APPENDIX 4D

For the Half Year Ended 31 December 2014

Results for Announcement to the Market

Prior Corresponding Period - Half year ended 31 December 2013

				31-Dec-14	31-Dec-13	
Revenues	down	58.23%	to	$19,718	$47,202	
Loss after tax attributable to members	up	10.58%	to	($1,591,860)	($1,439,520)	*
Net loss for the period attributable to members	up	10.58%	to	($1,591,860)	($1,439,520)	*

Dividends (distribution)	Amount per Security	Franked Amount per Security
Final dividend	n/a	n/a
Previous corresponding period	n/a	n/a

Net Tangible Asset per Security (cents per security)

As at 31 December 2014	1.42
As at 31 December 2013	2.56

Record date for determining entitlements to dividend: n/a

Explanation of the above information:

Refer to the Directors' Report - Review of Operations.

* This loss is after fully expensing all research and development costs.

antisense THERAPEUTICS LIMITED

ABN 41 095 060 745

Appendix 4D
Interim Financial Report

For the Half Year ended 31 December 2014

To be read in conjunction with the 30 June 2014 Annual Report

In compliance with Listing Rule 4.2A

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The Directors of Antisense Therapeutics Limited ("ATL" or "the Company") provide the following Report in relation to the Company for the half year ended 31 December 2014.

Directors

The following persons were Directors of the Company during the half-year and up to the date of this report. Directors were in office for this entire period unless otherwise stated.

Mr Robert W Moses	Independent Non-Executive Chairman
Mr Mark Diamond	Managing Director
Dr Chris Belyea	Independent Non-Executive Director
Dr Graham Mitchell	Independent Non-Executive Director

Our Board comprises of 3 Non-Executive Directors as well as the Managing Director.

Results and Review of Operations

Results

The Company reported a loss for the half-year of $1,591,860 (2013: $1,439,520). This loss is after fully expensing all research and development costs.

Review of Operations

Detailed below is an update on the status of the Company's development projects and overall operations for the half-year ended 31 December 2014.

Antisense Therapeutics' mission is to develop and commercialise novel antisense therapeutics in-licensed from Isis Pharmaceuticals Inc. (Isis), world leaders in antisense drug discovery and development. The Company's Research and Development activities are focused on developing 2nd generation antisense drugs for diseases where there is a significant and acknowledged unmet medical need and where the antisense technology has the potential to provide compounds with clear competitive advantages over existing therapies or drugs in development for those diseases.

This report should be read in conjunction with the Company's 30 June 2014 Annual Report.

ATL1103 for Acromegaly, Diabetic Retinopathy and Nephropathy and Cancer

ATL1103 is a second generation antisense drug designed to block growth hormone receptor (GHr) expression thereby reducing levels of the hormone insulin-like growth factor-I (IGF-I) in the blood and is a potential treatment for diseases associated with excessive growth hormone action. By inhibiting GHr production, ATL1103 in turn reduces IGF-I levels in the blood (serum). There are a number of diseases that are associated with excess GH and IGF-I action. These diseases include acromegaly, an abnormal growth disorder of organs, face, hands and feet; diabetic retinopathy, a common disease of the eye and a major cause of blindness; diabetic nephropathy, a common disease of the kidney and major cause of kidney failure, and certain forms of cancer.

ATL1103 is in clinical development as a treatment for acromegaly. The therapeutic activity of ATL1103 has been demonstrated both in animal pharmacology studies, where ATL1103 has shown the successful suppression of serum IGF-I levels in both mice and primates, and in a Phase I clinical trial in healthy volunteers. Normalizing serum IGF-I levels is the therapeutic goal in the treatment of acromegaly and reducing the effects of IGF-I has a potential role in the treatment of diabetic retinopathy, nephropathy and certain forms of cancer.

Following the successful Phase I trial, the Company initiated a Phase II clinical trial of ATL1103 in patients with acromegaly. The Company subsequently reported that positive results had been achieved from an interim analysis of the available data from the Phase II clinical trial with ATL1103 consistently reducing sIGF-1 levels.

What is Acromegaly?

Acromegaly is a serious chronic life threatening disease triggered by excess secretion of growth hormone (GH) by benign pituitary tumours. Oversupply of GH over stimulates liver, fat and kidney cells, through their GH receptors, to produce excess levels of Insulin-Like Growth Factor-I (IGF-I) in the blood manifesting in abnormal growth of the face, hands and feet, and enlargement of body organs including liver, kidney and heart. The primary treatments for acromegaly are to surgically remove the pituitary gland and/or drug therapy to normalize GH and serum IGF-I levels. In North America and Europe there are approximately 85,000 diagnosed acromegaly patients with about half requiring drug therapy.

Progress

On 7 July 2014 the Company advised that 24 patients had completed the full 13 weeks of dosing in the Phase II trial and that an additional 2 acromegalic patients had been enrolled into the trial (26 in total) who received their final dose of ATL1103 by 19 July 2014, marking the completion of all dosing in the trial.

