ANTISENSE THERAPEUTICS

12 February 2004

The Companies Section
The Australian Stock Exchange Limited
530 Collins Street
MELBOURNE VIC 3000

Dear Sir/Madam

Re: HALF-YEAR REPORT (REVIEWED)
31 December 2003

In accordance with Listing Rule 4.2A we enclose the Half-Year Report (Appendix 4D) (reviewed) on the results of Antisense Therapeutics Limited ('Antisense Therapeutics') for the half-year ended 31 December 2003.

Results

The Directors report a loss of $1,626,940 (2002: $3,882,283) which includes an income tax benefit of $371,820 (2002: $nil). The loss is after fully expensing all research and development costs.

The receipt of payments under the R&D Start Grant awarded to the psoriasis project ($638,700) and the cash rebate received in relation to the Research and Development Tax Concession ($371,820) have contributed to the reduction in the loss this half-year compared to the same period in 2002. The result also reflects reduced research and development costs this half-year compared to the half-year ended 31 December 2002 as the majority of the costs of the manufacturing, development and formulation of ATL1102 were incurred in the 2002 half-year period.

The company also successfully raised $10.4 million through share placements during the period.

Antisense Therapeutics has no borrowings and has cash and bank term deposits as at 11 February 2004 amounting to $15.3 million.

Key Highlights

(To be read in conjunction with the Directors' Report which contains a detailed report on the company's operations as contained in the Half-Year Report attached)

During the period under review the company has focused on meeting the key project milestones for its lead compounds, ATL1102 for multiple sclerosis and ATL1101 for psoriasis. Progress has also been made in other research projects . The major achievements of the company were:

Multiple Sclerosis Project (ATL1102)

- Commencement and completion of single and multiple dosing of volunteers in the Phase I human trials.

- Presentation of preliminary Phase I trial results at the Australian Neurosciences Society Conference, on 30 January 2004, which indicate that the data collected and analysed so far are favourable for both safety and pharmacokinetics.

Psoriasis Treatment Project (ATL1101)

- Initiation of the human 'proof of concept' study, an accelerated path to testing the activity of ATL1101 in humans suffering psoriasis.
- Completion of the manufacture of the bulk active pharmaceutical ingredient and commencement of formulation of injectable and cream presentations for use in the human 'proof of concept' study.

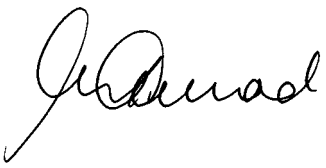
Share Placement

During the period under review, the company raised $10.4 million through new shares issues. Of this amount $5 million was raised through a private placement of ordinary shares to Australian institutions and professional investors, and $5.4 million was raised pursuant to the company's Share Purchase Plan.

Further details regarding the progress of the company's operations are provided in the Directors' Report included in the Half-Year Report attached.

This letter and the attached Half-Year Report form part of this announcement to the Australian Stock Exchange Limited and should be read in conjunction with the company's Annual Report for the year ended 30 June 2003.

Yours faithfully
Antisense Therapeutics Limited



Mark Diamond
Managing Director

APPENDIX 4D

Half-Year Report

Name of entity:	**ANTISENSE THERAPEUTICS LIMITED**
ABN:	**41 095 060 745**
Reporting period:	**HALF YEAR ENDED 31 DECEMBER 2003**
Previous Corresponding period:	HALF YEAR ENDED 31 DECEMBER 2002

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   - Independent Review Report
   - Directors' Report
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3. Other Information

THIS HALF-YEAR REPORT IS TO BE READ IN CONJUNCTION WITH THE COMPANY'S 2003 ANNUAL REPORT

Note: The financial figures provided are in **actual** Australian dollars, unless specified otherwise.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

The results of Antisense Therapeutics Limited for the half-year ended 31 December 2003 are as follows:

Revenues and Results from Ordinary Activities:		**Change compared to half year to 31/12/02 %**	**Half year to 31/12/03 $**
Revenues from ordinary activities	Up by $763,529	428%	941,987
Profit (loss) from ordinary activities after tax attributable to members	Loss has decreased by $2,255,343	58%	(1,626,940)
Net profit (loss) for the period attributable to members	Loss has decreased by $2,255,343	58%	(1,626,940)

Dividends:

No dividends have been paid or declared by the entity since the beginning of the current reporting period.

No dividends were paid for the previous corresponding period.

Brief Explanation of figures reported above:

Revenue from ordinary activities increased in the current period due to increased interest income and the receipt of payments under the R&D Start Grant awarded to the psoriasis project.

