



August 9th 2005

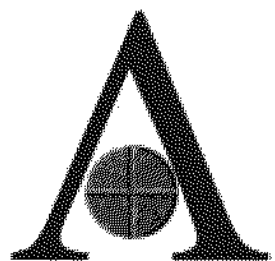
Company Announcement Office
Australian Stock Exchange Ltd (ASX)
4th Floor, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam,

Please find herewith a copy of “**Anadis Newsletter August 2005**” for release and distribution to the market immediately.

On Behalf Of
ANADIS LIMITED

CONOR GRAHAM
Managing Director & CEO



ANADIS

EV-71 Moves To The Next Level Of Development After Successfully Reaching Key Project Milestone

The Anadis EV-71 project, developing a protective therapy against Enterovirus 71, has moved into the advanced stages of development following the reaching of a key project milestone. This milestone confirms the successful outcomes achieved in laboratory rabbit models, can now be achieved in our commercial scale production platform of dairy cattle.

To develop a natural and effective protective therapy against Enterovirus 71, being achieved at first attempt, and in an extremely short time frame compared to common drug development in Australia, and around the world, is a testament to the effort and commitment of the Anadis Scientific Team.

Since August 2004, during which Anadis first announced the successful development of a candidate protective

therapy against Enterovirus 71, much work has transpired. This includes the appointment of Dr David Anderson, an internationally recognised Virologist, to our Scientific Advisory Panel and Dr David DeLaney, our full time Senior Virologist, who joined our team located at Melbourne University, specifically focused on the commercialisation of the EV-71 Project. Now, not even a year later, we are preparing for commercial

scale manufacture of the patented vaccine, to be followed by manufacture of the actual preventative.

The necessity to control Enterovirus 71 – particularly in Taiwan – continues to be evident: Up to mid June this year (2005) 60 severe Enterovirus infections

were confirmed in Taiwan. Of these 60 severe cases, 5 have tragically resulted in the deaths of children, every one less than 4 years

“The necessity to control Enterovirus 71 – particularly in Taiwan – continues to be evident...this year 60 severe Enterovirus infections were confirmed... Of these 60 severe cases, 5 have tragically resulted in the deaths of children, every one less than 4 years of age.”



Dr David DeLaney inspecting an ampoule of EV71

of age; the latest case died on 31 May 2005. This is far higher than last year, which during the same period, only 14 severe cases were reported with no fatalities.

Although Enterovirus

71 is not well known throughout the western world, including Australia, it is a very significant and real threat, as an emerging disease state, in parts of Asia including Taiwan, Hong Kong and China.

CEO Report

Dear Shareholders,

Welcome to this, our second newsletter for 2005. Since our last newsletter, in March of this year, we have continued to advance as fast as possible on a number of fronts.

Firstly, over the last few months we have expanded the distribution and sale of Travelan, from Victoria to the rest of Australia. We are working very closely with Innovex Australia, our sales and marketing partners, to obtain a presence in the largest number of

pharmacy retail outlets possible. In support of this national product launch, we have put in place a comprehensive nationwide advertising campaign covering various forms of print media, radio commercials and billboard displays.

We are concurrently pursuing registration of Travelan with overseas regulatory authorities and are already in discussions with a number of international parties, regarding sales and distribution.

Our research and development programs

continue to successfully progress well, specifically with the EV-71 project now well into the vaccine scale-up stage. Our Immune Stimulating Infant Formula project is now nicely underway, with the aid of a \$1m government grant and our BioDefence work with the Department of Defence progressing well. In addition to these projects the other research and development currently being undertaken continue apace.

Our toll manufacturing arm continues to expand and provide cash support

to both our research and development endeavors and our product sales efforts.

I would also like to take this opportunity to personally thank all of the Anadis staff and employees for their dedication and contribution to the company's growth over the last financial year.

