

## Peptech Limited and Controlled Entities

### Financial Summary

The following information is a summary of the financial position for the half year to March 31, 2000.

<b>Profit &amp; Loss (AUD Millions)</b>	<b>March 2000</b>	<b>March 1999</b>
<b>Operating Revenue</b>		
Sales	2.0	1.5
Contract income	0.2	0.8
Interest	0.4	0.6
Proceeds from sale of Cambridge Antibody Technology Group plc (CAT) shares	2.5	-
Grants received	-	0.3
Rental income	2.2	2.2
Other income	-	0.3
<b>Total operating revenue</b>	<b>7.3</b>	<b>5.7</b>
<b>Expenses</b>		
R&D Expenses	1.1	1.9
Expenses relating to Danish operations	2.0	2.0
Other cost of sales and contract income	1.1	0.9
Book value and costs related to sale of CAT shares	1.3	-
Loss on disposal of Russian Subsidiary	-	0.1
Other operating expenses	1.1	1.2
Expenses charged this year	6.6	6.1
<b>Operating profit (loss) before abnormal items and tax</b>	<b>0.7</b>	<b>(0.4)</b>
<b>Abnormal Items</b>		
Merger expenses	(0.6)	-
<b>Operating profit (loss) before tax</b>	<b>0.1</b>	<b>(0.4)</b>

### Key Points:

Operating profit before abnormal items for the half year was \$681,000, compared to a loss of \$400,000 in 1999.

Peptech continues to have a positive cash flow from operations.

Due to strong U.S demand, Ovuplant Sales have increased by 42% compared to the same period last year. Total sales have increased by 37%.

The merger expenses amounting to \$612,000 were written off against the operating profit.

Pfizer has been granted a right for first refusal to negotiate for two years worldwide exclusive marketing rights to the cat and dog contraceptive products for which Pfizer provided the R&D funding during 1999.

Peptech defended the validity of its European TNF patent against BASF of Germany. BASF subsequently advised of its decision to appeal.