



## ASX AND MEDIA RELEASE

### Results for the financial year ended 30 June 2006

- Strong cash balance of \$31.2 million
- International capital raising led by MPM Capital
- Positive results in phase IIa clinical trials
- Established US presence

**BRISBANE, Australia, 8 August 2006: Peplin Limited** (ASX:PEP) today announced audited financial results for the 12 months to 30 June 2006, reporting a strong \$31.2 million in cash, an operating loss before and after tax for the year of \$13.6 million and an operating cash outflow of \$11.8 million.

Major developments in the period under review included the successful completion of an international capital raising led by MPM Capital and an associated underwritten entitlement offer to shareholders. Pro-forma the completion of the entitlement offer (which closed on 3 July 2006) and the second tranche of the international offer, Peplin's cash balance was \$48.4 million.

In addition, Peplin has been pleased to report positive clinical trial results in four phase IIa clinical trials of PEP005 Topical, its proprietary product being developed for the treatment of actinic (solar) keratosis (AK) and basal cell carcinoma (BCC). Peplin has also successfully established its US presence and advanced PEP005 Topical into phase IIb clinical trials.

Peplin Managing Director and CEO Michael Aldridge said the company had delivered on the key strategic goals identified at the beginning of the financial year and the outlook for 2006/07 was very positive.

"Peplin is in the strong position of having two attractive products in late stage development which address large and poorly served markets," said Mr Aldridge.

"I am very pleased with the progress of the company on all fronts in 2006 and the strength of its balance sheet at year end."

For the year to 30 June 2006 Peplin reported revenue of \$1.4 million (2005: \$3.4 million), research and development expenses of \$12.2 million (2005: \$9.5 million) and general and administrative expenses of \$2.7 million (2005: \$2.1 million) to record an operating and net loss, both before and after tax, of \$13.6 million (2005: \$8.2 million). All of Peplin's product candidates are in the development stage and it expenses its research and development.

Well controlled clinical trials conducted by the company have clearly demonstrated the potential of PEP005 Topical to safely clear actinic keratosis lesions and basal cell carcinomas following just two topical treatments.

"That is both unique and valuable and has attracted the interest of the international investment community and enabled us to raise the necessary capital to aggressively pursue an advanced phase IIb program of clinical trials in the US and Australia," Mr Aldridge.

Mr Aldridge said Peplin had established its US presence and was progressing its US phase IIb clinical trial in AK and expected to commence its phase IIb clinical in BCC in the fourth quarter of 2006.

"Unfortunately AK (a pre-cancerous lesion which can progress to skin cancer) and BCC (which is the most common form of skin cancer) affect many Caucasians worldwide, especially Australians. Treatment alternatives, particularly surgical procedures, are not very attractive and that combination of factors highlights a market opportunity which we believe is both very large and poorly served," he said.

**ENDS**

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## **ABOUT PEPLIN**

Peplin Limited (a public company listed on the Australian Stock Exchange) is developing and commercialising cancer therapeutics. Peplin's lead compound (PEP005) is the first in a new class of investigational agents targeting cancer by a novel mechanism of action.

Peplin's lead programs are topical treatments (PEP005 Topical) for actinic (solar) keratosis (AK), a common pre-cancerous lesion and basal cell carcinoma (BCC), the most common form of skin cancer. Peplin's earlier stage pipeline, utilising different formulations of PEP005, is targeted at leukemia and bladder cancer.

PEP005 Topical works by directly killing most cancer cells and then recruiting and activating the local immune system to clean-up these dead cancer cells and kill any remaining cancer cells. PEP005 Topical is being developed as a cosmetically attractive non-surgical treatment for AK and BCC; Peplin believes the unique benefits of PEP005 Topical include its short (2 or 3 day) course of therapy and its transient and favourable side effect profile. Peplin has filed two IND applications with FDA and has completed phase IIa clinical trials. Peplin's product development activities are supported by the Australian Federal Government under its Pharmaceuticals Partnerships Program.

Peplin holds global proprietary rights for PEP005 Topical and other oncology applications of PEP005. Its research portfolio of EPUFA compounds opens additional potential opportunities in cancer and pain.