On 3rd September the Company reported successful efficacy results from the Phase II trial with the trial having met its primary efficacy endpoint by showing a statistically significant average reduction in sIGF-I levels of 26% from baseline ($P<0.0001$) at week 14 (one week past the last dose) at the 400mg per week dose tested. It was reported that all patients treated with 400mg per week of ATL1103 had a reduction in sIGF-I levels from baseline at week 14. Greater reductions in sIGF-I were observed in patients who had lower body weights and thereby received a relatively higher dose per kg bodyweight (correlation of $P=0.0001$) with the patients who received >5.5 mg/kg per week showing a 36% average reduction in their sIGF-I levels. The safety review undertaken to that point in time confirmed there had been no patient withdrawals or reports of any serious adverse events related to dosing with ATL1103 and that ATL1103 had been assessed as generally well tolerated and that the positive safety profile demonstrated to date suggested that the drug may be tolerated at higher dose levels than 400mg per week.

On 17th October the Company announced that new additional data on ATL1103's activity as assessed in the Phase II clinical trial in acromegaly including markers of activity relating to its effects on signs and symptoms of acromegaly, reducing ring finger size and on quality of life assessments, would be included in a presentation on the Phase II clinical trial of ATL1103 at the 7th International Congress of the GRS and IGF-I Society in Singapore on 18 October 2014 by Professor Peter Trainer, Chief Investigator of the trial. Subsequent to this event, Professor Trainer also visited Australia where he presented on the ATL1103 Phase II trial results to shareholders and investors.

On 9th December the Company provided an update in relation to its partnering processes and development strategy for the Company's drug ATL1103 for acromegaly.

The Company has been working closely with US based specialist advisory firm Destum Partners through this partnering process and has advised that confidential information had been disclosed to a number of interested parties who had been undertaking partnering-related due diligence.

The Company also advised that it was planning to undertake a small, higher dose (600mg/week) study in Australia in 4 acromegaly patients using existing drug supplies to support the use of a higher dose of ATL1103 in Phase III trials for dose escalation in patients with more active disease

On 22nd December the Company advised that it had received Ethics Committee approval to conduct this higher dose trial of ATL1103. It is anticipated that the study will commence recruitment in early 2015 once trial arrangements are finalised including the acknowledgement of Clinical Trial Notification from the Therapeutic Goods Administration (TGA).

Patent News

On 7th July 2014 the Company announced that the Canadian Patent Office has allowed patent application 2,517,101 entitled "A Modified Oligonucleotide for inhibition of Growth Hormone Receptor Expression" which covers the Company's growth hormone receptor (GHr) targeting drug ATL1103 and its use until February 2024.

ATL1102 for Multiple Sclerosis (MS)

ATL1102 is a second generation antisense inhibitor of CD49d, the alpha subunit of VLA-4 (Very Late Antigen-4). In inflammation, white blood cells (leukocytes) move out of the bloodstream into the inflamed tissue, for example, the Central Nervous System (CNS) in MS, and the lung airways in asthma. In MS, the inhibition of VLA-4 prevents white

blood cells from entering the CNS, thereby reducing the severity of the disease and slowing its progression. VLA-4 is a clinically validated target in the treatment of MS. Antisense inhibition of VLA-4 has demonstrated positive effects in a number of animal models of inflammatory disease including MS. ATL1102 was shown to be highly effective in reducing MS lesions in a Phase IIa clinical trial in MS patients.

In the period the Company advised that it was planning future regulatory agency discussions regarding the potential further development of ATL1102 for the multiple sclerosis indication at a pre-IND meeting with the US Food and Drug Administration (FDA).

Progress

On 22 September 2014 the Company reported the publication of previously generated Phase IIa clinical trial data on ATL1102 in the medical journal ***Neurology.*** The article titled "CD49d antisense drug ATL1102 reduces disease activity in patients with relapsing-remitting MS", was included in the print edition Volume 83, November 11, 2014.

On 24th October 2014 the Company reported that the US Food and Drug Administration (FDA) had responded affirmatively to the Company's plan to submit a U.S. Investigational New Drug (IND) application for initiation of longer term Phase IIb human trials of ATL1102 for the treatment of Multiple Sclerosis (MS) and that supportive guidance had been obtained from the agency's Pre-IND assessment of the development strategy for ATL1102, including plans for a Phase IIb study in MS patients.

On 9th December the Company reported that it was investigating provision of ATL1102 under an Early Access Program (EAP) on compassionate use or on a named patient basis in markets where the drug would qualify for use on these grounds including those where the Company can charge for drug access resulting in a possible early income stream. Antisense Therapeutics is in discussions with an experienced European based group to set up and run the program in Europe for the Company.

Destum Partners have been engaged to help Antisense Therapeutics find a suitable development partner for ATL1102. Both the Company and Destum are in ongoing dialogue with potential pharmaceutical partners.

