulting services directly to the Company since April 2008. For the period from April 2008 to 30 June 2009, the Company has agreed to pay Mr Wigginton a total fee of \$100,000 for services rendered to the Company. The fee has been satisfied by the issue of 500,000 Shares (at \$0.20 each) to Mr Wigginton.

Mr Bernard Romanin is the Chief Executive Officer of Evivar. The salary and other benefits that he may receive in that position is on commercial terms commensurate with the salary packages available to executive officers of other small biotechnology companies of a similar size and industry grouping to Evivar.

Professor Raymond Schinazi made a loan to the Company in April 2008. The loan was made on commercial terms, including interest at 8.6% per annum and secured against the Company's holding of shares in Hunter. The loan, and accrued interest, has been converted into Shares (at an issue price per Share of \$0.20), with the resultant issue to Professor Schinazi of 59,234 Shares.

5.8 Responsibility statements

No person named in this IM as acting in a particular capacity for the Company:

- has authorised or caused the issue of this IM; or
- makes, or purports to make, any statement in this IM or any statement on which a statement in this IM is based.

Each person named in this IM, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this IM.

5.9 Authorisation

This IM is issued by ATF Group (PDF) Limited. Each of the Directors has consented to the issue of this IM.

Dated: 25 June 2009

SECTION 6. DEFINED TERMS

Application Form	the application form which accompanies this IM
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited
Board	the board of Directors from time to time
Company or ATF	ATF Group (PDF) Limited ACN 106 213 772
Constitution	the constitution of the Company from time to time
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Directors	the directors of ATF from time to time
Gross Proceeds	the gross amount raised pursuant to the Placement (before the costs of the Placement)
Half Year Accounts	the half year accounts of ATF for the half year ending 31 December 2008 lodged with ASIC on 13 March 2009
IM	this IM in respect of the Placement
Placement	the placement of up to 30,000,000 Shares (to raise up to \$6 million) to be undertaken pursuant to this IM
Section	a section of this IM
Share	a fully paid ordinary share in the capital of ATF and Shares has a corresponding meaning
Shareholders	registered holders of Shares from time to time and Shareholder has a corresponding meaning.
Share Registry	Computershare Investor Services Pty Limited

APPLICATION FORM

**ATF GROUP (PDF) LIMITED
ACN 106 213 772**

PLACEMENT OF ORDINARY SHARES AT \$0.20 PER SHARE

Name(s) of Applicant:

Address of Applicant:

.....

.....

Account details (if required)

Number of Ordinary Shares (Shares) subscribed for:

Total application money (at \$0.20 per Share): \$.....

I/We whose full name[s] and address[es] appear above:

1. irrevocably and unconditionally apply and agree to the issue to me/us of the above number of Shares at the application price of \$0.20 per Share; and
2. attach a (bank) cheque drawn in favour of ATF Group (PDF) Limited (or agree to transfer to the bank account nominated by ATF Group (PDF) Limited) for the application money (being the aggregate subscription price for the Shares).

On becoming a shareholder of ATF Group (PDF) Limited, I/we agree to be bound by the constitution of ATF Group (PDF) Limited.

In making this application for Shares, I/we declare, acknowledge and confirm that:

- (a) I/we agree to accept the Shares issued to me/us pursuant to this application and agree to be registered as the holder of the Shares subject to the terms and conditions of issue and to be bound by the terms of the constitution of the Company;
- (b) the offer to me/us of Shares is personal to me/us and cannot be accepted by any person other than me/us;
- (c) I am / we are interested in the offer having regard to the matters specified in section 708(2)(b) of the Corporations Act;
- (d) the offer for subscription and issue of the Shares is not an offer or issue that requires a disclosure statement within the meaning of section 708 of the Corporations Act; and
- (e) except in accordance with the Corporations Act, I/we will not sell or transfer or make any offer for sale or transfer or grant, issue or transfer interests in, or options or warrants over, all or any of the Shares.

For execution instructions – please see the reverse side

Execution of the Application Form

Signing/Lodgement Instructions

In the case of joint applications, each applicant must sign.

Where the applicant is an incorporated body, unless it is a sole director company, two directors or a director and a secretary must sign this form. For sole director companies, that director must sign and indicate that he / she is the sole director.

If this form is signed under Power of Attorney:

- (f) and the relevant Power of Attorney has not previously been provided, a copy of the Power of Attorney must be forwarded with this form for noting and return; and
- (g) the Attorney hereby states that s/he has no notice of revocation of the Power of Attorney under the authority of which this application is signed.

Dated:

For individuals:

Signed

Signed

For companies

Director

Director / Secretary