



PEPTECH
LIMITED

Peptech Limited
ABN 98 002 951 877

19-25 Khartoum Rd
Macquarie Park NSW 2113 Australia

Locked Bag 2053
North Ryde NSW 1670 Australia

Telephone +61 2 9870 8788
Facsimile +61 2 9870 8786

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ASX / MEDIA ANNOUNCEMENT

Peptech announces exciting results from Domantis trial

Australian biotechnology company Peptech Limited (ASX: PTD) today announced that Domantis Limited — the UK-based drug development company in which Peptech holds the major interest of 36.1 per cent — had released exciting results on a domain antibody (dAb) drug targeted at the treatment of COPD (Chronic Obstructive Pulmonary Disease).

Peptech Executive Chairman Mr Mel Bridges said the results represented an important breakthrough in the treatment of a critical medical condition of the lungs which affects 30 million people in developed countries alone.

“These excellent results from Domantis and Argenta could see inhaled domain antibody becoming an anti-inflammatory treatment of choice for patients with COPD,” he said.

“COPD is the fourth leading cause of death worldwide and costs the United States healthcare system US\$40 billion per annum,”

Mr Bridges said Domantis continued to deliver on its milestones and was expected to advance one of its new human dAb-based therapeutics into clinical trials in 2007.

“We believe the Domantis domain antibody technology will deliver the next generation of effective bio-therapeutic drugs,” he said.

“These results are but the tip of the iceberg in what will be ongoing positive newsflow out of Domantis over the coming twelve months.”

A copy of the Domantis media release is attached.

Further Information:

Mel Bridges
Executive Chairman
Peptech Limited
Mobile: 0413051600

About COPD:

COPD (Chronic Obstructive Pulmonary Disease) is a medical term used to describe a series of progressive lung diseases associated with airflow obstruction. Both emphysema and chronic asthma, including chronic bronchitis, fall into this category.

The common characteristics of COPD are progressive limitation of the airflow into and out of the lungs and shortness of breath.

Emphysema and chronic bronchitis are closely related to the symptoms of COPD, all of which impair lung function. Emphysema involves destruction of the walls of the alveoli in the lungs. Chronic bronchitis is characterised by an unrelenting cough and chronic mucus production.

Smoking is the main cause of COPD however environmental industrial pollutants can also result in COPD.

Respiratory infections in early childhood also are associated with reduced lung function and increased respiratory problems during adulthood, leading to an increased chance of COPD.

It is estimated that more than 30 million people suffer from COPD globally and it is recognised as the fourth largest cause of death behind heart disease, cancer and stroke. COPD is responsible for 100,000 + deaths per year in the US and Europe.

COPD represents a major area of unmet medical need with only one in five patients responding to current steroid treatment.

Associated problems resulting from COPD such as impaired breathing, interrupted sleep, discomfort, associated infections and general lifestyle demands makes the management of COPD a real challenge.

About Peptech:

Peptech Limited focuses on the research and development of peptides and proteins in the areas of human pharmaceuticals and animal health. The company is positioned to become a globally recognised leader in biopharmaceutical development. More information: [www. peptech.com](http://www.peptech.com)



For more information please contact

Robert Connelly, CEO, Domantis + 1 781 250 2833
Christopher Ashton, CEO, Argenta Discovery +44 1279 645645
Nicki Brimicombe, NB PR + 44 1883 732353

**ARGENTA AND DOMANTIS ANNOUNCE SUCCESSFUL STUDY OF INHALED
DOMAIN ANTIBODY FOR CHRONIC OBSTRUCTIVE PULMONARY DISEASE**

- Breakthrough Discovery May Lead to Effective Treatment for COPD -

Cambridge, UK and US; 26th October 2005... Domantis Limited, the human Domain Antibody therapeutics company and Argenta Discovery, the drug development and contract drug discovery company announced today that they have demonstrated the *in vivo* efficacy of a human Domain Antibody (dAb) in a Chronic Obstructive Pulmonary Disease (COPD) model. The study demonstrates that inhalation into the lung of a dAb against an inflammatory target provides significantly greater efficacy compared with current COPD therapy and is at least equivalent to a high dose of an industry standard control drug.

The results mark an important milestone in the development of dAbs for COPD, because they show that dAbs to this inflammatory target can have a profound effect on the disease and that local delivery of the dAb can elicit this profound response. Further studies are now being conducted to evaluate the precise dosing regimen as a precursor to the clinical development of this drug candidate, which is expected to commence in 2007. The two companies are now considering partnering proposals for the product.

Commenting on the breakthrough, Argenta's Director of Research and Development Dr Mary Fitzgerald, said, "We believe this dAb can become the anti-inflammatory treatment of choice for patients with COPD. Reducing the pulmonary inflammation in COPD should result in a reduction in exacerbation rate and severity and also slow down or halt

the decline in lung function associated with the disease. Currently, there are no drugs that effectively reduce inflammation in COPD and thus there is no therapy available to patients that will affect the natural course of this debilitating disease. As an effective anti-inflammatory agent this dAb could therefore bring relief to millions of patients. Furthermore, as the dAb is removed quickly from the bloodstream after leaving the lung, it is likely to have minimal side effects, in marked contrast to the majority of COPD drugs currently in development.”