Sincerely yours


Conor Graham
MD & CEO

Travelan® website launched – with “on-line” purchase facility for international orders

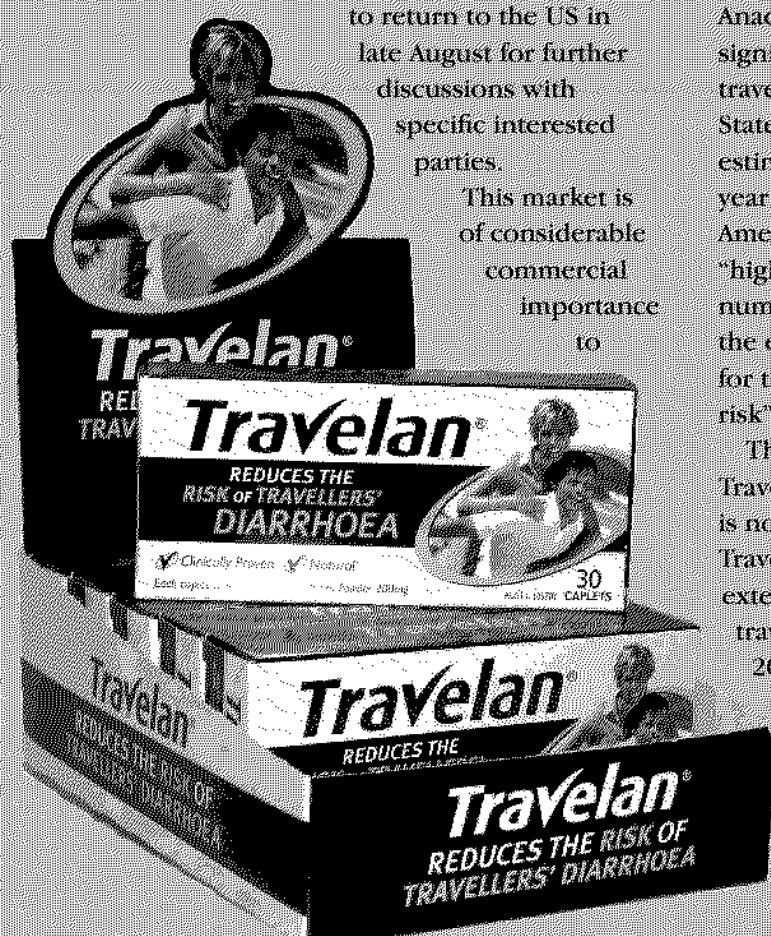


The screenshot shows the Travelan website interface. At the top is the Travelan logo. Below it is a navigation bar with links: Home, Travel Tips, Common Questions, Real Life stories, How Travelan works, Why Travelan?, and Enquiries. The main content area features a large image of a couple relaxing on a beach. Overlaid on this image is the text: "Pack for your overseas honeymoon... not the restroom. Click here to buy Travelan online." In the top left corner of the main area is a box that says "WIN AN AMAZING ADVENTURE HOLIDAY. CLICK HERE TO ENTER". In the bottom left corner is an image of a Travelan product box with the text "REDUCES THE RISK OF TRAVELLERS' DIARRHOEA". In the bottom right corner, there is a logo for Anadis and the text: "Travelan is a product of Anadis © 2005", "Privacy Policy", "Legal Disclaimer", and "REDUCES THE RISK OF TRAVELLERS' DIARRHOEA AND THE SYMPTOMS OF GASTROINTESTINAL DISORDERS". Below this, it says "Clinically Proven" and "Natural".

The new Travelan® website, www.travelan.com.au, was launched at the end of May. On the website there is a wealth of information about the product, a Common Questions page and Real Life Stories, from people who have benefited from Travelan®. The website also has the facility for anyone internationally to purchase Travelan®

for personal use. This facility is intended only for orders outside of Australia and purchases are completed in US dollars. Locally, Travelan® is available in all good chemists and pharmacies. So for more information about Travelan®, and the chance to win an adventure holiday, please visit our new product website.

Travelan prepares to pack its bags in US anticipation...



to return to the US in late August for further discussions with specific interested parties.

This market is of considerable commercial importance to

Anadis, due to the significant numbers of travellers in the United States. It has been estimated that each year 20 to 25 million Americans travel to E.coli "high risk" areas. These numbers do not include the even higher figures for travel to "medium risk" destinations.

The interest in Travelan internationally is not surprising. Travelan has received extensive praise by travellers, including: a 20 person delegation,

from the Australian Industry Group, who travelled to India – all used Travelan and none became ill; and a Team of Optometrists, who used Travelan whilst working in Achai, Indonesia, also reporting no problems.

Travelan is currently undergoing registration in Singapore and the UK/EU. Travelan is also being looked at for registration in places including Pakistan, the Middle East, Japan, Taiwan, Thailand, and India.