The loss for the company for the half-year was $1,626,940 (2002: $3,882,283) including an income tax benefit of $371,820 (2002: $nil). The loss is after fully expensing all research and development costs. The receipt of payments under the R&D Start Grant awarded to the psoriasis project ($638,700) and the cash rebate received in relation to the Research and Development Tax Concession ($371,820) have contributed to the reduction in the loss this half-year compared to the same period in 2002. The result also reflects reduced research and development costs this half-year compared to the half-year ended 31 December 2002 as the majority of the costs of the manufacturing, development and formulation of ATL1102 were incurred in the 2002 half-year period.

For further details relating to the current period's results, refer to the company's Directors' Report contained within the Financial Report for the half-year ended 31 December 2003.

Antisense Therapeutics Limited

ABN 41 095 060 745

Half-Year Financial Report for the half-year 31 December 2003

ERNST & YOUNG

120 Collins Street
Melbourne VIC 3000
Australia

GPO Box 67B
Melbourne VIC 3001

Tel 61 3 9288 8000
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DX 293 Melbourne

Independent review report to members of Antisense Therapeutics Limited

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Antisense Therapeutics Limited, for the half-year ended 31 December 2003.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company, and that complies with Accounting Standard AASB 1029 "Interim Financial Reporting", in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review of the financial report in order to make a statement about it to the members of the company, and in order for the company to lodge the financial report with the Australian Stock Exchange and the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the *Corporations Act 2001*, Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

ERNST & YOUNG

Independence
We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. In addition to our review of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Statement
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Antisense Therapeutics Limited is not in accordance with:

(a) the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the financial position of Antisense Therapeutics Limited at 31 December 2003 and of its performance for the half-year ended on that date; and

  (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the *Corporations Regulations 2001*; and

(b) other mandatory financial reporting requirements in Australia.

Ernst & Young

Denis Thorn
Partner
Melbourne
12 February 2004

ANTISENSE THERAPEUTICS LIMITED

ABN 41 095 060 745

DIRECTORS' REPORT

The Board of Directors of Antisense Therapeutics Limited ("ATL" or "company") has pleasure in submitting its report in respect of the financial half-year ended 31 December 2003.

Directors

The names of the directors in office during or since the end of the half-year are:

Mr Robert W Moses (Chairman)
Mr Mark Diamond (Managing Director)
Dr Chris Belyea
Dr Stanley Crooke
Prof Graham Mitchell
Prof George Werther

Unless otherwise indicated, all directors held their position as a director throughout the entire half-year and up to the date of this report.

Principal Activities

The principal activity of the company is to apply the best in antisense technology (by utilising industry alliances and the company's growing expertise in the field) to develop therapeutics for commercially important human conditions.

Results and Review of Operations

During the period under review Antisense Therapeutics Limited has progressed its most advanced projects in the following disease areas:

(a) multiple sclerosis (ATL1102); and
(b) psoriasis (ATL1101).

Results

The loss for the company for the half-year was $1,626,940 (2002: $3,882,283) including an income tax benefit of $371,820 (2002: $nil). The loss is after fully expensing all research and development costs. The receipt of payments under the R&D Start Grant awarded to the psoriasis project ($638,700) and the cash rebate received in relation to the Research and Development Tax Concession ($371,820) have contributed to the reduction in the loss this half-year compared to the same period in 2002. The result also reflects reduced research and development costs this half-year compared to the half-year ended 31 December 2002 as the majority of the costs of the manufacturing, development and formulation of ATL1102 were incurred in the 2002 half-year period.

Review of Operations

Detailed below is an update on the progress of the company's projects and overall operations for the half-year ended 31 December 2003.

Antisense Therapeutics Limited's 30 June 2003 annual report contains background information relating to its research and development projects and collaboration partners/agreements. ATL's 30 June 2003 annual report should be read in conjunction with this report.

Multiple Sclerosis (ATL1102) Project
ATL1102 is designed to block the synthesis of an immune system component or protein called VLA-4 that is known to play a part in both the onset and progression of multiple sclerosis ("MS").

In August 2003, the company commenced Phase I human clinical trials of ATL1102 at the Charterhouse Clinical Research Unit in London.

The aims of these Phase I trials are to obtain information on the pharmacokinetic[1] behaviour of ATL1102 in humans and to assess the safety and tolerability of increasing dose levels of ATL1102 injected as single and multiple doses. Fifty-four healthy volunteers have participated in the placebo-controlled, randomised, double-blind study.

The study has progressed rapidly, having completed both single and multiple dosing schedules.

