ANADIS
LIMITED

7 February, 2003

Australian Stock Exchange
ANX000075

The Company Announcements Office,
Australian Stock Exchange Limited,
Sydney. NSW.

Fax: 1300 300 021

Number of Pages: 27

Subject: Appendix 4B - 31 December, 2002

Anadis Limited is pleased to report that, as detailed in the company's 4B, sales revenue increased by 54% for the six month period ended December 31st 2002, reaching $1,421,000 up from $919,000 for the previous corresponding period.

The sales revenue figure is a reflection of both increased volumes of products being manufactured and improved margins on manufacturing. These revenues, after allocation of direct overheads, have made a positive contribution to the research and development activities of the company. We continue to aggressively pursue additional toll manufacturing contracts and development of our own products to further increase our sales revenue.

Additionally the company received, in August 2002, a $250,000 funding grant from the Industry Research and Development Board of AusIndustry to enable Anadis to undertake research into the potential efficacy of our "Bioshielding" technology which, to date, has shown promising potential. This work is now well underway and three provisional patent applications have been lodged in relation to this technology.

In November 2002 Anadis signed a major development, distribution and manufacturing agreement with The Development Centre For Biotechnology (DCB) – a Taiwanese government organization – to produce a fast track preventative product for Enterovirus 71,

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a growing health problem in Asia. The developmental stage of the programme, costing $293,000 over an eighteen month period will be totally funded from Taiwan with the first tranche of monies already received. Our scientists are confident that an effective preventative can be developed in this time representing a fraction of the time required to develop a conventional vaccine. Two scientists from DCB visited with Anadis last month to facilitate the rapid pace of product development intended for this project. Two provisional patent applications relevant to this work are currently in development.

The joint work currently being undertaken with the Department of Defence, to further the development of a breakthrough technology with the potential to provide short term protection for military personnel against a range of biological warfare threats, including anthrax and plague, is now underway with work being presently undertaken by both parties. A provisional patent has been lodged on the initial discovery work done by Anadis.

Clinical trial work continues on our Pyloran and Osteoporon projects with results from these trials expected over the coming months.

Travelan is now entering the manufacturing stage with initial launch of the product planned in Australia during second half of this year.

Anadis anticipates that this coming year will be a year of exciting change and further consolidation of the company's cashflow growth.

For and on behalf of Anadis Limited.

P G Molyneux
Chairman

Rules 4.1, 4.3

Appendix 4B

Half yearly/preliminary final report

Introduced 30/6/2002.

Name of entity

ANADIS LIMITED

ABN or equivalent company reference	Half yearly *(tick)*	Preliminary final *(tick)*	Half year/financial year ended ('current period')
80 063 114 045	X		31 December, 2002

For announcement to the market

Extracts from this report for announcement to the market (see note 1).

				$A'000
Revenues from ordinary activities *(item 1.1)*	Up	56%	to	1,609
Profit (loss) from ordinary activities after tax attributable to members *(item 1.22)*	Down	(13%)	to	(861)
Profit (loss) from extraordinary items after tax attributable to members *(item 2.5(d))*	gain (loss) of			-
Net profit (loss) for the period attributable to members *(item 1.11)*	Down	(13%)	to	(861)

Dividends (distributions)	Amount per security	Franked amount per security
Final dividend *(Preliminary final report only - item 15.4)* Interim dividend *(Half yearly report only - item 15.6)*	0¢	0¢
Previous corresponding period *(Preliminary final report - item 15.5; half yearly report - item 15.7)*	0¢	0¢

+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) *(see item 15.2)*: N/A

Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

If this is a half yearly report it is to be read in conjunction with the most recent annual financial report.

