APPENDIX 4D

For the Half Year Ended 31 December 2013

Results for Announcement to the Market

Current Reporting Period - Half year ended 31 December 2013

Previous Reporting Period - Half year ended 31 December 2012

Revenues	down	59.74%	to	$47,202
Loss after tax attributable to members	up	21.32%	to	($1,439,520) *
Net loss for the period attributable to members	up	21.32%	to	($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 2013	2.56 **
As at 31 December 2012	4.11 **

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. The increase in loss is as a result of increased expenditure relating to the ATL1103 Phase II clinical trial costs.

** Capital was consolidated on a 10:1 basis on 13 November 2013, comparative results for Net Tangible Asset and Earnings per Share have been restated to reflect this consolidation.

antisense THERAPEUTICS LIMITED

ABN 41 095 060 745

Appendix 4D
Interim Financial Report

For the Half Year ended 31 December 2013

To be read in conjunction with the 30 June 2013 Annual Report

In compliance with Listing Rule 4.2A

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Directors' Report

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 2013.

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 $1,439,520 (2012: $1,186,593). 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 2013.

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 2013 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 predominantly in the liver, 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 an exciting clinical development opportunity that has successfully passed through the research and pre-clinical stages of development. The therapeutic activity of ATL1103 has been demonstrated in animal pharmacology studies, where ATL1103 has shown the successful suppression of serum IGF-I levels in both mice and primates. 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.

In a Phase I clinical trial in normal volunteers, ATL1103 was assessed as safe and well tolerated at the doses employed in the study. The Phase I clinical trial also assessed certain markers of biological activity relevant to ATL1103's potential therapeutic action, including the drug's effect on blood levels of IGF-I. The results achieved on these parameters indicated that ATL1103 had demonstrated the relevant pharmacological activity to support its further development as a potential treatment for acromegaly and other growth hormone and IGF-I related disorders. Consequently, the Company initiated a Phase II clinical trial of ATL1103, in patients with acromegaly. In August 2012 the Company announced that it had commenced start up activities for the trial in patients with acromegaly and on 10th April 2013 the Company announced that dosing of patients had commenced.

Progress

In August 2013 the Company advised that acromegaly patients had been successfully enrolling into the ATL1103 Phase II trial. The Company also advised that it would submit a protocol amendment to perform an interim analysis of the Phase ll trial data and that the analysis was expected to provide important indicative data on the efficacy of ATL1103 in the Phase II trial.

On 17th October ATL advised that the appropriate approvals had been received for the Company to undertake the interim analysis of a sub-set of data from the Phase II clinical trial and that the interim analysis would assess the change (percentage reduction) from each patient's baseline (start of the study) serum Insulin-like Growth Factor-I (IGF-I) levels to their levels after the completion of dosing with ATL1103.

On 25th October the Company announced that Dr Martin Bidlingmaier, Head, Endocrine Research Laboratories, Klinikum University, Munich Germany would be presenting on ATL1103 in his talk on new treatment options for acromegaly at a pharmaceutical company sponsored, invitation only, scientific meeting entitled "4th Annual European Meeting on Management of Acromegaly" in Rome, on 26 October 2013.

On 27th November the Company advised that 16 patients had been enrolled into the Phase II trial and randomised to one of the two treatment regimens for dosing with ATL1103 and that a further 4 patients were in washout of previous acromegaly medications for their potential enrolment into the trial. Of the 16 patients randomised into the trial, 4 had completed the 3 month dosing phase as well as the follow up 2 month monitoring period. The Data Safety Monitoring Board (DSMB) whose role is to provide independent evaluation of the trial safety data and issue formal recommendations on the basis of their reviews recommended that recruitment into the trial continue and that the study proceed unchanged (i.e. without modification). In addition to the existing trial sites in the UK, Spain and France, ATL reported that Ethics approval had been received for 2 sites in Australia.

On the 23rd December the Company advised that positive results had been achieved from the interim analysis of the available data from the Phase II clinical trial. The interim analysis was undertaken on the 8 patients who had completed the full 3 months of dosing, 4 of the patients received 200 mg of ATL1103 once per week and 4 received the higher dose of 200 mg twice per week (400 mg).

