

ATF GROUP (PDF) LIMITED

ABN 80 106 213 772

Suite 404, 73 Flinders Lane
Melbourne Vic 3000
Tel (03) 9650 8911 Fax (03) 9650 4911

Under terms of a confidential agreement reached with Mr Magee and Ms Page certain parts of this newsletter have been taken out

ATF GROUP SHAREHOLDERS LETTER

MAY 2008

It is some six months since the last shareholders' update was circulated. In that time, there have been a number of important changes within the ATF Group which need to be advised to shareholders.

[REDACTED] This followed from the resignation from the Company of Sean Magee and Jennifer Page as executives and the consequent cessation of their directorships. [REDACTED]

[REDACTED]

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.

In addition, the Board is ensuring the proprietary information of Evivar IP is protected to the maximum extent. For that purpose, it has funded the latest round of patent registrations. These registrations, if successful, will give Evivar a markedly enhanced IP platform and should thereby significantly increase its value.

In March 2008 official notification was received from the US Patent office on the "Notice of Allowance" of an important patent covering one of key antiviral drugs used in treating hepatitis B. This is a strategically important patent that further strengthens Evivar's Intellectual Property portfolio.

Evivar's commercial development activities have progressed positively in the first quarter of 2008. The company has signed its second Licence and Collaboration agreement in Italy with the pre-eminent clinical institution in Rome.

Negotiations are also continuing with ABL. There remains considerable goodwill between ATF Group, Evivar and ABL. The parties are seeking new ways to bring the three entities together with the common goal of creating a strong IP position that will lock out competitors.

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.

Raymond F. Schinazi, Ph.D, D.Sc.
Chairman, on behalf of the Directors of
ATF Group (PDF) Limited.

(For any correspondence please note change of address.)