Condensed consolidated statement of financial performance

		Current period - $A'000	Previous corresponding period - $A'000
1.1	Revenues from ordinary activities *(see items 1.23 -1.25)*	1,609	1,034
1.2	Expenses from ordinary activities *(see items 1.26 & 1.27)*	(2,470)	(2,026)
1.3	Borrowing costs	-	-
1.4	Share of net profits (losses) of associates and joint venture entities *(see item 16.7)*	-	-
1.5	**Profit (loss) from ordinary activities before tax**	**(861)**	**(992)**
1.6	Income tax on ordinary activities *(see note 4)*	-	-
1.7	**Profit (loss) from ordinary activities after tax**	**(861)**	**(992)**
1.8	Profit (loss) from extraordinary items after tax *(see item 2.5)*	-	-
1.9	**Net profit (loss)**	**(861)**	**(992)**
1.10	Net profit (loss) attributable to outside +equity interests	-	-
1.11	**Net profit (loss) for the period attributable to members**	**(861)**	**(992)**
	Non-owner transaction changes in equity		
1.12	Increase (decrease) in revaluation reserves	-	-
1.13	Net exchange differences recognised in equity	-	-
1.14	Other revenue, expense and initial adjustments recognised directly in equity (attach details)	-	-
1.15	Initial adjustments from UIG transitional provisions	-	-
1.16	Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	-	-
1.17	**Total changes in equity not resulting from transactions with owners as owners**	-	-

	Earnings per security (EPS)	Current period	Previous corresponding period
1.18	Basic EPS	(0.01)c	(0.01)c
1.19	Diluted EPS	(0.01)c	(0.01)c

+ See chapter 19 for defined terms.

Notes to the condensed consolidated statement of financial performance

Profit (loss) from ordinary activities attributable to members

		Current period - $A'000	Previous corresponding period - $A'000
1.20	Profit (loss) from ordinary activities after tax (*item 1.7*)	(861)	(992)
1.21	Less (plus) outside +equity interests	-	-
1.22	**Profit (loss) from ordinary activities after tax, attributable to members**	**(861)**	**(992)**

Revenue and expenses from ordinary activities

(see note 15)

		Current period - $A'000	Previous corresponding period - $A'000
1.23	Revenue from sales or services	1,421	919
1.24	Interest revenue	79	115
1.25	Other relevant revenue	109	-
1.26	Details of relevant expenses (See Attachment 1)	(2,406)	(1,965)
1.27	Depreciation and amortisation excluding amortisation of intangibles *(see item 2.3)*	(64)	(61)
Capitalised outlays			
1.28	Interest costs capitalised in asset values	-	-
1.29	Outlays capitalised in intangibles (unless arising from an +acquisition of a business)	-	-

Consolidated retained profits

		Current period - $A'000	Previous corresponding period - $A'000
1.30	Retained profits (accumulated losses) at the beginning of the financial period	(6,269)	(4,570)
1.31	Net profit (loss) attributable to members (*item 1.11*)	(861)	(992)
1.32	Net transfers from (to) reserves *(details if material)*	-	-
1.33	Net effect of changes in accounting policies	-	-
1.34	Dividends and other equity distributions paid or payable	-	-
1.35	**Retained profits (accumulated losses) at end of financial period**	**(7,130)**	**(5,562)**

Intangible and extraordinary items

		Consolidated - current period			
		Before tax $A'000 (a)	Related tax $A'000 (b)	Related outside +equity interests $A'000 (c)	Amount (after tax) attributable to members $A'000 (d)
2.1	Amortisation of goodwill	(9)	-	-	(9)
2.2	Amortisation of other intangibles	-	-	-	-
2.3	**Total amortisation of intangibles**	(9)	-	-	(9)
2.4	Extraordinary items (details)	-	-	-	-
2.5	**Total extraordinary items**	-	-	-	-

Comparison of half year profits

(Preliminary final report only)

		Current year - $A'000	Previous year - $A'000
3.1	Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the *1st* half year (item 1.22 in the half yearly report)	N/A	N/A
3.2	Consolidated profit (loss) from ordinary activities after tax attributable to members for the *2nd* half year	N/A	N/A