The interim analysis assessed the change (percentage reduction) from each patient's baseline (start of the study) serum Insulin-like Growth Factor-I (sIGF-I) levels to their levels after the completion of dosing with ATL1103. In the 4 patients who received the 400 mg per week dose, ATL1103 reduced sIGF-I levels consistently and by an average (mean) of 30% (range 4% to 48%) at week 14 (one week past the last dose) which is the primary efficacy time point for the trial. sIGF-I levels were reduced by a mean of 38% (28 – 48%) in the 3 patients who had lower body weights (58 - 83 kg at screening) and thereby received a relatively higher dose per kg bodyweight. The one patient showing the lowest sIGF-1 reduction at week 14 had the highest body weight (132 kg at screening). At the 200 mg per week dose, no consistent reduction in mean sIGF-I levels was observed at week 14, although some sIGF-I reduction was noted in individual patients. The time course data at the 400 mg per week dose generally showed a progressive rate of reduction in sIGF-I over the dosing period, providing further support for the therapeutic action of ATL1103 observed in the trial and suggestive that continued dosing of ATL1103 at the 400 mg per week dose for longer than 3 months could result in additional reductions in sIGF-I. These results are in line with reductions in sIGF-I that could be therapeutically effective in a significant proportion of acromegaly patients.

The Company also advised in the 23 December announcement that no patients dosed with ATL1103 had withdrawn from the study nor had any serious adverse events, believed to be treatment-related, been reported and that both doses appeared to be well tolerated. ATL also highlighted that the positive safety profile to date suggested the drug may be tolerated at higher levels than 400 mg per week and so the Company was considering the prospect of conducting a small add-on study to support the use of a higher dose in Phase III trials for dose escalation in patients with more active disease.

Enrolment into the 24 patient trial is expected to be completed in Q1 2014. The Company anticipates reporting of the statistical analysis of the sIGF-I data from all patients mid 2014. Other important parameters of drug activity being measured in all patients that will also be assessed at the end of the study include Growth Hormone and Growth Hormone Binding Protein levels along with a more comprehensive assessment of the safety data. Such additional data is expected to give further valuable insight into the safety, activity and mechanism of action of ATL1103 at both dose levels in this patient population.

ATL1103 Phase II trial *is a randomised, open-label, parallel group study of the safety, tolerability, pharmacokinetics and efficacy of two subcutaneous dosing regimens of ATL1103 in 24 adult patients with acromegaly dosed with ATL1103 for 13 weeks (3 months) with two months of follow up. Two ATL1103 dosing regimens are being tested (a) 200 mg 3 times in the first week then once weekly thereafter (200 mg/week) or (b) 200 mg 3 times in the first week then twice weekly thereafter (400 mg/week). The primary endpoints or main purposes of the trial as listed on the trial protocol are (i) to evaluate the safety and tolerability of ATL1103 in patients with acromegaly, and (ii) to evaluate the single dose and multiple dose pharmacokinetic profiles of ATL1103 via the subcutaneous route in patients with acromegaly. A secondary, but important endpoint that is also on the trial protocol is the evaluation of ATL1103's effect on (sIGF-I) levels in patients. The secondary endpoint is the average percentage reduction in sIGF-I levels at the end of treatment compared to baseline levels for each of the two dosing regimens used in the Phase II study.*

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.

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. The inhibition of VLA-4 may prevent white blood cells from entering sites of inflammation, thereby slowing progression of the disease. 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 with the MS animal data having been published in a peer reviewed scientific journal. ATL1102 was previously shown by the Company to be highly effective in reducing MS lesions in a Phase II clinical trial in MS patients. The efficacy outcomes from this study were viewed to be as good as, if not superior to, those achieved with Tysabri® (2012 sales - US$1.6 billion) the monoclonal antibody drug to the VLA-4 receptor (same target as ATL1102), at the 3 month time point in its clinical development. Tysabri® is linked to JC virus activation causing a potential lethal viral brain infection known as progressive multi focal leukoencephalopathy (PML) ATL anticipates that ATL1102 could be as potent as Tysabri® but potentially safer (possibly not causing PML), cheaper to manufacturer, and more conveniently (self) administered.

In March 2013 the Company executed an agreement with Pharmaron, an internationally recognized Contract Research Organisation (CRO) in China, to conduct a chronic (6 month) non-human primate toxicology study to clear an appropriate dose for use in a potential further Phase IIb clinical study of ATL1102 in MS patients. In June 2013 the Company announced that dosing in the toxicology study had commenced.

