



## ASX & MEDIA RELEASE

### Peplin Biotech releases full year results for FY 2002 - spends \$2.5 million on R&D to advance anti-cancer drug programme

BRISBANE, 13 September, 2002 – Anti-cancer drug developer Peplin Biotech (ASX:PEP) today released its financial results for the year ended 30 June, 2002, its second year as a public company.

**Shareholder support** during difficult stock market conditions – as measured by the two most important criteria of a strong share price and a successful capital raising – is among any company's most valuable assets. During the past year, Peplin Biotech has earned such support from its shareholders by making strong progress towards its key objectives.

The company's **product pipeline has expanded** to include a number of promising new anti-cancer drugs from both natural and synthetic origins.

While Peplin Biotech is discovering more therapeutic potential from within its original suite of patented compounds, the company has been busy expanding the pipeline from external sources. Its development and commercialisation model has attracted interest from both international and Australian researchers seeking collaborations with Peplin to advance their new drug candidates. Pre-eminent among these is the prestigious US National Cancer Institute, which recently licensed to the company a new family of synthetic anti-cancer compounds for commercial evaluation.

Peplin Biotech's **patent portfolio has grown** both in size and maturity with the final grant of the company's key *Anti-cancer Compounds* patents in both Australia and the USA, and progress in national phases of the balance, making a total of twenty six Peplin patents across seven patent families, which are now progressing through the system.

The company is **progressing its international partnering and licensing strategy** for its lead skin cancer drug, PEP 005, and detailed negotiations are underway. One of the key purposes of our recent rights issue was to allow Peplin to conduct these negotiations from the position of financial strength that it has now attained with the confident support of its shareholders. Recent confirmation by the US National Cancer Institute that PEP 005 is active *in vitro* at very low levels (nanomolar and picomolar concentrations) against the NCI's entire panel of 60 human tumor cell lines is great encouragement in planning the company's development and licensing strategies for follow-on targets of solid tumours and leukaemias.

Recent milestones achieved in the **development and manufacturing scale-up** indicate that Peplin Biotech can ultimately supply the world market for PEP 005, and that the company has a strong and growing capability to advance compounds into international clinical trials. Significant success in these phases will not only increase company shareholder value, but also help play an important part in the development of a local pharmaceutical industry in Australia.

**World class drug research and development is expensive**, with the company spending \$2.5 million in the 2001/02 financial year to advance the company's promising drug candidates. Peplin Biotech today reported a loss of \$2.7m incurred over the past year of operations, which is in line with the company's forecast and is the same as that reported last year. Company revenue includes \$1.2m from its \$3.2m R&D START grant, leaving \$2.0m to be drawn against a matching amount of Peplin research funding over the remaining 2 years of the project.

### About Peplin Biotech

Peplin Biotech Ltd is a Brisbane-based biomedical research company, discovering and developing drugs for the treatment of cancer. Its strategy is to work with large pharmaceutical companies to co-develop and license its family of novel proprietary compounds for a topical drug for the US\$1 billion skin cancer market and is proceeding with research into the development of systemic drugs for other targets including breast, colorectal, pancreatic and prostate cancer.

### Further information:

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#### KEY POINTS

- Peplin spent \$2.5m on its anti-cancer drug research and development programme during FY2002 resulting in full year loss of \$2.7m
- The company reported strong progress in all areas of its activity- research, development and commercialisation