Patent News

On 16th September the Company also announced that the European Patent Office had allowed European patent application 09798248.2, entitled "Methods for Treating Multiple Sclerosis using Antisense Oligonucleotides" which extends coverage of the ATL1102 compound for the treatment of relapsing-remitting multiple sclerosis (RRMS) patients until 2029 with potential for up to 5 year extension to 2034. With this allowance the granting of the European patent is a formality and will take place in the coming months.

What is Multiple Sclerosis?

Multiple Sclerosis (MS) is a life-long, chronic disease that progressively destroys the central nervous system (CNS). It affects approximately 400,000 people in North America and more than 1 million worldwide and the current market for MS drugs is estimated at more than USD$12 billion. It is a disease that affects more women than men, with onset typically occurring between 20 and 40 years of age. Symptoms of MS may include vision problems, loss of balance, numbness, difficulty walking and paralysis. In Australia MS affects over 15,000 people and worldwide MS may affect more than one million people.

ATL1102 for Stem Cell Mobilization

Stem cell transplantation is a medical procedure used to improve clinical outcomes for patients undergoing chemotherapy to treat cancer. Blood cells are produced in the bone marrow and arise from special 'parent' cells, called hematopoietic stem cells. Some chemotherapy has toxic effects on bone marrow, so hematopoietic stem cells are collected from the blood of the patient – or from a donor's blood – before the patient receives chemotherapy. These collected stem cells are then stored and given back later to replace those lost during chemotherapy.There are normally only a small number of stem cells in the blood, so stem cell mobilisation agents are typically used to increase this number before stem cell collection from a donor or patient. Granulocyte colony-stimulating factor (G-CSF) is the main agent used for hematopoietic stem cell mobilisation. While G-CSF is successful in mobilising hematopoietic stem cells, there is an opportunity to improve on the level of stem cell release achieved with the use of G-CSF alone by the addition of complimentary therapies.

In March 2014 the Company commenced a Phase I proof of concept clinical trial of ATL1102 in humans in Australia.

Progress

On 23rd July the Company announced the results of the proof of concept trial which showed that use of ATL1102 in combination with G-CSF did not appear to increase the release of CD34+ stem cells beyond that achieved with G-CSF alone. ATL1102 when dosed as a monotherapy, however, was observed to increase the number of CD34+ stem cells in the blood, though the level of CD34+ cell release was not regarded as sufficient to be therapeutically relevant for a commercially desirable product opportunity. While the Company is assessing with clinical experts the potential feasibility (including from a safety/tolerability perspective) and commercial viability of longer dosing regimens of ATL1102, it is not planning to move forward with the clinical development of ATL1102 in the SCM indication as originally envisaged.

ATL1102 for Asthma

The Company has previously reported encouraging results achieved in an animal model of asthma with the inhaled form of an antisense compound targeting the VLA-4 molecule. Experimental studies showed that the delivery of an antisense drug against VLA-4 via inhalation to the lung significantly suppressed the key asthma indicators in allergen sensitized mice at very low inhaled doses, pointing to the potential application of ATL1102 as an inhaled treatment for asthma. The Company has conducted successful animal studies using inhaled ATL1102. Further development for the inhaled asthma application of ATL1102 would be undertaken with a partner.

ATL1101 for Prostate Cancer

ATL1101 is an antisense inhibitor of insulin like growth factor 1 receptor (IGF-Ir). IGF-Ir is one of the best known of a family of cell signalling molecules that are referred to as "anti-apoptotic". These molecules prolong cell survival by inhibiting programmed cell death (apoptosis). Inhibition of cell survival molecules like IGF-Ir can render tumour cells more susceptible to cell death with cytotoxic (cell death inducing) drugs. Similar "chemosensitiser" therapeutic approaches targeting the IGF-Ir are under investigation in several large pharmaceutical companies, lending support to ATL's antisense-based strategy against the same target.

In animal studies ATL1101 demonstrated its effectiveness in suppressing human prostate cancer tumour growth in mouse models of human prostate cancer.

Antisense Therapeutics has previously undertaken certain toxicology studies on ATL1101 that would potentially position the drug to move into a clinical study in patients with prostate cancer.

Further development of ATL1101 would be anticipated to occur with a partner.

What is Prostate Cancer?

Prostate cancer is the second most frequently diagnosed cancer in men after skin cancer. Metastatic disease invariably progresses to hormone refractory or castrate-resistant prostate cancer (CRPC) if given enough time. Prostate tumours are initially androgen (male sex hormone) dependent, and can be treated with androgen ablation therapy (the term "castration" can be used to describe removal of the source of androgen), however once the disease progresses to its most dangerous and aggressive form, CRPC, treatment options are limited and prognosis is poor. Treatment options depend on disease severity and include radiation and chemotherapy, which are designed to induce programmed cell death (apoptosis) of tumour cells. There is a pressing need for the development of new treatment options for CRPC.

R&D Tax Incentive

During the period the Company received from the Australian Taxation Office an R&D Tax Incentive payment of $1.14 million in relation to R&D activities for the 30 June 2014 financial year.