Progress

On 12th December ATL announced that dosing in the primate toxicology study of ATL1102 had been completed with study results anticipated to be reported in Q1 2014.

The Company has previously successfully completed a Phase IIa clinical trial of ATL1102 in MS patients, and on 25 September advised of its plans to submit a scientific paper on the outcomes from this trial to a scientific journal for publication. The scientific paper has now been submitted for potential publication in a high quality peer-reviewed scientific journal.

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 mobilization 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 mobilization. While G-CSF is successful in mobilizing 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.

The Company has identified a potential new application for ATL1102 as a stem cell mobilization agent for use in combination with G-CSF in stem cell transplantation based on data generated from previously conducted studies on ATL1102. This data has formed the basis of an International Patent Application that has been lodged on ATL1102 entitled "Method of mobilizing stem cell and/or progenitor cells." The application seeks to provide protection for the stem cell mobilization application of ATL1102 until 2031.

Progress

On 1 October the Company announced its plans for a Phase I proof of concept clinical trial of ATL1102 in humans to be conducted in Australia and on 29th November 2013, announced that it had submitted a clinical trial application to the responsible Human Research Ethics Committee to conduct the trial of ATL1102 in the Stem Cell Mobilisation indication.

The ATL1102 Stem Cell Mobilisation (SCM) Proof of Concept trial is to be a randomized, open label study to assess safety, tolerability, pharmacokinetics and pharmacodynamics, including effects on the release of hematopoietic stem cells, of ATL1102 dosed over 5 days (given on day 1, 3 and 5) alone or in combination with Granulocyte Colony-Stimulating Factor (G-CSF) in 10 healthy volunteers. Nucleus Network, one of Australia's leading Clinical Research Organizations, is to conduct the trial at its clinical trial unit located at the Alfred Hospital, Melbourne, Victoria.

On 22 January the Company announced that approval to conduct the Proof of Concept trial had been received and that the Company expects the study to commence in Q'1 2014 and be completed in time for the results to be reported by the middle of 2014. The development of ATL1102 for the SCM application will be a relatively inexpensive and quick clinical program given it is to be an acute treatment of 1 week drug administration. Furthermore, given the study is to be conducted in Australia, ATL expects to benefit from the R&D tax credit where 45% of the costs of the study are potentially redeemable.

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. 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. ATL 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.

Share Consolidation

At the Company's Annual General Meeting held on Friday 1 November 2013, the shareholders passed a resolution that the issued share capital of the Company be consolidated on the basis that every ten existing fully paid shares in the capital of the Company be consolidated into one fully paid ordinary share.

Trading in the new consolidated shares commenced on 20th November 2013.

Capital Raising

On 20 December the Company announced the successful completion of the Company's Loyalty Issue of Options.

The total amount raised from the Loyalty Issue was approximately $551,440 before associated costs.

Financial Position

At 31 December 2013, the Company had cash reserves of $3,708,466.

R&D Tax Incentive

During the half-year the Company received from the ATO a payment of $974,187 in relation to the 30 June 2013 financial year.

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 24th Day of February 2014.

Auditor's Independence Declaration

Ernst & Young
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Melbourne VIC 3000 Australia
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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 2013, 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
24 February 2014

For the Half Year Ended 31 December 2013

	Note	31 December 2013 $	31 December 2012 $
Revenue	3	47,202	117,234
Other income	3	477,245	481,889
Depreciation expenses	4	(4,785)	(4,571)
Business development expenses	4	(385,777)	(417,996)
Administration expenses	4	(478,632)	(604,862)
Occupancy expenses	4	(57,267)	(55,688)
Patent expenses	4	(67,481)	(84,164)
Research and development expenses	4	(994,750)	(611,470)
Foreign exchange gains/(losses)	4	24,725	(6,965)
Loss before income tax		**(1,439,520)**	**(1,186,593)**
Income tax benefit		-	-
Net loss for the period		**(1,439,520)**	**(1,186,593)**
Total comprehensive loss for the period		**(1,439,520)**	**(1,186,593)**

	Note	2013 Cents	2012 Cents
Loss per share for loss attributable to the ordinary equity holders of the Company:			
Basic loss per share #	6	(1.00)	(0.84)
Diluted loss per share #	6	(1.00)	(0.84)

Capital was consolidated on a 10:1 basis on 13 November 2013, comparative results for Net Tangible Asset and Earnings per Share have been restated to reflect this consolidation.