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial position

		At end of current period $A'000	As shown in last annual report $A'000	As in last half yearly report $A'000
	Current assets			
4.1	Cash	313	576	410
4.2	Receivables	545	460	405
4.3	Investments	2,249	2,800	3,673
4.4	Inventories	398	429	350
4.5	Tax assets	-	-	-
4.6	Other (provide details if material)	77	100	70
4.7	**Total current assets**	**3,582**	**4,365**	**4,908**
	Non-current assets			
4.8	Receivables	-	-	-
4.9	Investments (equity accounted)	-	-	-
4.10	Other investments	-	-	-
4.11	Inventories	-	-	-
4.12	Exploration and evaluation expenditure capitalised *(see para .71 of AASB 1022)*	-	-	-
4.13	Development properties (⁺mining entities)	-	-	-
4.14	Other property, plant and equipment (net)	1,832	1,883	1,942
4.15	Intangibles (net)	320	329	338
4.16	Tax assets		-	-
4.17	Other (provide details if material)		-	-
4.18	**Total non-current assets**	**2,152**	**2,212**	**2,280**
4.19	**Total assets**	**5,734**	**6,577**	**7,188**
	Current liabilities			
4.20	Payables	236	202	249
4.21	Interest bearing liabilities	-	-	-
4.22	Tax liabilities	-	-	-
4.23	Provisions exc. tax liabilities	36	52	50
4.24	Other (provide details if material)	-	-	
4.25	**Total current liabilities**	**272**	**254**	**299**
	Non-current liabilities			
4.26	Payables	-	-	-
4.27	Interest bearing liabilities	-	-	-
4.28	Tax liabilities	-	-	-
4.29	Provisions exc. tax liabilities	-	-	-
4.30	Other (provide details if material)	-	-	-
4.31	**Total non-current liabilities**	-	-	-

Condensed consolidated statement of financial position continued

4.32	**Total liabilities**	**272**	**254**	**299**

4.33	**Net assets**	**5,462,**	**6,323**	**6,889**
	Equity			
4.34	Capital/contributed equity	12,592	12,592	12,451
4.35	Reserves	-	-	-
4.36	Retained profits (accumulated losses)	(7,130)	(6,269)	(5,562)
4.37	**Equity attributable to members of the parent entity**	**5,462**	**6,323**	**6,889**
4.38	Outside +equity interests in controlled entities	-	-	-
4.39	**Total equity**	**5,462**	**6,323**	**6,889**
4.40	Preference capital included as part of 4.37	-	-	-

Notes to the condensed consolidated statement of financial position

Exploration and evaluation expenditure capitalised

(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred.)

		Current period $A'000	Previous corresponding period - $A'000
5.1	Opening balance		
5.2	Expenditure incurred during current period		
5.3	Expenditure written off during current period		
5.4	Acquisitions, disposals, revaluation increments, etc.		
5.5	Expenditure transferred to Development Properties		
5.6	**Closing balance as shown in the consolidated balance sheet** *(item 4.12)*	**N/A**	**N/A**

Development properties

(To be completed only by entities with mining interests if amounts are material)

		Current period $A'000	Previous corresponding period - $A'000
6.1	Opening balance		
6.2	Expenditure incurred during current period		
6.3	Expenditure transferred from exploration and evaluation		
6.4	Expenditure written off during current period		
6.5	Acquisitions, disposals, revaluation increments, etc.		