Capital Raising

During the period the Company raised $2 Million through a Placement to Institutional Investors and a Share Purchase Plan.

Non-Dilutive Funding Facility

In June 2014 the Company reported that it had entered into a funding facility with Macquarie Bank Limited to access capital ahead of anticipated receipt of its R&D Tax incentive refund.

Following completion of the capital raising, the Company did not need to draw on the funding facility with Macquarie Bank. With the receipt of the R&D Tax Incentive payment this funding facility was terminated.

Financial Position

At 31 December 2014, the Company had cash reserves of $2,350,895 (31 December 2013: $3,708,466).

No other matters or circumstances have arisen since the end of the reporting period, not otherwise disclosed in this report, which significantly affected, or may significantly affect, the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial periods.

Events after Balance Sheet Date

No matters or circumstances have arisen since the end of the reporting period, not otherwise disclosed in this report, which significantly affected, or may significantly affect, the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial periods.

Biotechnology Companies – Inherent Risks

Pharmaceutical research and development (R&D)

Pharmaceutical R&D involves scientific uncertainty and long lead times. Risks inherent in these activities include uncertainty of the outcome of the Company's research results; difficulties or delays in development of any of the Company's drug candidates; and general uncertainty related to the scientific development of a new medical therapy.

The Company's drug compounds require significant pre-clinical and human clinical development prior to commercialisation, which is uncertain, expensive and time consuming. There may be adverse side effects or inadequate therapeutic efficacy of the Company's drug candidates which would prevent further commercialisation. There may be difficulties or delays in testing any of the Company's drug candidates. There may also be adverse outcomes with the broader clinical application of the antisense technology platform which could have a negative impact on the Company's specific drug development and commercialisation plans.

No assurance can be given that the Company's product development efforts will be successful, that any potential product will be safe and efficacious, that required regulatory approvals will be obtained, that the Company's products will be capable of being produced in commercial quantities at an acceptable cost or at all, that the Company will have access to sufficient capital to successfully advance the products through development or to find suitable development or commercial partners for the development and or commercialisation of the products and that any products, if introduced, will achieve market acceptance.

Partnering and licensing

Due to the significant costs in drug discovery and development it is common for biotechnology companies to partner with larger biotechnology or pharmaceutical companies to help progress drug development. While the Company has previously entered into such licensing agreements with pharmaceutical partners, there is no guarantee that the Company will be able to maintain such partnerships or license its products in the future. There is also no guarantee that the Company will receive back all the data generated by or related intellectual property from its licensing partners. In the event that the Company does license or partner the drugs in its pipeline, there is no assurance as to the attractiveness of the commercial terms nor any guarantee that the agreements will generate a material commercial return for the Company.

Regulatory Approvals

Complex government health regulations, which are subject to change, add uncertainty to obtaining approval to undertake clinical development and obtain marketing approval for pharmaceutical products.

Delays may be experienced in obtaining such approvals, or the regulatory authorities may require repeat of different or expanded animal safety studies or human clinical trials, and these may add to the development cost and delay products from moving into the next phase of drug development and up to the point of entering the market place. This may adversely affect the competitive position of products and the financial value of the drug candidates to the Company.

There can be no assurance that regulatory clearance will be obtained for a product or that the data obtained from clinical trials will not be subject to varying interpretations. There can be no assurance that the regulatory authorities will agree with the Company's assessment of future clinical trial results.

Competition

The Company will always remain subject to the material risk arising from the intense competition that exists in the pharmaceutical industry. A material risk therefore exists that one or more competitive products may be in human clinical development now or may enter into human clinical development in the future. Competitive products focusing on or directed at the same diseases or protein targets as those that the Company is working on may be developed by pharmaceutical companies or other antisense drug companies including Isis or any of its other collaboration partners or licensees. Such products could prove more efficacious, safer, more cost effective or more acceptable to patients than the Company product. It is possible that a competitor may be in that market place sooner than the Company and establish itself as the preferred product.

Technology and Intellectual Property Rights

Securing rights to technology and patents is an integral part of securing potential product value in the outcomes of pharmaceutical R&D. The Company'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. There can be no assurance that any patents which the Company may own, access or control will afford the Company commercially significant protection of its technology or its products or have commercial application, or that access to these patents will mean that the Company will be free to commercialise its drug candidates. The granting of a patent does not guarantee that the rights of others are not infringed or that competitors will not develop technology or products to avoid the Company's patented technology or try to invalidate the Company's patents, or that it will be commercially viable for the Company to defend against such potential actions of competitors.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

This report is made in accordance with a resolution of directors;





Mr Robert Moses
Independent Non-Executive Chairman

Mr Mark Diamond
Managing Director

Melbourne

Dated: This the 25th Day of February 2015.