The accompanying notes form part of these financial statements.

As at 31 December 2013

	Note	31 December 2013 $	30 June 2013 $
ASSETS			
Current Assets			
Cash and cash equivalents	8	3,708,466	3,999,814
Trade and other receivables	5	491,325	1,013,258
Prepayments		116,758	175,350
Total Current Assets		**4,316,549**	**5,188,422**
Non-Current Assets			
Plant and equipment		17,369	12,734
Total Non-Current Assets		**17,369**	**12,734**
TOTAL ASSETS		**4,333,918**	**5,201,156**
LIABILITIES			
Current Liabilities			
Trade and other payables		398,244	298,011
Provisions		252,165	256,090
Total Current Liabilities		**650,409**	**554,101**
Total Non-Current Liabilities		**-**	**-**
TOTAL LIABILITIES		**650,409**	**554,101**
NET ASSETS		**3,683,509**	**4,647,055**
EQUITY			
Contributed equity	12	52,439,802	51,783,828
Reserves	13	960,855	1,140,855
Accumulated losses		(49,717,148)	(48,277,628)
TOTAL EQUITY		**3,683,509**	**4,647,055**

The accompanying notes form part of these financial statements.

For the Half Year Ended 31 December 2013

	Contributed Equity	Option Reserve	Accumulated Losses	Total
	$	$	$	$
As at 1 July 2012	**49,722,775**	**1,365,855**	**(45,822,786)**	**5,265,844**
Loss for the period	-	-	(1,186,593)	(1,186,593)
Total comprehensive loss for the period	**-**	**-**	**(1,186,593)**	**(1,186,593)**
Transactions with owners in their capacity as owners:				
Issue of shares	2,071,449	-	-	2,071,449
Options exercised net of costs	-	(225,000)	-	(225,000)
Transaction costs on share issues	(10,396)	-	-	(10,396)
As at 31 December 2012	**51,783,828**	**1,140,855**	**(47,009,379)**	**5,915,304**
Loss for the period	-	-	(1,268,249)	(1,268,249)
Total comprehensive loss for the period	**-**	**-**	**(1,268,249)**	**(1,268,249)**
Transactions with owners in their capacity as owners:				
Issue of shares	-	-	-	-
Transaction costs on share issues	-	-	-	-
As at 30 June 2013	**51,783,828**	**1,140,855**	**(48,277,628)**	**4,647,055**
Loss for the period	-	-	(1,439,520)	(1,439,520)
Total comprehensive 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	-	(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**

The accompanying notes form part of these financial statements.

For the Half Year Ended 31 December 2013

	Notes	31 December 2013 $	31 December 2012 $
CASH FLOWS RELATED TO OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,767,146)	(1,826,476)
Interest received		47,057	127,196
R&D tax concession refund		974,187	-
NET OPERATING CASH FLOWS	**9**	**(745,902)**	**(1,699,280)**
CASH FLOWS RELATED TO INVESTING ACTIVITIES			
Payment for purchases of plant and equipment		(9,420)	(1,549)
NET INVESTING CASH FLOWS		**(9,420)**	**(1,549)**
CASH FLOWS RELATED TO FINANCING ACTIVITIES			
Proceeds from issues of securities		551,440	1,846,449
Capital raising costs		(87,466)	(10,396)
NET FINANCING CASH FLOWS		**463,974**	**1,836,053**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		(291,348)	135,224
Cash & cash equivalents at the beginning of the period		3,999,814	4,967,523
CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD	**8**	**3,708,466**	**5,102,747**

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 2013 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 2013 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 2013.

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 major future R&D expenditure forecast by the Company is the completion of clinical trials for ATL1103. The Company will need to access additional funds to complete the clinical trials of ATL1103 and any further development of its various other 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 funding in the form of license fees. The Company is also continuing to exploit the available Australian Government R&D funding arrangements as well as pursuing other capital raising initiatives.

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 2013 (31 December 2012: nil).