6.6	Expenditure transferred to mine properties		
6.7	**Closing balance as shown in the consolidated balance sheet** *(item 4.13)*	**N/A**	**N/A**

Condensed consolidated statement of cash flows

		Current period $A'000	Previous corresponding period - $A'000
	Cash flows related to operating activities		
7.1	Receipts from customers	1478	972
7.2	Payments to suppliers and employees	(2,465)	(2,128)
7.3	Dividends received from associates	-	-
7.4	Other dividends received	-	-
7.5	Interest and other items of similar nature received	78	73
7.6	Interest and other costs of finance paid	-	-
7.7	Income taxes paid	-	-
7.8	Other (provide details if material)	109	-
7.9	**Net operating cash flows**	**(800)**	**(1,083)**
	Cash flows related to investing activities		
7.10	Payment for purchases of property, plant and equipment	(13)	(83)
7.11	Proceeds from sale of property, plant and equipment	-	-
7.12	Payment for purchases of equity investments	-	(2,636)
7.13	Proceeds from sale of equity investments	550	3,500
7.14	Loans to other entities	-	-
7.15	Loans repaid by other entities	-	-
7.16	Other (provide details if material)	-	-
7.17	**Net investing cash flows**	**537**	**781**
	Cash flows related to financing activities		
7.18	Proceeds from issues of +securities (shares, options, etc.)	-	405
7.19	Proceeds from borrowings	-	-
7.20	Repayment of borrowings	-	-
7.21	Dividends paid	-	-
7.22	Other (provide details if material)	-	-
7.23	**Net financing cash flows**	-	**405**
7.24	**Net increase (decrease) in cash held**	(263)	**103**
7.25	Cash at beginning of period *(see Reconciliation of cash)*	576	307
7.26	Exchange rate adjustments to item 7.25.	-	-

7.27	**Cash at end of period** *(see Reconciliation of cash)*	**313**	**410**

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. *(If an amount is quantified, show comparative amount.)*

N/A

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current period $A'000	Previous corresponding period - $A'000
8.1	Cash on hand and at bank	313	410
8.2	Deposits at call	-	-
8.3	Bank overdraft	-	-
8.4	Other (provide details)	-	
8.5	**Total cash at end of period** *(item 7.27)*	**313**	**410**

Other notes to the condensed financial statements

Ratios		Current period	Previous corresponding period
9.1	**Profit before tax / revenue** Consolidated profit (loss) from ordinary activities before tax (*item 1.5*) as a percentage of revenue (*item 1.1*)	(53%)	(96%)
9.2	**Profit after tax / +equity interests** Consolidated net profit (loss) from ordinary activities after tax attributable to members (*item 1.11*) as a percentage of equity (similarly attributable) at the end of the period (*item 4.37*)	(15%)	(14%)

Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of *AASB 1027: Earnings Per Share* are as follows.

	Current Period (dollar)	Previous corresponding period. (dollar)
Basic earnings per share	(0.01)	(0.01)
Diluted earnings per share	(0.01)	(0.01)
	Current Period (number)	Previous corresponding period. (number)
Weighted average number of shares used as the denominator		
Weighted average number of shares used as the denominator in calculating basic earnings per share	81,163,403	78,260,105
Weighted average number of shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	81,163,403	78,260,105

Reconciliation of earns used in calculating earnings per share
The numerator used in calculation of both Basic EPS and Diluted EPS is a loss of $861,000 (2001 $997,000) and there are no reconciling items to the loss from ordinary activities before income tax expense.

Options
Options that have been granted are considered to be potential ordinary shares, however their conversion to ordinary shares does not increase the loss per share. As such the options are not dilutive and have not been included in the determination of diluted earnings per share. The options have not been included in the determination of basic earnings per share. Details of the options are set out in Point 18.7

NTA backing *(see note 7)*	Current period	Previous corresponding period
11.1 Net tangible asset backing per +ordinary security	$0.06	$0.08

Discontinuing Operations

(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5 (g) of AASB 1029: Interim Financial Reporting, or, the details of discontinuing operations they have disclosed in their accounts in accordance with AASB 1042: Discontinuing Operations (see note 17).)

