



PEPTECH
LIMITED

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ASX / MEDIA ANNOUNCEMENT

Peptech financial update

As stated in the earlier announcement regarding the Centocor settlement, Peptech now gives profit guidance for the year ending 30 September 2005.

Peptech expects its net profit after tax for the year to be in the range of A\$18m to A\$21m. This guidance includes Peptech's income from its licensing agreements with Centocor Inc and Abbott Laboratories. It follows a strong net profit for the 2003-04 year, which eliminated Peptech's carried forward tax losses.

The earnings guidance also includes fully expensing a significant increase in all research and development expenditure on Peptech's anti-TNF dAb program, its research programs on its cancer targets that are part of the joint venture with Biosceptre, and the development and clinical trials costs for obtaining marketing approval for Suprelorin® (the male dog contraceptive) in Europe (VMD) and USA (FDA).

Peptech Executive Chairman, Mr Mel Bridges said that Peptech was in a unique position among Australian biotechnology companies of being able to fully fund numerous research programs, while still delivering a substantial net profit.

"I am very pleased to have concluded the recent settlement with Centocor," said Mr Bridges. "Our license arrangements with Centocor and Abbott Laboratories are non-exclusive and pertain only to particular discoveries within our TNF patent portfolio. "This allows us to further exploit these patents," he said.

"Peptech is on a solid financial footing and the Board is committed to delivering shareholder value as it seeks to position Peptech as one of the top five life science companies in Australia," he said.

"With the Centocor dispute settled, the board and management team are able to direct more of their energies towards advancing Peptech's current programs, as well as identifying new opportunities to fast-track growth."

Peptech has developed a very strong position in the TNF area. The company will now look to accelerate further developments in the TNF antibody area, as well as advance its TNF domain antibody, which has been co-developed with Domantis in the United Kingdom.

The Peptech board has undertaken to place the issue of dividends, or alternative shareholder returns that increase shareholder value, back on the board agenda.

Background

Peptech Limited focuses on the research and development of peptides and proteins in the areas of human pharmaceuticals and animal health. The company is positioning itself to become a globally recognised leader in biopharmaceutical development.

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