Laboratory investigations of the biological samples collected during the trial are currently taking place.
Some preliminary data from these clinical trials were presented at the Australian Neuroscience Society Scientific Conference in Melbourne on 30 January 2004. As reported by the company on that date, preliminary indications from the data collected and analysed so far are favourable for both safety and pharmacokinetics.

These indications provide the company with the confidence to begin planning the Phase IIa clinical trials in MS patients with the selection of appropriate dose levels and dosing regimens. At present, study designs for the Phase IIa clinical trial are being discussed with potential clinical trialists and contract organisations.

Outlook
Once final reports are received for the Phase I trial and the results are assessed as satisfactory, the company will make an application for the Phase IIa patient trial.

Regulatory agency approval and commencement of the Phase IIa trial are targeted for the second half of 2004.

Psoriasis (ATL1101) Project
ATL1101 is designed to block the synthesis of the IGF-1 receptor, a protein involved in the regulation of cell growth in psoriasis.

In July 2003, the company announced its plans to undertake a "proof of concept" study, which is an accelerated path to testing the activity of ATL1101 in humans suffering psoriasis. In this "proof of concept" study, also referred to as the small plaque assay (SPA), a relatively small quantity of ATL1101 will be applied to areas of psoriatic skin on a limited number of patients.

The human study is to commence once supplies of drug product are manufactured and a limited animal toxicology program is performed. The manufacture of the active pharmaceutical ingredient and the analytical work required for product release was completed during the half-year ended 31 December 2003 and the formulation of injectable and cream presentations of ATL1101 is currently underway.

The psoriasis project is supported by a Commonwealth Government R&D Start grant of A$1.1 million.

Outlook
The limited animal toxicology studies are scheduled to commence in mid 2004 following completion of the formulation activities. Subject to receiving the relevant approvals to conduct the study, the human "proof of concept" study is expected to begin in the second half of 2004.

[1] "Pharmacokinetics" is how the drug distributes in the body over time after administration, helpful in deciding dosing frequency in future studies.

Other Projects
Currently, the company has research projects involving new drugs that target diseases of growth, vision and several major auto-immune diseases. These animal studies are at various stages of completion.

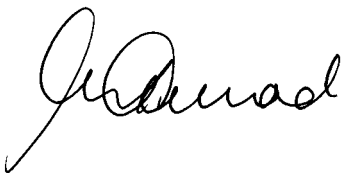
During the period under review, the company has produced positive results in an experimental system in mice for a second-generation antisense compound. These results have confirmed the potential of the antisense treatment for its given disease indications. The company expects to provide further details of the results of this research project in due course.

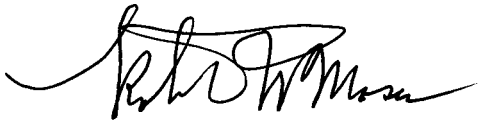
Share Placement
During the period under review, the company raised $10.4 million through new shares issues. Of this amount $5 million was raised through a private share placement to Australian institutions and professional investors, with the issue of 38.5 million ordinary shares at $0.13 per share and $5.4 million was raised pursuant to the company's Share Purchase Plan with the issue of 41.5 million ordinary shares to eligible shareholders at the same price per share.

Biotechnology Companies – Inherent Risks
Some of the risks inherent in the development of a product to a marketable stage include the uncertainty of patent protection and proprietary rights, whether patent applications and issued patents will offer adequate protection to enable product development, the obtaining of the necessary drug regulatory authority approvals and difficulties caused by the rapid advancements in technology. Also a particular compound may fail the clinical development process through lack of efficacy or safety. Companies such as Antisense Therapeutics Limited are dependent on the success of their research projects and on the ability to attract funding to support these activities. Investment in research and development projects cannot be assessed on the same fundamentals as trading and manufacturing enterprises. Thus investment in these areas must be regarded as speculative taking into account these considerations.

This annual report may contain forward-looking statements regarding the potential of the company's projects and interests and the development and therapeutic potential of the company's research and development. Any statement describing a goal, expectation, intention or belief of the company is a forward-looking statement and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those inherent in the process of discovering, developing and commercialising drugs that are safe and effective for use as human therapeutics and the financing of such activities. There is no guarantee that the company's research and development projects will be successful or receive regulatory approvals or prove to be commercially successful in the future. Actual results of further research could differ from those projected or detailed in this report. As a result, you are cautioned not to rely on forward-looking statements. Consideration should be given to these and other risks concerning the company's research and development program referred to in this report for the period ended 31 December 2003.