12.1 Discontinuing Operations

N/A

Control gained over entities having material effect

13.1	Name of entity (or group of entities)	N/A
13.2	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was +acquired	N/A
13.3	Date from which such profit has been calculated	N/A
13.4	Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of control of entities having material effect

14.1	Name of entity (or group of entities)	N/A
14.2	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	N/A
14.3	Date to which the profit (loss) in item 14.2 has been calculated	N/A
14.4	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	N/A
14.5	Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	N/A

Dividends (in the case of a trust, distributions)

15.1	Date the dividend (distribution) is payable	N/A
15.2	+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved)	N/A
15.3	If it is a final dividend, has it been declared? *(Preliminary final report only)*	

Amount per security

		Amount per security	Franked amount per security at % tax (see note 4)	Amount per security of foreign source dividend
	(Preliminary final report only)			
15.4	**Final dividend:** Current year	0¢	0¢	0¢
15.5	Previous year	0¢	0¢	0¢
	(Half yearly and preliminary final reports)			
15.6	**Interim dividend:** Current year	0¢	0¢	0¢
15.7	Previous year	0¢	0¢	0¢

Total dividend (distribution) per security (interim *plus* final)

(Preliminary final report only)

		Current year	Previous year
15.8	+Ordinary securities	0¢	0¢
15.9	Preference +securities	0¢	0¢

Half yearly report - interim dividend (distribution) on all securities *or* Preliminary final report - final dividend (distribution) on all securities

		Current period $A'000	Previous corresponding period - $A'000
15.10	+Ordinary securities *(each class separately)*	N/A	N/A
15.11	Preference +securities *(each class separately)*	N/A	N/A
15.12	Other equity instruments *(each class separately)*	N/A	N/A
15.13	**Total**	**N/A**	**N/A**

The +dividend or distribution plans shown below are in operation.

N/A

The last date(s) for receipt of election notices for the +dividend or distribution plans: N/A

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)*

Details of aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	Current period $A'000	Previous corresponding period - $A'000
16.1 Profit (loss) from ordinary activities before tax	N/A	N/A
16.2 Income tax on ordinary activities		
16.3 Profit (loss) from ordinary activities after tax		
16.4 Extraordinary items net of tax		
16.5 Net profit (loss)		
16.6 Adjustments		
16.7 Share of net profit (loss) of associates and joint venture entities		

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. *(If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)*

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (*item 1.9*)	
	Current period	Previous corresponding period	Current period $A'000	Previous corresponding period - $A'000
17.1 Equity accounted associates and joint venture entities	N/A	N/A	N/A	N/A
17.2 Total				
17.3 Other material interests				
17.4 Total				

Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

Category of +securities		Total number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
18.1	**Preference +securities** *(description)*				
18.2	Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions				
18.3	**+Ordinary securities**	81,163,403	80,519,126		
18.4	Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	N/A			
18.5	**+Convertible debt securities** *(description and conversion factor)*	N/A			
18.6	Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	N/A			
18.7	**Options** *(description and conversion factor)*	5,150,000		*Exercise price*	*Expiry date (if any)*
	Employee options	700,000		0.50	31/5/06
		200,000		0.40	22/04/05
		200,000		0.45	22/04/05
		500,000		0.30	1/2/04
		50,000		0.35	15/8/05
		50,000		0.39	15/8/05
		1,850,000		0.80	8/2//03
		1,500,000		0.80	14/11/03
		50,000		0.24	25/11/05
		50,000		0.27	25/11/05
18.8	Issued during current period	50,000		0.35	15/8/05
		50,000		0.39	15/8/05
		50,000		0.24	25/11/05
		50,000		0.27	25/11/05

18.9	Exercised during current period	-			
18.10	Expired during current period	-			
18.11	**Debentures** *(description)*	N/A			
18.12	Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				
18.13	**Unsecured notes** *(description)*	N/A			
18.14	Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				

Segment reporting

(Information on the business and geographical segments of the entity must be reported for the current period in accordance with *AASB 1005: Segment Reporting* and for half year reports, *AASB 1029: Interim Financial Reporting*. Because entities employ different structures a pro forma cannot be provided. Segment information in the layout employed in the entity's +accounts should be reported separately and attached to this report. See Attachment 2)

Comments by directors

(Comments on the following matters are required by ASX or, in relation to the half yearly report, by *AASB 1029: Interim Financial Reporting*. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.)
Refer to covering letter.