Auditor's Independence Declaration

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com

Building a better working world

Auditor's Independence Declaration to the Directors of Antisense Therapeutics Limited

In relation to our review of the financial report of Antisense Therapeutics Limited for the half-year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Don Brumley
Partner
25 February 2015

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Note	31 December 2014 $	31 December 2013 $
Revenue	3	19,718	47,202
Other income	3	404,659	477,245
Depreciation expenses	4	(4,977)	(4,785)
Business development expenses	4	(416,225)	(385,777)
Administration expenses	4	(488,267)	(478,632)
Occupancy expenses	4	(57,753)	(57,267)
Patent expenses	4	(118,499)	(67,481)
Research and development expenses	4	(911,765)	(994,750)
Foreign exchange gains/(losses)	4	(18,751)	24,725
Loss before income tax		**(1,591,860)**	**(1,439,520)**
Income tax benefit		-	-
Net loss for the period		**(1,591,860)**	**(1,439,520)**
Total comprehensive loss for the period		**(1,591,860)**	**(1,439,520)**

	Note	2014 Cents	2013 Cents
Loss per share for loss attributable to the ordinary equity holders of the Company:			
Basic loss per share	6	(1.06)	(1.00)
Diluted loss per share	6	(1.06)	(1.00)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	31 December 2014 $	30 June 2014 $
ASSETS			
Current Assets			
Cash and cash equivalents	8	2,350,895	1,334,513
Trade and other receivables	5	419,831	1,167,859
Prepayments		66,477	140,053
Total Current Assets		**2,837,203**	**2,642,425**
Non-Current Assets			
Plant and equipment		8,620	13,596
Total Non-Current Assets		**8,620**	**13,596**
TOTAL ASSETS		**2,845,823**	**2,656,021**
LIABILITIES			
Current Liabilities			
Trade and other payables		267,208	249,881
Borrowings		-	50,000
Provisions		292,762	269,249
Total Current Liabilities		**559,970**	**569,130**
Total Non-Current Liabilities		**-**	**-**
TOTAL LIABILITIES		**559,970**	**569,130**
NET ASSETS		**2,285,853**	**2,086,891**
EQUITY			
Contributed equity	12	54,207,758	52,416,936
Reserves	13	960,855	960,855
Accumulated losses		(52,882,760)	(51,290,900)
TOTAL EQUITY		**2,285,853**	**2,086,891**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Contributed Equity	Option Reserve	Accumulated Losses	Total
	$	$	$	$
As at 1 July 2013	**51,783,828**	**1,140,855**	**(48,277,628)**	**4,647,055**
Loss for the period	-	-	(1,439,520)	(1,439,520)
Transactions with owners in their capacity as owners:				
Issue of shares	180,000	-	-	180,000
Options exercised net of costs	-	(180,000)	-	(180,000)
Options issued	563,440	-	-	563,440
Transaction costs on share issues	(87,466)	-	-	(87,466)
As at 31 December 2013	**52,439,802**	**960,855**	**(49,717,148)**	**3,683,509**
Loss for the period	-	-	(1,573,752)	(1,573,752)
Transactions with owners in their capacity as owners:				
Issue of shares	270	-	-	270
Options issued	(21,596)	-	-	(21,596)
Transaction costs on share issues	(1,540)	-	-	(1,540)
As at 30 June 2014	**52,416,936**	**960,855**	**(51,290,900)**	**2,086,891**
Loss for the period	-	-	(1,591,860)	(1,591,860)
Transactions with owners in their capacity as owners:				
Issue of shares	2,000,000	-	-	2,000,000
Transaction costs on share issues	(209,178)	-	-	(209,178)
As at 31 December 2014	**54,207,758**	**960,855**	**(52,882,760)**	**2,285,853**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Notes	31 December 2014 $	31 December 2013 $
CASH FLOWS RELATED TO OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,792,401)	(1,767,146)
Interest received		14,034	47,057
R&D tax concession refund		1,139,739	974,187
NET OPERATING CASH FLOWS	**9**	**(638,628)**	**(745,902)**
CASH FLOWS RELATED TO INVESTING ACTIVITIES			
Payment for purchases of plant and equipment		-	(9,420)
NET INVESTING CASH FLOWS		**-**	**(9,420)**
CASH FLOWS RELATED TO FINANCING ACTIVITIES			
Proceeds from issues of securities		1,913,428	551,440
Capital raising costs		(206,178)	(87,466)
Repayment of borrowings		(52,240)	-
NET FINANCING CASH FLOWS		**1,655,010**	**463,974**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		1,016,382	(291,348)
Cash & cash equivalents at the beginning of the period		1,334,513	3,999,814
CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD	**8**	**2,350,895**	**3,708,466**

The accompanying notes form part of these financial statements.

Note 1 - Basis of Preparation

The general purpose condensed financial report for the half-year reporting period ended 31 December 2014 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and *the Corporations Act 2001*.

This half-year financial report does not include all notes of the type normally included in an Annual Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the Annual Report.

Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2014 and any public announcements made by Antisense Therapeutics Limited during the interim reporting period in accordance with the continuous disclosure requirements of *the Corporations Act 2001.*

Accounting Policies

The accounting policies adopted by the Company are consistent with the most recent Annual Report for the year ended 30 June 2014.

Going Concern

Some of the risks inherent in the development of pharmaceutical product include the uncertainty of patent protection and proprietary rights, whether patent applications and issued patents will offer adequate protection to enable and commercially justify product development or may infringe intellectual property rights of other parties, and uncertainty in obtaining the necessary clinical trial and/or regulatory authority approvals for product development and commercialisation. Also a particular compound may fail to achieve sufficient efficacy or safety in the research and the clinical development process, or its viability may be negatively impacted by strategic imperatives including an assessment that the projects may not deliver a sufficient return on investment or has been or may likely be superseded by newer and potentially superior competitive products or technologies. There is a risk that the Company will be unable to find suitable development or commercial partners for its projects, and that these arrangements may not generate a material return for the Company.

The Company may need to access additional capital for further development of its various development projects, and to continue to pay its debts as and when they fall due for a period of 12 months from signing the financial report. The ability of the Company to successfully access additional capital, and the amount of additional funds required is dependent on the outcome of its product development programs. The Company is actively seeking to partner certain products in its pipeline which may provide additional capital in the form of license fees and funding for the continued development of its product pipeline. The Company will continue to exploit the available Australian Government R&D funding arrangements and as appropriate or necessary, pursue other capital raising initiatives.

The Company has incurred a loss after tax of $1,591,860 for the half-year ended 31 December 2014, had an operating cash outflow of $638,628 and has a net current asset position of $2,277,233. Notwithstanding the material uncertainty pertaining to the ability of the Company to access additional capital, the financial statements have been prepared on a going concern basis. Accordingly the financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts, or the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

Note 2 - Dividends

No dividends have been declared for the period ended 31 December 2014 (31 December 2013: Nil).

Note 3 – Revenue and other income

	Note	31 December 2014 $	31 December 2013 $
Revenue			
Interest from external parties		19,718	47,202
Total Revenue		**19,718**	**47,202**
Other income			
Research and development tax concession	**3(a)**	404,659	477,245
Total Other income		**404,659**	**477,245**
Total Revenue & Other Income		**424,377**	**524,447**

3 (a) Other income relating to research and development tax concession for the 31 December 2014 reporting period consists of $404,659 anticipated refund for expenditure incurred in the 2015 financial year. The comparative period consists of $477,245 refund for expenditure incurred in the 2014 financial year.

Note 4 – Expenses

	31 December 2014 $	31 December 2013 $
Administration expenses		
Compliance expenses	101,152	123,839
Office expenses	43,773	24,340
Corporate employee expenses	343,342	330,453
Total Administration expenses	**488,267**	**478,632**
Occupancy expenses		
Rent	49,389	49,389
Other expenses	8,364	7,878
Total Occupancy expenses	**57,753**	**57,267**
Research and development expenses		
R&D ATL 1102	218,428	215,603
R&D ATL 1103	611,286	773,986
R&D staff costs	82,051	5,161
Total Research and development expenses	**911,765**	**994,750**
Patent expenses	118,499	67,481
Depreciation expenses	4,977	4,785
Business development expenses	416,225	385,777
Foreign exchange (gains)/losses	18,751	(24,725)
Total Expenses	**2,016,237**	**1,963,967**

Note 5 – Trade and Other Receivables

	31 December 2014 $	30 June 2014 $
Research and development tax concession receivable	404,659	1,139,739
Interest receivable	5,684	1,276
Australian Tax Office receivable	-	4,832
Other receivables	9,488	22,012
Total Trade and Other Receivables	**419,831**	**1,167,859**

Note 6 - Loss per Share

	Note	31 December 2014 $	31 December 2013 $
Basic loss per share (cents)		(1.06)	(1.00)
Diluted loss per share (cents)		(1.06)	(1.00)
a) Net loss used in the calculation of basic and diluted loss per share		($1,591,860)	($1,439,520)
b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share		150,533,746	144,092,110

c) Options that are considered to be potential ordinary shares are excluded from the weighted average number of ordinary shares used in the calculation of basic loss per share. All the options on issue do not have the effect of diluting the loss per share therefore, they have been excluded from the calculation of diluted loss per share.