Note 3 – Revenue and other income

	Note	31 December 2013 $	31 December 2012 $
Revenue			
Interest from external parties		47,202	117,234
Total Revenue		**47,202**	**117,234**
Other income			
Research and development tax concession	**3(a)**	477,245	481,889
Total Other income		**477,245**	**481,889**
Total Revenue & Other Income		**524,447**	**599,123**

3 (a) Other income relating to research and development tax concession for the 31 December 2013 reporting period consists of $477,245 anticipated refund for expenditure incurred in the 2014 financial year. The comparative period consists of $91,222 refund for expenditure incurred in the 2012 financial year, and $390,667 anticipated refund for expenditure incurred in the 2013 financial year.

Note 4 – Expenses

	31 December 2013 $	31 December 2012 $
Administration expenses		
Compliance expenses	123,839	94,434
Office expenses	24,340	28,051
Corporate employee expenses	330,453	482,377
Total Administration expenses	**478,632**	**604,862**
Occupancy expenses		
Rent	49,389	49,388
Other expenses	7,878	6,300
Total Occupancy expenses	**57,267**	**55,688**
Research and development expenses		
R&D ATL 1101	-	2,190
R&D ATL 1102	215,603	17,146
R&D ATL 1103	773,986	479,915
R&D staff costs	5,161	112,219
Total Research and development expenses	**994,750**	**611,470**
Patent expenses	67,481	84,164
Depreciation expenses	4,785	4,571
Business development expenses	385,777	417,996
Foreign exchange gains/(losses)	(24,725)	6,965
Total Expenses	**1,963,967**	**1,785,716**

Note 5 – Trade and Other Receivables

	31 December 2013 $	30 June 2013 $
Interest receivable	4,130	3,985
Australian Tax Office receivable	2,635	3,307
Research and development tax concession receivable	476,329	972,936
Other receivables	8,231	33,030
Total Trade and Other Receivables	**491,325**	**1,013,258**

Note 6 - Loss per Share

	Note	31 December 2013 $	31 December 2012 $
Basic loss per share (cents)		(1.00)	(0.84)
Diluted loss per share (cents)		(1.00)	(0.84)
a) Net loss used in the calculation of basic and diluted loss per share		($1,439,520)	($1,186,593)
b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	#	144,092,110	141,187,129

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.

Capital was consolidated on a 10:1 basis on 13 November 2013, comparative numbers have been restated to reflect this consolidation

Note 7 - Net Tangible Assets

	31 December 2013 $	31 December 2012 $
Net Tangible Assets	$3,683,509	$5,915,303
Shares (No.)	144,095,128	143,795,457
Net Tangible Assets (Cents)	2.56	4.11

Note 8 – Cash and Cash Equivalents

	31 December 2013 $	30 June 2013 $
Cash at bank	1,008,466	999,814
Term deposits	2,700,000	3,000,000
	3,708,466	**3,999,814**

Note 9 - Cash Flow Reconciliation

	31 December 2013 $	31 December 2012 $
Net Loss for the period	**(1,439,520)**	**(1,186,593)**
Add back depreciation expense	4,785	4,571
Add back equity issued for nil consideration	12,000	-
(Increase)/Decrease in trade and other receivables	521,933	(486,932)
(Increase)/Decrease in prepayments	58,592	(169,449)
Increase in trade and other payables	100,233	111,285
Increase/(Decrease) in provisions	(3,925)	27,838
Net cash flows used in operating activities	**(745,902)**	**(1,699,280)**

Note 10 - Commitments and Contingencies

	31 December 2013 $	30 June 2013 $
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**

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 2013 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 2013 $	30 June 2013 $
Ordinary fully paid shares	12(a)	51,209,161	51,029,161
Options over ordinary shares	12(b)	1,230,641	754,667
		52,439,802	**51,783,828**

12(a) Ordinary Shares	31 December 2013		30 June 2013	
	No.	$	No.	$
Balance at the beginning of the period	1,437,954,566	51,029,161	1,265,111,320	48,968,108
Shares issued during the period	3,000,000	180,000	172,843,246	2,061,053
Consolidation of shares 10:1 basis	(1,296,859,438)	-	-	-
Balance at the end of the period	**144,095,128**	**51,209,161**	**1,437,954,566**	**51,029,161**