Basis of financial report preparation

19.1 *If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Interim Financial Reporting.* ***It should be read in conjunction with the last +annual report and any announcements to the market made by the entity during the period.*** *The financial statements in this report are "condensed financial statements" as defined in AASB 1029: Interim Financial Reporting. This report does not include all the notes of the type normally included in an annual financial report.* [Delete if preliminary final report.]

19.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

None

19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

None

19.4 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

N/A

19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with *AASB 1029: Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with *AASB 1001: Accounting Policies-Disclosure*).

N/A

19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous +annual reports if those revisions have a material effect in this half year.

N/A

19.7 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last + annual report.

N/A

Additional disclosure for trusts

20.1	Number of units held by the management company or responsible entity or their related parties.	N/A
20.2	A statement of the fees and commissions payable to the management company or responsible entity. Identify: • initial service charges • management fees • other fees	N/A

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place	N/A
Date	
Time	
Approximate date the +annual report will be available	

Compliance statement

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

Identify other standards used

2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.

3 This report does give a true and fair view of the matters disclosed (see note 2).

4 This report is based on +accounts to which one of the following applies.

(Tick one)

☐	The +accounts have been audited.	X	The +accounts have been subject to review.
☐	The +accounts are in the process of being audited or subject to review.	☐	The +accounts have *not* yet been audited or reviewed.

5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available* *(delete one). (Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Act.)*

6 The entity has a formally constituted audit committee.

Sign here: .... Date: ..6 February, 2003
(Director)

Print name: Philip G. Molyneux

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. Entities are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.

2. **True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.

3. **Condensed consolidated statement of financial performance**

Item 1.1	The definition of "revenue" and an explanation of "ordinary activities" are set out in *AASB 1004: Revenue*, and *AASB 1018: Statement of Financial Performance*.
Item 1.6	This item refers to the total tax attributable to the amount shown in item 1.5. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg, fringe benefits tax).

4. **Income tax** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franked amount per security at % tax" for items 15.4 to 15.7.

5. **Condensed consolidated statement of financial position**

Format The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029: Interim Financial Reporting*, and *AASB 1040: Statement of Financial Position*. Also, banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

Basis of revaluation If there has been a material revaluation of non-current assets (including investments) since the last +annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.

6. **Condensed consolidated statement of cash flows** For definitions of "cash" and other terms used in this report see *AASB 1026: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the

presentation adopted must meet the requirements of *AASB 1026*. +Mining exploration entities may use the form of cash flow statement in Appendix 5B.

7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the +ordinary securities (ie, all liabilities, preference shares, outside +equity interests etc). +Mining entities are *not* required to state a net tangible asset backing per +ordinary security.

8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the +accounts. Details must include the contribution for each gain or loss that increased or decreased the entity's consolidated profit (loss) from ordinary activities and extraordinary items after tax by more than 5% compared to the previous corresponding period.

9. **Rounding of figures** This report anticipates that the information required is given to the nearest $1,000. If an entity reports exact figures, the $A'000 headings must be amended. If an entity qualifies under ASIC Class Order 98/0100 dated 10 July 1998, it may report to the nearest million dollars, or to the nearest $100,000, and the $A'000 headings must be amended.