There have been no other conversions to, call of, or subscriptions for ordinary shares, or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

Note 7 - Net Tangible Assets

	31 December 2014 $	31 December 2013 $
Net Tangible Assets	$2,285,853	$3,683,509
Shares (No.)	161,487,433	144,095,128
Net Tangible Assets (Cents)	1.42	2.56

Note 8 – Cash and Cash Equivalents

	31 December 2014 $	30 June 2014 $
Cash at bank	250,895	129,215
Term deposits	2,100,000	1,205,298
	2,350,895	**1,334,513**

Note 9 - Cash Flow Reconciliation

	31 December 2014 $	31 December 2013 $
Net Loss for the period	**(1,591,860)**	**(1,439,520)**
Add back depreciation expense	4,977	4,785
Add back equity issued in lieu of services	85,811	12,000
(Increase)/Decrease in trade and other receivables	748,028	521,933
(Increase)/Decrease in prepayments	73,576	58,592
Increase in trade and other payables	17,327	100,233
Increase/(Decrease) in provisions	23,513	(3,925)
Net cash flows used in operating activities	**(638,628)**	**(745,902)**

Note 10 - Commitments and Contingencies

	31 December 2014 $	30 June 2014 $
Lease expenditure commitments:		
- not later than 12 months	82,310	24,693
- between 12 months and 5 years	-	-
- greater than 5 years	-	-
	82,310	**24,693**

Note 10 - Commitments and Contingencies (Continued)

The lease expenditure commitments relate to the leasing of office premises. The lease is for a term of one year. The lease expired in October 2014 and was renewed for a further 12 month period.

Note 11 - Contingent Liabilities and Assets

There has been no change in contingent liabilities and assets since the last annual reporting date.

Note 12 - Contributed Equity

	Note	31 December 2014 $	30 June 2014 $
Ordinary fully paid shares	12(a)	52,998,713	51,207,891
Options over ordinary shares	12(b)	1,209,045	1,209,045
		54,207,758	**52,416,936**

12(a) Ordinary Shares	31 December 2014		30 June 2014	
	No.	$	No.	$
Balance at the beginning of the period	144,096,128	51,207,891	1,437,954,566	51,029,161
Shares issued during the period	17,391,305	2,000,000	3,001,000	180,270
Transaction costs relating to share issues	-	(209,178)	-	(1,540)
Consolidation on 10:1 basis	-	-	(1,296,859,438)	-
Balance at the end of the period	**161,487,433**	**52,998,713**	**144,096,128**	**51,207,891**

31 December 2014	Details	Number	Issue Price $
1 October 2014	Placement	7,913,043	910,000
12 November 2014	Share Purchase Plan	9,478,262	1,090,000
Transaction costs relating to share issues		-	(209,178)
		17,391,305	1,790,822

30 June 2014	Details	Number	Issue Price $
2 July 2013	Exercise of ANPAU Unlisted Options	3,000,000	180,000
13 November 2013	Consolidation of shares 10:1 basis	(1,296,859,438)	-
8 January 2014	Exercise of ANPO Options	1,000	270
Transaction costs relating to share issues		-	(1,540)
		(1,293,858,438)	178,730

Ordinary shares participate in dividends and the proceeds on winding up the Company in proportion to the number of shares held. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. The ordinary shares have no par value.

12 (b) Options	31 December 2014		30 June 2014	
	No.	$	No.	$
Balance at the beginning of the period	46,950,984	1,209,045	-	754,667
Options issued during the period	-	-	46,951,984	563,426
Options exercised during the period	-	-	(1,000)	(110)
Options expired during the period	-	-	-	(108,938)
Balance at the end of the period	**46,950,984**	**1,209,045**	**46,950,984**	**1,209,045**

31 December 2014	Details	Number	Issue Price $
There has been no activity during the half year.			
		-	-

30 June 2014	Details	Number	Issue Price $
23 December 2013	Issue of Loyalty Options	45,728,528	548,982
23 December 2013	Issue of Private Placement Options	223,456	2,444
23 December 2013	Issue of Options for Management Fees to Patersons	1,000,000	12,000
8 January 2014	Exercise of Loyalty Options (ANPO)	(1,000)	(110)
Transaction costs relating to share issues		-	(108,938)
		46,950,984	454,378

Note 13 – Reserves

	31 December 2014		30 June 2014	
	No.	$	No.	$
Unlisted options over fully paid ordinary shares	72,000	960,855	3,720,000	1,140,855
Options exercised	-	-	(3,000,000)	(180,000)
Consolidation on 10:1 basis	-	-	(648,000)	-
	72,000	**960,855**	**72,000**	**960,855**

31 December 2014	Details	Number	Issue Price $
No changes during the period			
		-	**-**

Note 13 – Reserves (Continued)

30 June 2014	Details	Number	Issue Price $
2 July 2013	Exercise of ANPAU Unlisted Options	(3,000,000)	(180,000)
13 November 2013	Consolidation on 10:1 basis	(648,000)	-
		(3,648,000)	**(180,000)**

Note 14 - Segment Information

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Managing Director (Chief Operating Decision Maker) in assessing performance and determining the allocation of resources.

The operating segments are identified by the Managing Director and his executive management team based on the manner in which the expenses are incurred. Discrete financial information about each of these operating segments is reported by the Managing Director to the Board on a regular basis.

The reportable segments are based on aggregated operating segments determined by similarity of expenses, where expenses in the reportable segments exceed 10% of the total expenses for either the current and/or previous reporting period.