For and on behalf of the Board:





Mark Diamond
Director

Robert Moses
Director

Melbourne
12 February 2004

Antisense Therapeutics Limited
ABN 41 095 060 745

Condensed Statement of Financial Position
Half-Year Ended 31 December 2003

	December 2003 $	June 2003 $
Current Assets		
Cash assets	15,821,358	6,545,567
Receivables	73,820	68,730
Other	616,075	878,941
Total Current Assets	16,511,253	7,493,238
Non-Current Assets		
Plant and equipment	50,022	50,911
Intangible assets	3,794,000	4,438,000
Total Non-Current Assets	3,844,022	4,488,911
Total Assets	20,355,275	11,982,149
Current Liabilities		
Payables	207,453	326,302
Provisions	32,535	38,101
Total Current Liabilities	239,988	364,403
Total Liabilities	239,988	364,403
Net Assets	20,115,287	11,617,746
Equity		
Contributed equity	33,838,985	23,714,504
Reserves	725,885	725,885
Accumulated losses	(14,449,583)	(12,822,643)
Total Equity	20,115,287	11,617,746

The accompanying notes form an integral part of this statement of financial position.

Antisense Therapeutics Limited
ABN 41 095 060 745

Condensed Statement of Financial Performance
Half-Year Ended 31 December 2003

		31 December 2003 $	31 December 2002 $
Revenue from ordinary activities	2	941,987	178,458
Administrative expenses		(567,368)	(485,268)
Occupancy expenses		(25,615)	(22,696)
Patent expenses		(2,295)	(2,679)
Research and development expenses		(1,701,469)	(2,906,098)
Research and development expenses - amortisation of intellectual property		(644,000)	(644,000)
Loss from ordinary activities before income tax benefit		**(1,998,760)**	**(3,882,283)**
Income tax benefit relating to ordinary activities	3	371,820	-
Loss from ordinary activities after related income tax benefit		**(1,626,940)**	**(3,882,283)**
Net loss		**(1,626,940)**	**(3,882,283)**
Net loss attributable to members of Antisense Therapeutics Limited		**(1,626,940)**	**(3,882,283)**
Share issue costs		(271,899)	(271,220)
Total revenues, expenses and valuation adjustments attributable to members of Antisense Therapeutics Limited and recognised directly in equity		**(271,899)**	**(271,220)**
Total changes in equity other than those resulting from transactions with owners as owners		**(1,898,839)**	**(4,153,503)**
Basic earnings per share (cents per share)		(0.51)	(1.75)
Diluted earnings per share (cents per share)		(0.51)	(1.75)

The accompanying notes form an integral part of this statement of financial performance.

Antisense Therapeutics Limited
ABN 41 095 060 745

Condensed Statement of Cash Flows
Half-Year Ended 31 December 2003

	31 December 2003 $	31 December 2002 $
Cash Flows from Operating Activities		
Payments to suppliers, employees and for research and development	(2,155,718)	(3,680,722)
R&D Start Grant received	702,570	-
Interest received	262,259	194,857
Income tax benefits received	371,974	-
Net cash flows used in operating activities	(818,915)	(3,485,865)
Cash Flows from Investing Activities		
Purchase of plant and equipment	(7,888)	(6,932)
Net cash flows used in investing activities	(7,888)	(6,932)
Cash Flows from Financing Activities		
Proceeds from issue of shares and options	10,396,380	4,521,291
Payment of share and option issue cost	(293,786)	(248,421)
Net cash flows from financing activities	10,102,594	4,272,870
Net increase in cash held	9,275,791	780,074
Add opening cash brought forward	6,545,567	9,373,050
Closing cash carried forward	15,821,358	10,153,124

The accompanying notes form an integral part of this statement of cash flows.

Antisense Therapeutics Limited
ABN 41 095 060 745

Notes to the Half-Year Financial Statements
31 December 2003

Note 1. Basis of Preparation of the Half-Year Financial Report

The half-year financial report does not include all notes of the type normally included within the annual financial 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 full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of Antisense Therapeutics Limited as at 30 June 2003. It is also recommended that the half-year financial report be considered together with any public announcements made by Antisense Therapeutics Limited during the half-year ended 31 December 2003 in accordance with its continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of Accounting

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 1029 "Interim Financial Reporting" and Urgent Issues Group Consensus Views.

The half-year financial report has been prepared in accordance with historical cost convention.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Going Concern Basis of Preparation

This financial report has been prepared on a going concern basis. In common with start-up biotechnology companies:

- the company's operations are subject to considerable risks due primarily to the nature of research, development and commercialisation to be undertaken; and
- the going concern basis assumes that the existing cash reserves and future capital raisings will be sufficient to enable the company to successfully execute its existing and future plans.