10. **Comparative figures** Comparative figures are to be presented in accordance with *AASB 1018* or *AASB 1029 Interim Financial Reporting* as appropriate and are the unadjusted figures from the latest annual or half year report as appropriate. However, if an adjustment has been made in accordance with an accounting standard or other reason or if there is a lack of comparability, a note explaining the position should be attached. For the statement of financial performance, *AASB 1029 Interim Financial Reporting* requires information on a year to date basis in addition to the current interim period. Normally an Appendix 4B to which *AASB 1029 Interim Financial Reporting* applies would be for the half year and consequently the information in the current period is also the year to date. If an Appendix 4B Half yearly version is produced for an additional interim period (eg because of a change of reporting period), the entity must provide the year to date information and comparatives required by *AASB 1029 Interim Financial Reporting.* This should be in the form of a multi-column version of the consolidated statement of financial performance as an attachment to the additional Appendix 4B.

11. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the +ASIC under the Corporations Act must also be given to ASX. For example, a director's report and declaration, if lodged with the +ASIC, must be given to ASX.

12. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.

13. **Corporations Act financial statements** This report may be able to be used by an entity required to comply with the Corporations Act as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.

14. **Issued and quoted securities** The issue price and amount paid up is not required in items 18.1 and 18.3 for fully paid securities.

15 **Details of expenses** *AASB 1018* requires disclosure of expenses from ordinary activities according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by ASX. *AASB ED 105* clarifies that the disclosures required by *AASB 1018* must be either *all* according to nature or *all* according to function. Entities must disclose details of expenses using the layout (by nature or function) employed in their +accounts.

The information in lines 1.23 to 1.27 may be provided in an attachment to Appendix 4B.

Relevant Items *AASB 1018* requires the separate disclosure of specific revenues and expenses which are not extraordinary but which are of a size, nature or incidence that disclosure is *relevant* in explaining the financial performance of the reporting entity. The term "relevance" is defined in *AASB 1018*. There is an equivalent requirement in *AASB 1029: Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by ASX.

16 **Dollars** If reporting is not in A$, all references to $A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to "000" must be changed to the reporting value.

17. **Discontinuing operations**

Half yearly report

All entities must provide the information required in paragraph 12 for half years beginning on or after 1 July 2001.

Preliminary final report

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by paragraph 7.5 (g) of *AASB 1029: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their +accounts in accordance with *AASB 1042 Discontinuing Operations*.

In any case the information may be provided as an attachment to this Appendix 4B.

18. **Format**

This form is a Word document but an entity can re-format the document into Excel or similar applications for submission to the Companies Announcements Office in ASX.

Attachment 1

1.26 Details of relevant expense.

	Current period -SA'000	Previous corresponding period - SA'ooo
Cost of materials	964	676
Employee benefits	597	664
Research and developments (external)	498	483
Other	347	142
	2,406	1,965

Attachment 2

Segment Reporting

Business Segment:

The Company conducts Research & Development activities and manufactures health foods.

Geographical Segment:

The Company operates within Australia.

2002	Manufacturing	Research & Development	Unallocated	Total
Operating revenue	1,421	-	-	1,421
Other revenue	-	109	79	188
Total segment revenue	1,421	109	79	1,609
Segment result	227	(607)	(481)	(861)
Segment assets	2,965	-	2,769	5,734
Segment liabilities	170	42	60	272
Depreciation & amortisation expense	62	-	11	73
Other non-cash expense	(14)	(2)	-	(16)
Acquisition of non-current segment assets	10	-	3	13

2001	Manufacturing	Research & Development	Unallocated	Total
Operating revenue	919	-		919
Other revenue	-	-	115	115
Total segment revenue	919	-	115	1,034
Segment result	82	(749)	(325)	(992)
Segment assets	2,936	-	4,251	7,188
Segment liabilities	205	21	74	300
Depreciation & amortisation expense	58	-	14	72
Other non-cash expense	(6)	(7)	-	(13)
Acquisition of non-current segment assets	82	-	1	83

Anadis Limited.
Directors' Report.

Your directors present their report on Anadis Limited for the half year ended 31 December, 2002.

Directors.