Operating Segments

- ATL1102 - Multiple Sclerosis
- ATL1103 - Growth and Sight Disorders

31 December 2014	Note	ATL1102 Multiple Sclerosis	ATL1103 Growth and Sight Disorders	Total
Revenue				
Segment Revenue		-	-	
Unallocated Revenue	14(a)	-	-	19,718
Total Revenue		**-**	**-**	**19,718**
Result				
Segment Result		(218,428)	(611,286)	(829,714)
Unallocated Result	14(b)	-	-	(1,186,523)
Other income	14(a)			404,659
Income Tax Benefit		-	-	-
Net Result		**(218,428)**	**(611,286)**	**(1,591,860)**

Note 14 - Segment Information (Continued)

31 December 2013	Note	ATL1102 Multiple Sclerosis	ATL1103 Growth and Sight Disorders	Total
Revenue				
Segment Revenue		-	-	-
Unallocated Revenue	14(a)	-	-	524,447
Total Revenue		**-**	**-**	**524,447**
Result				
Segment Result		(215,603)	(773,986)	(989,589)
Unallocated Result	14(b)	-	-	(974,378)
Income Tax Benefit		-	-	-
Net Result		**(215,603)**	**(773,986)**	**(1,439,520)**

		31 December 2014 $	31 December 2013 $
14(a)	**Unallocated Revenue**		
	- Interest from external parties	19,718	47,202
	- R&D Tax Concession Refund	404,659	477,245
		424,377	**524,447**
14(b)	**Unallocated Result**		
	- Compliance expenses	101,152	123,839
	- Business development expenses	416,225	385,777
	- Corporate employee expenses	343,342	330,453
	- Patent expenses	118,499	67,481
	- Other expenses	207,305	66,828
		1,186,523	**974,378**

Note 15 - Events Subsequent to Reporting Date

No matters or circumstances have arisen since the end of the reporting period, not otherwise disclosed in this report, which significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Directors' Declaration

The Directors' of the Company declare that;

1. The financial statements and notes, as set out on pages 11 to 22, are in accordance with the *Corporations Act 2001* including:

   a. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *the Corporations Regulations 2001*;

   b. giving a true and fair view of the Company's financial position as at 31 December 2014 and of its performance for the half year ended on that date; and

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.





Mr Robert Moses
Independent Non-Executive Chairman

Mr Mark Diamond
Managing Director

Melbourne

Dated: This the 25th Day of February 2015.

Auditors Review Report

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com

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To the members of Antisense Therapeutics Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half year financial report of Antisense Therapeutics Limited which comprises the condensed statement of financial position as at 31 December 2014, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration of the consolidated entity comprising the company and the entities it controlled at the half year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Antisense Therapeutics Limited and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of Antisense Therapeutics Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1 'Going Concern' in the financial report. As indicated within Note 1 the continuing operations of the company are dependent upon future funding (from either license receipts, R&D funding or additional capital raisings).

The Directors cannot be certain of the success or of the timing of the intended fund raising activities.

As a result of these matters, there is material uncertainty whether the company will continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

Ernst & Young

Don Brumley
Partner
Melbourne
25 February 2015

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Corporate Directory

DIRECTORS

Mr. Robert W Moses	Independent Non-Executive Chairman
Mr. Mark Diamond	Managing Director
Dr. Chris Belyea	Independent Non-Executive Director
Dr. Graham Mitchell	Independent Non-Executive Director

COMPANY SECRETARY
Mr Phillip Hains

COMPANY
Antisense Therapeutics Limited
ABN 41 095 060 745

WEBSITE
www.antisense.com.au

PRINCIPAL PLACE OF BUSINESS
6-8 Wallace Avenue
Toorak, Victoria, 3142
Telephone: + 61 (0)3 9827 8999
Facsimile: + 61 (0)3 9827 1166

REGISTERED OFFICE
6-8 Wallace Avenue
Toorak, Victoria, 3142
Telephone: + 61 (0)3 9827 8999
Facsimile: + 61 (0)3 9827 1166

SHARE REGISTRY
Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney, NSW, 2000
Australia
Telephone: 1300 737 760 (local)
+61 (0)2 9290 9600 (international)
Facsimile: 1300 653 459 (local)
+61 (0)2 9279 0664 (international)

SOLICITORS
Minter Ellison
Rialto Towers
Level 23, 525 Collins Street
Melbourne, Victoria, 3000

AUDITORS
Ernst & Young (EY)
8 Exhibition Street
Melbourne VIC 3000,
Australia
Telephone: +61 (0)3 9288 8000
Facsimile: +61 (0)3 8650 7711

BANKERS
Commonwealth Bank of Australia
Melbourne, Victoria

SECURITIES QUOTED
Australian Securities Exchange
- Ordinary Fully Paid Shares (Code: ANP)

American Depository Receipts (ADR)
Level 1 ADR Program, ADRs are traded in the US over-the-counter (OTC) market.
Ratio: 1 ADR = 20 ordinary shares
Symbol: ATHJY
CUSIP: 037183100