Domantis Executive Vice President and Chief Scientific Officer Ian Tomlinson added, “This study provides further demonstration of the unique product potential for human dAbs. It shows that dAbs can be delivered by inhalation directly to targets in the lung to treat pulmonary disease, something that cannot be achieved effectively using conventional antibodies. We believe Argenta has unique expertise and technology for identifying potent COPD drug candidates and this study validates that belief. We look forward to working with them to take this product into the clinic.”

In October 2004, Argenta and Domantis announced an agreement to co-develop a series of dAb therapeutics to treat respiratory disease using pulmonary delivery. The ongoing collaboration combines Argenta’s unique and validated system for the evaluation of drug leads with Domantis’ proprietary dAb therapeutics, which are uniquely suited to pulmonary delivery due to their small size and remarkable stability. Under the terms of the agreement both parties share all costs and revenues arising from their alliance.

COPD is an irreversible and chronic obstruction of the airways, which is caused primarily by smoking. It is estimated that the disease is prevalent in 4 per cent of the populations of the USA, Europe and Japan and that at least one in fifteen smokers suffers from it. The World Health Organization estimates that COPD is the fourth leading cause of death in the world and was responsible for 2.7 million deaths in 2000. By 2020, it is estimated that COPD will become the third-ranking cause of death and the fifth leading cause of disability. Today, smoking cessation remains the single most effective way to halt the decline in lung function in COPD. However, for many patients

this proves to be difficult. Current therapies only provide symptomatic relief, that is, they are only able to treat the symptoms of the disease.

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Notes to Editors

Domantis is a drug discovery company that is leveraging its proprietary dominance in human dAbs to deliver therapies, which address large, unmet medical needs including inflammation (e.g. asthma, Crohns Disease) cancer (e.g. haematological and solid tumors) and autoimmune diseases (e.g. rheumatoid arthritis). In less than three years it has initiated more than a dozen proprietary therapeutic programs.

Therapeutic antibodies are a major commercial opportunity. Seventeen monoclonal antibodies have been approved for use to date and these are expected to generate sales exceeding \$9 billion by 2006. Fully human dAbs, the smallest binding domains of a full antibody, combine the therapeutic benefits of small molecule drugs (formulation and delivery versatility, wide therapeutic target range, low cost) with those of full human antibodies (enormous diversity, high specificity, lower toxicity). Thus they have very broad therapeutic relevance.

The growing antibody market and the commercial potential of dAbs makes Domantis an attractive partner for the pharmaceutical industry and it has already struck deals with Peptech, Abbott Laboratories, ImClone, Tanox, and Argenta Discovery whilst also attracting funding from the European Union for several therapeutic collaborations. A series of dAb therapies derived from these collaborations should begin to enter the clinic in 2007.

Monoclonal antibodies were invented in the 1970's at the UK Medical Research Council's Laboratory of Molecular Biology (MRC-LMB), which has remained at the forefront of therapeutic antibody research since that time. In 1989, scientists in the LMB laboratories of Sir Gregory Winter published the discovery of dAbs. This discovery led to the creation of an extensive portfolio of intellectual property covering the development and use of dAbs, the binding domains of fully human antibodies. Domantis has exclusive licenses and assignments to these pioneering inventions for dAb products and extensive intellectual property covering dAb libraries, methods of discovery, compositions, and formulations of dAbs. As a result, Domantis is the only company capable of fully exploiting the commercial therapeutic applications of human dAbs.

Sir Gregory and Dr Ian Tomlinson, world-renowned scientists from the MRC-LMB, launched Domantis in December 2000. Sir Gregory was also a founder of Cambridge Antibody Technology (CAT) plc. To date Domantis has raised \$54 million from investors including 3i, Gray Ghost (Baltimore, US), Albany Ventures, MVM Limited (London, UK) and Peptech Limited. Domantis employs over 50 staff and has laboratory facilities in Cambridge, UK and commercial offices in Cambridge, Massachusetts, US. See also www.domantis.com.

Argenta Discovery was founded in August 2000. Its contract research division provides integrated drug discovery capabilities encompassing medicinal chemistry, computer aided drug design, biochemistry, in vitro screening and ADME to a range of leading pharmaceutical and biotechnology companies world wide including AstraZeneca plc, Bayer AG, GlaxoSmithKline plc, Novartis and Sanofi-Aventis. It applies its industry experienced scientists to deliver rapid hit finding capabilities and to discover, convert and optimise hits and leads into potential drug candidates.

Argenta Discovery has leading expertise in chronic respiratory diseases including Chronic Obstructive Pulmonary Disease (COPD) and Asthma. It is developing a number of internal proprietary programmes in COPD with the goal of taking these as far as Phase IIa proof of concept before partnering. The company provides its pre-clinical respiratory platform to a number of leading companies engaged in respiratory research, to assess compound efficacy prior to clinical development.

Argenta employs approximately 105 people and is based in Harlow, Essex and Slough, Bucks, UK. See also www.argentadiscovery.com