31 December 2013	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)	-
		(1,293,859,438)	180,000

30 June 2013	Details	Number	Issue Price $
3 July 2012	Exercise of ANPAU Unlisted Options	240,000	15,000
3 July 2012	Exercise of ANPO Listed Options	1,744,370	-
13 July 2012	Exercise of ANPO Listed Options	30,647,565	337,124
24 July 2012	Exercise of ANPAU Unlisted Options	3,000,000	210,000
24 July 2012	Exercise of ANPO Listed Options	22,818,054	250,999
2 August 2012	Exercise of ANPO Listed Options	114,052,957	1,254,583
3 August 2012	Exercise of ANPO Listed Options	340,300	3,743
Capital raising costs associated with the above issues		-	(10,396)
		172,843,246	2,061,053

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 2013		30 June 2013	
	No.	$	No.	$
Balance at the beginning of the period	-	754,667	173,993,250	754,667
Options issued during the period	46,951,984	475,974	-	-
Options exercised during the period	-	-	(169,603,246)	-
Options expired during the period	-	-	(4,390,004)	-
Balance at the end of the period	**46,951,984**	**1,230,641**	**-**	**754,667**

31 December 2013	Details	Number	Issue Price $
20 November 2013	Issue of Loyalty Options	45,728,528	548,996
20 November 2013	Issue of Private Placement Options	223,456	2,444
20 November 2013	Issue of Options for Management Fees to Patersons	1,000,000	12,000
Capital raising costs associated with the above issues		-	(87,466)
		46,951,984	475,974

30 June 2013	Details	Number	Issue Price $
3 July 2012	Exercise of ANPO Listed Options	(1,744,370)	-
13 July 2012	Exercise of ANPO Listed Options	(30,647,565)	-
24 July 2012	Exercise of ANPO Listed Options	(22,818,054)	-
31 July 2012	Expiry of ANPO Options	(4,390,004)	-
2 August 2012	Exercise of ANPO Listed Options	(114,052,957)	-
3 August 2012	Exercise of ANPO Listed Options	(340,300)	-
		(173,993,250)	-

Note 13 – Reserves

	31 December 2013		30 June 2013	
	No.	$	No.	$
Unlisted options over fully paid ordinary shares	3,720,000	1,140,855	9,860,000	1,365,855
Options exercised	(3,000,000)	(180,000)	(3,240,000)	(225,000)
Options expired / forfeited	-	-	(2,900,000)	-
Consolidation on 10:1 basis	(648,000)	-		
Employee options expensed	-	-	-	-
	72,000	**960,855**	**3,720,000**	**1,140,855**

31 December 2013	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)**

30 June 2013	Details	Number	Issue Price $
3 July 2012	Exercise of ANPAU Unlisted Options	(240,000)	(15,000)
24 July 2012	Exercise of ANPAU Unlisted Options	(3,000,000)	(210,000)
27 June 2013	Expiry of ANPAS Options	(2,900,000)	-
		(6,140,000)	**(225,000)**

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 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 2012	Note	ATL1102 Multiple Sclerosis	ATL1103 Growth and Sight Disorders	Total
Revenue				
Segment Revenue		-	-	-
Unallocated Revenue	14(a)	-	-	599,123
Total Revenue		**-**	**-**	**599,123**
Result				
Segment Result		(17,146)	(479,915)	(497,061)
Unallocated Result	14(b)	-	-	(1,288,655)
Income Tax Benefit		-	-	-
Net Result		**(17,146)**	**(479,915)**	**(1,186,593)**

		31 December 2013 $	31 December 2012 $
14(a)	**Unallocated Revenue**		
	- Interest from external parties	47,202	117,234
	- R&D Tax Concession Refund	477,245	481,889
		524,447	**599,123**
14(b)	**Unallocated Result**		
	- Compliance expenses	123,839	94,434
	- Business development expenses	385,777	417,996
	- Corporate employee expenses	330,453	482,377
	- Patent expenses	67,481	84,164
	- Other expenses	66,828	209,684
		974,378	**1,288,655**

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 12 to 24, 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 2013 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 24th Day of February 2013.

Auditors Review Report

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To the members of Antisense Therapeutics Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying condensed half-year financial report of Antisense Therapeutics Limited, which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and 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 2013 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.

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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 2013 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*.

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
24 February 2014

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
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ABN 41 095 060 745

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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