The financial statements take no account of the consequences, if any, of the effects of unsuccessful product development or commercialisation nor of the inability of the company to obtain adequate funding. The ability of the company to realise the carrying value of the intangible asset is subject to successful operation of the company's existing and future plans.

	31 December 2003 $	31 December 2002 $
Note 2. Revenues and Expenses from Ordinary Activities		
Revenues from ordinary activities:		
Interest from external parties	291,301	179,208
Start grant income	638,700	-
Foreign exchange gains/(losses):		
Realised	12,386	(33,552)
Unrealised	(400)	32,802
Total revenues from ordinary activities	**941,987**	**178,458**

Note 2. Revenues and Expenses from Ordinary Activities (continued)

	31 December 2003 $	31 December 2002 $
Expenses and Losses:		
Depreciation of:		
- Equipment and furniture	10,533	9,026
Operating lease rentals:		
Minimum lease payments	20,079	19,494
Amortisation of intangibles	644,000	644,000

Note 3. Income Tax Benefit

The income tax benefit comprises cash rebate received during the period in relation to the year ended 30 June 2002 which is available under the Research and Development Tax Concession of the Income Tax Assessment Act 1936.

Note 4. Contributed Equity

	6 months to 31 December 2003 $	12 months to 30 June 2003 $
Contributed equity at beginning of the period	23,714,504	19,470,572
Shares issued during the period (i)	10,396,000	4,520,645
Transaction costs arising on share issue	(271,899)	(277,359)
Options exercised during the period	380	646
Contributed equity at end of period	33,838,985	23,714,504

(a) Movement in Contributed Equity for the period:	No.	No.
Balance of number of shares at beginning of period	275,281,608	215,003,110
Shares issued during the period (i)	79,969,842	60,275,268
Options exercised during the period	1,900	3,230
Balance of number of issued shares at end of period	355,253,350	275,281,608

(i) The following shares were issued during the period:

- 30,771,540 fully paid ordinary shares at 13 cents per share in a placement of shares to Australian institutions and professional investors,
- 41,508,302 fully paid ordinary shares at 13 cents per share to eligible shareholders pursuant to the company's share purchase plan, and
- 7,690,000 fully paid ordinary shares at 13 cents per share to Polychip Pharmaceuticals Pty Ltd.

Note 5. Subsequent Events

Subsequent to 31 December 2003, there has been no event that has significantly or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in subsequent financial years.

Note 6. Segment Information

The consolidated entity operates predominantly in one industry and one geographical segment, those being the health care industry and Australia respectively.

	31 December 2003 $	30 June 2003 $
Note 7. Commitments		
(a) Expenditure commitments relating to research and development are payable as follows		
Not later than one year (i)	1,572,394	1,247,678
Later than one year, but not later than five years	29,372	-
	1,601,766	1,247,678

(i) This amount includes commitments relating to research and development work being carried out by another entity on behalf of the company under a 3 year research agreement, however, the agreement allows for the research to be terminated with six months notice. Accordingly, the commitment reflects estimated costs that the company would be committed to in the event notice were to be given at period end.

(b) Operating office lease expenditure contracted for is payable as follows		
Not later than one year	82,713	45,087

Note 8. Contingent Liabilities & Contingent Assets

There were no contingent liabilities or contingent assets at 31 December 2003.

Director's Declaration

In accordance with a resolution of the directors of Antisense Therapeutics Limited, we state that:

In the opinion of the directors:

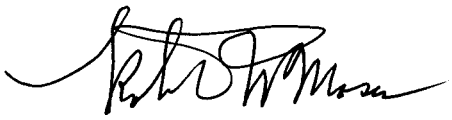
(a) the financial statements and notes of the company:

(i) give a true and fair view of the financial position as at 31 December 2003 and the performance for the half-year ended on that date of the company; and

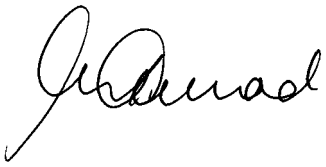
(ii) comply with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Director



Director

Melbourne, 12 February 2004

OTHER INFORMATION

	Half-year to 31/12/03	Half-year to 31/12/02
NTA backing		
Net tangible asset backing per ordinary security	4.59 cents	3.19 cents
Earnings per share		
Basic earnings per share (cents per share)	(0.51) cents	(1.75) cents
Diluted earnings per share (cents per share)	(0.51) cents	(1.75) cents

Status of review of accounts

This Appendix 4D is based on accounts which have been reviewed. The review report is included with the financial report.