

ASX Announcement and Media Release

Peptech releases half-year results

Sydney, 30 May 2002 - Peptech Limited (ASX:PTD) today announced revenues from ordinary activities of approximately \$3.5 million for the six months ended 31 March 2002. The company recorded an after tax loss from ordinary activities of \$2.6 million, which together with a significant item expense of \$1.6 million arising from a prior period tax calculation adjustment, resulted in a net loss of \$4.2 million for the period. This compares with a profit of \$26.0 million in the previous period.

Peptech managing director, Stephen Kwik said the half year result reflected three major cost factors, a \$1.0 million foreign exchange loss, a prior period tax calculation adjustment of \$1.6 million and expenses of \$1.7 million in relation to the company's Domantis (formerly Diversys) research collaboration payments.

At the end of the period the company had cash reserves of \$22.1 million, which Mr Kwik said was more than sufficient to meet current future commitments and operating expenses.

“While it was disappointing to report a net loss for the period, promising indicators including an increase in royalty payments and sales of Ovuplant point to the future growth of the company.”

“It is difficult to compare this half-year with that of the corresponding prior half year since we have not received any milestone payments and have been disadvantaged by a foreign exchange loss,” he said.

Royalty income, including that from Centocor Inc, increased to \$1.4 million compared to an immaterial amount in the prior half year.

“The first half of 2002 has proven strong for our Peptech Animal Health Division and we continue to make encouraging inroads into the United States and Canadian markets. Sales of Ovuplant, which induces ovulation in mares, increased to \$1.5 million compared with \$0.4 million in the previous corresponding period,” Mr Kwik said.

Outlook

The Company said the outlook for the remainder of the financial year remains dependent on the receipt of royalty income from sales of Remicade in the United States. Remicade, which is manufactured by Centocor, Inc (a subsidiary of Johnson and Johnson), is prescribed for the treatment of Crohn's disease and rheumatoid arthritis.

According to Mr Kwik, in the absence of United States Remicade royalty income it is anticipated that a loss, although lower than the first half, will also be recorded for the six months ending 30 September 2002.

“Royalty income will become an important contributor to Peptech’s performance in the future. This should lead to a favourable result in the 2002/2003 financial year,” he said.

Domantis Update (formerly known as Diversys)

In April 2002, as part of the Company’s commitment to building pharmaceutical revenues, Peptech made its second payment to Domantis of \$8.5 million (comprising a \$3.5 million equity investment and a \$5.0 million collaboration payment) taking Peptech’s equity position in Domantis to 26.0 per cent. This payment will be reflected in the Company’s 30 September 2002 full year results.

Peptech’s third and final installment to Domantis of \$8.5 million is payable in April 2003. Following this payment Peptech will hold a 31.5 per cent (fully diluted) shareholding in Domantis.

- Ends -

About Peptech

Peptech Limited is an Australian biopharmaceutical company, focussed on the development and commercialisation of human therapeutic proteins. Peptech’s portfolio of patents covering the use of antibodies and/or antibody fragments that bind to TNF, has been licensed to Centocor, Inc. (a subsidiary of Johnson and Johnson) and Knoll AG (now part of Abbott Laboratories). Under these license agreements, Peptech is to receive ongoing royalties on sales of their products, Remicade and D2E7, respectively, in countries in which a valid patent has been issued. European and US marketing approval for D2E7 is expected in 2003.

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