The following persons were directors of Anadis Limited during the half year and up to the date of this report:

Philip G. Molyneux,
Conor J. Graham,
Dr. Peter J. Jenkins,
Prof Roy Robins-Browne, and
Roman Zwolenski (appointed 24 September, 2002)

Review of operations and results.

The directors are pleased to report that in the six months to 31 December, 2002, a number of important milestone were achieved. These achievements are set out in the accompanying letter to the Australian Stock Exchange Ltd., signed by the Chairman and dated 6 February, 2003.

Rounding of amounts to nearest thousand dollars.

The company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission, relating to the 'rounding off' of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with the Class Order.

Signed in accordance with a resolution of the directors.

P.G. Molyneux
Director.

C.J. Graham
Director

Melbourne,
6 February, 2003.

Anadis Limited
Directors Declaration

The directors declare that the half-yearly report in the form of Appendix 4B of the Australian Stock Exchange Ltd. (ASX) listing rules as attached;

a) Comply with Accounting Standards, the Corporation Regulations and other mandatory professional reporting requirements, and
b) Give a true and fair view of the Company's financial position as at 31 December, 2002 and of its performance, as represented by the results of its operations and its cash flow, for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Anadis Limited will be able to pay its debts when they become due and payable.

P.G. Molyneux.
Director

C.J. Graham.
Director

Melbourne.
6 February, 2003

PRICEWATERHOUSECOOPERS

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MELBOURNE 3001
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DX 77 Melbourne

Independent review report to the members of Anadis Limited

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report (defined below) is not presented in accordance with:

- the Corporations Act 2001 in Australia, including giving a true and fair view of the financial position of the Anadis Limited (the Company) as at 31 December 2002 and of its performance for the half-year ended on that date
- Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements in Australia, the Corporations Regulations 2001 and ASX Listing Rules relating to half yearly financial reports.

This statement must be read in conjunction with the following explanation of the scope and summary of our role as auditor.

Scope and summary of our role

The financial report – responsibility and content

The preparation of the financial report for the half-year ended 31 December 2002 is the responsibility of the directors of Anadis Limited. It includes the financial statements for Anadis Limited (the Company) during the half-year ended 31 December 2002.

The financial report comprises the attached half yearly report in the form of Appendix 4B of the Australian Stock Exchange (ASX) Listing Rules and the directors' declaration thereon for the half year ended 31 December 2002, excluding the following sections:

- Intangible items (page 4);
- Amounts 'as in last half yearly report' within the consolidated statement of financial position (page 5 and 6);
- Ratios (page 8);
- NTA backing (page 9);
- Material factors affecting the revenues and expenses of the consolidated entity for the current period (page 14); and
- Compliance statement (pages 17).

The auditor's role and work

We conducted an independent review of the financial report in order for the Company to lodge the financial report with the Australian Securities & Investments Commission and the ASX. Our role was to conduct the review in accordance with Australian Auditing Standards applicable to review engagements. Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

This review was performed in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report does not present fairly a view in accordance with the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements in Australia, the Corporations Regulations 2001 and ASX Listing Rules relating to half yearly financial reports, which is consistent with our understanding of the Company's financial position, and its performance as represented by the results of its operations and cash flows.

The review procedures performed were limited primarily to:

- inquiries of company personnel of certain internal controls, transactions and individual items
- analytical procedures applied to financial data.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Independence

As auditor, we are required to be independent of the Company and free of interests which could be incompatible with integrity and objectivity. In respect of this engagement, we followed the independence requirements set out by The Institute of Chartered Accountants in Australia, the Corporations Act 2001 and the Auditing and Assurance Standards Board.

In addition to our statutory audit and review work, we were engaged to undertake other services for the Company. In our opinion the provision of these services has not impaired our independence.

PricewaterhouseCoopers

PricewaterhouseCoopers

SC Bannatyne
Partner

Melbourne
6 February 2003