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ASX/MEDIA ANNOUNCEMENT

Peptech Forecasts Strong Net Profit

Peptech Limited has confirmed that it is on track to achieve a significant turnaround and is forecasting a net operating profit after tax of between A\$25 – 28 million for the current financial year.

Executive chairman, Mr Mel Bridges said this was a significant improvement on the net loss last year of \$15.8 million.

Speaking at an International Forum on Protein-based Therapies and Immunodiagnostics, Mr Bridges said the outstanding profit performance coupled with Peptech's healthy cash reserves of approximately A\$40 million, placed the company in a strong position to pursue an active acquisition strategy over the next 12 months.

“We see Peptech as the ideal vehicle to consolidate strategic sectors of the Australian biotechnology industry both in human and animal health”, Mr Bridges said.

“In this regard we will actively seek merger and acquisition opportunities that make strategic sense in adding value to either of our Human or Animal Health divisions”.

At the forum, Mr Bridges also stated a clear goal to position Peptech into the top five healthcare / biotech companies on the ASX, with a market capitalisation of over A\$1billion.

“An essential component will be using our existing and future cash resources to create shareholder value. Peptech intends building a strong product pipeline in both therapeutics and diagnostics, through a combination of its in-house development programs, acquisitions, and through its key relationship with the UK based drug development company, Domantis”, said Mr Bridges.

He said a key strategy would be to expand Peptech's focus to encompass significant areas of unmet medical need, such as cancer, anti-inflammatory and immune related diseases.

“Through acquisition, the animal health division will emerge over the next two years as one of the largest in Australia – the goal is to be No. 1 in animal health”, Mr Bridges said.

Mr Bridges said the company also intended building its international profile particularly in the US and Europe this year.

BACKGROUND

Peptech 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.

The company holds a 36% equity position in Domantis.

Further information:

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