

# ATF Group

## Shareholder Update August 2007

### Notice of Exercise of Options

All shareholders should by now have received notice that the expiry date for shareholders to exercise their share options is Friday 31 August 2007.

Of the Directors of ATF Group (PDF) Limited only one Director, Chris Cuffe, has such options attached to his shares. Chris Cuffe, who joined the Board on 3 August 2007 has notified the Company that he intends to exercise his options.

The Board urges optionholders to carefully consider whether or not to exercise their options now, and to obtain all relevant independent professional advice from their broker, accountant lawyer or other professional advisor in relation to this decision.

### Evivar Medical Pty Limited

I am pleased to announce that a further major step in terms of European market penetration has been achieved since the Notice of Annual General Meeting with the signing of license and collaboration agreements with Medizinische Hochschule Hannover headed by Professor Michael Manns, one of Europe's leading Liver specialists.

### Annual General Meeting – Chairman's address

At the AGM held in Sydney on 3 August 2007 an update on commercial activities and progress was provided to shareholders. The update provided to shareholders in the "Chairman's Report" in the Notice of Annual General Meeting confirmed that good progress is being made in regard to the proposed investment in Advanced Biological Laboratories SA ("ABL"). This investment is expected to have significant synergies with Evivar Medical Pty Limited.

ABL is based in Luxembourg and provides therapy management to patients suffering from HIV. The Therapy Edge on-line service provided by ABL is delivered over the internet in a similar way to that in which Evivar Medical provides such therapy management to patients suffering from Hepatitis B. Further background on the ABL's activities can be found on ABL's website [www.ablsa.com](http://www.ablsa.com).

Since ATF Group is a registered pooled development fund it is, in its own right, restricted from investment in overseas companies. In order to make this investment available to shareholders, the ATF Group has sought and obtained PDF Board approval to staple together the shares of ATF Group (PDF) Limited to a "sister company" to be incorporated and to be named ATFI Limited. Should the proposed transaction with ABL complete, ATFI Limited is proposed to become the ultimate holding company for a 25 % shareholding in ABL.

In the interim, a subsidiary of Australian Technology Fund Management Limited (a company responsible for the ATF management team) has agreed to subscribe for 25% of ABL shares. It is proposed that Australian Technology Fund Management Limited will sell its subsidiary to ATFI Limited in exchange for shares in the stapled companies.

A Notice of Extraordinary General Meeting is currently being prepared for circulation to shareholders to approve these stapling arrangements whereby it is proposed that all existing ATF Group (PDF) shareholders receive shares in ATFI Limited enabling them to participate in the financial returns and synergies which the ABL investment is expected to bring to Evivar Medical Pty Limited.

There remain several key steps to secure this investment:

1. raising of funds by Australian Technology Fund Management Limited's subsidiary to acquire a 25% shareholding in ABL;
2. completion of all remaining legal documentation; and
3. a successful vote in favor of the transaction at the forthcoming Extraordinary General Meeting of ATF Group shareholders.

Discussions are underway with a substantial Australian financial institution and a number of private investors in regard to this funding as well as with a number of high net worth professional investors. A further shareholder update will be issued if and when the above key steps are achieved.

Interested shareholders who qualify as sophisticated professional investors seeking to expand their investment who are interested in further information should contact Tony Wigginton, Company Secretary on 0412-548-417.

**Please note this does not constitute an offer of securities**

Yours sincerely



Sean Magee  
Managing Director