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At this time, Anadis believes that it has submitted all appropriate information and has the "green light" to begin marketing Travelan in the United States (upon confirmation, this will officially be announced on the ASX). Steven Skorobogaty, our General Manager - Commercial, has successfully returned from an extensive trip to the US. Steven met with a number of companies that could potentially become partners for the manufacturing, distribution and marketing, of Travelan in the US. Conor Graham (CEO) and Steven plan

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www.travelan.com.au to enter!

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Staff Member Profile

Arie Nudel

Investor Relations & Director

Arie joined Anadis in 2003 as a consultant in the Investor Relations role and has been working to increase communication with existing and potential shareholders focusing on details and development of Anadis.

Arie has recently been appointed to the board of Anadis.

Arie has a Bachelor of Commerce and a Bachelor of Science from the University of Melbourne. Arie has a diverse

professional background and began work as a Microsoft Certified Networks Engineer. Later, Arie joined a Melbourne based funds management company and worked as a Systems Analyst and Dealer. In 2003, Arie began his own consultancy company, and in addition to working for Anadis Ltd, consults for a number of private companies.

At his role at Anadis, Arie has been able to acquaint himself with investor needs and expectations in Anadis Limited and the Biotechnology sector in

general. With his appointment to the board, Arie is expected to better convey these ideas to help achieve improved shareholder outcomes.

Arie has recently become a father for the first time to Jeremy. He enjoys a range of outdoor activities and has a number of computer related hobbies.



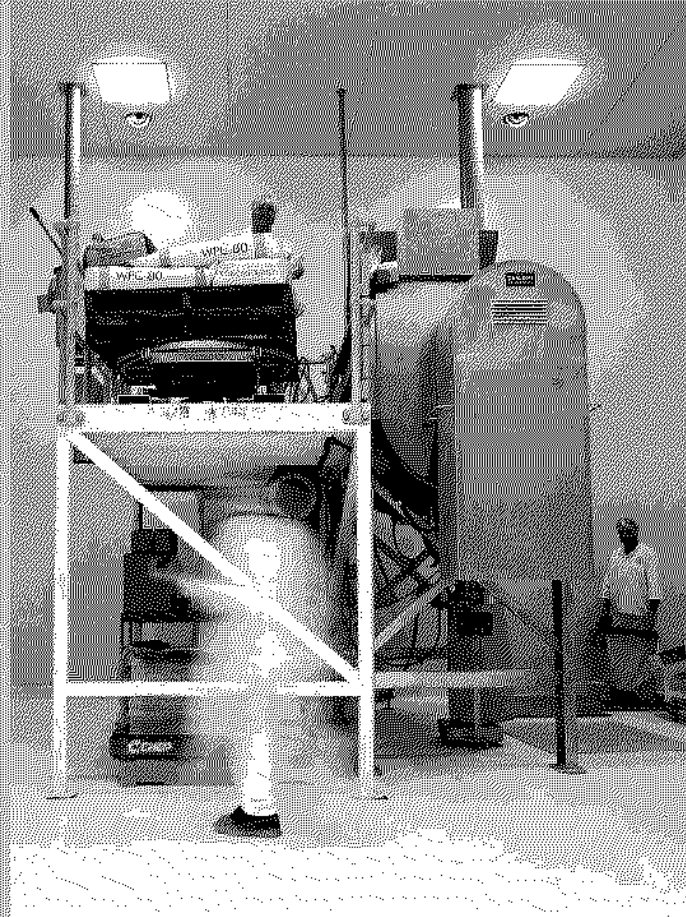
Anadis Manufacturing Update

Contract manufacturing efficiencies

Once again the Anadis Manufacturing Division has achieved a significant increase in goods manufactured and sales revenue. Anadis continues to build on its' experience, quality, speed, cost effectiveness, and responsibility to meet its production needs.

Production is recognised as an adjunct to Anadis' core focus, and our customers recognise the many advantages of working with a Biopharmaceutical based Research & Development Company that can provide first class manufacturing and an accessible route to intellectual stimulation and discussion towards further product development.

Our customers, both



Main blending room in operation.

current and prospective, recognise the many advantages of contract packaging such as: reduced staffing, training & maintenance costs, fixed unit cost with no capital investment and none of the problems of setting up new production lines.

Our continuing aim in the contract manufacturing division has been to form strategic partnerships with our customers. This is to ensure that their products succeed in the market place and we can establish not only long-term manufacture arrangements, but also consultancy support in the fields of government, food and veterinary regulations.

We look forward to the continued growth and development of this key component of Anadis' business.