



PEPTECH
LIMITED

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ASX / MEDIA ANNOUNCEMENT

Peptech announces full year net profit of \$28.3 million

Australian biotechnology company, Peptech Limited, has released its financial results for the year ended 30 September 2004 with a greater than forecast net profit of \$28.3 million. The result for the previous year was a net loss of \$15.8 million.

Total revenues for the year were \$47.8 million compared with \$4.6 million in the previous year. This reflects the one-off payment arising from the settlement of the licensing dispute with Abbott Laboratories, plus the first payment from the new licence agreement with Abbott.

The result includes an amortisation charge of \$5.3 million in relation to research payments to UK drug discovery company, Domantis Limited in which Peptech holds a 36.1% interest. These research payments are now fully amortised. Also incorporated in the result are significant legal and professional expenses of \$4.5 million. These include costs associated with the Abbott and Centocor disputes and the proposed merger with Agenix.

Peptech has adopted tax accounting. Tax losses not previously recognised of \$6.3 million reduced the tax expense to \$1.8 million.

Cash reserves at 30 September were \$37.6 million. During the year, Peptech invested a further \$7.6 million in Domantis to maintain its shareholding at 36.1% and agreed to commit a further \$7.9 million in February 2005.

Peptech Executive Chairman, Mr Mel Bridges, said the strong cash position of the company placed it in an enviable position for growth.

“The resolution with Abbott Laboratories means Peptech is on a solid financial foundation. We will be able to exploit fully our own projects in anti-inflammatory therapeutics and those with our joint venture partner Biosceptre in the area of broad-spectrum cancer therapies, imaging and diagnostics. Both projects are linked to our investment in Domantis, which itself participated in a successful capital raising of \$42 million in February,” Mr Bridges said.

“The Peptech Board has also recently committed to the development and registration of Suprelorin[®], the dog contraceptive implant, in both the European and US markets. Investing in these projects underlines the Board’s commitment to increasing shareholder value,” he said.

Mr Bridges also stated the company was still confident Peptech would resolve the licence agreement dispute with Centocor, and estimated the matter would likely be resolved before the end of the 2004 calendar year.

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.

Further information:

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