



## ASX AND MEDIA RELEASE

### Results for the financial year ended 30 June 2005

**BRISBANE, Australia, 9 August 2005: Peplin Limited (ASX:PEP)** today announced audited financial results for the 12 months to 30 June 2005 reporting a healthy \$9.2 million in cash and an operating loss before and after tax for the year of \$8.2 million.

The result reflects Peplin's continued prudent and planned investment in the research and development of its product candidates and a controlled level of general and administrative expenditure.

Since the end of the financial year Peplin has placed 11.4 million shares at \$0.35 per share with institutional and sophisticated investors to raise \$4 million, further strengthening its cash position.

Peplin also announced a share purchase plan for eligible shareholders registered at 10 August 2005 to acquire up to \$5,000 of shares at \$0.35 cents per share.

For the year to 30 June 2005 Peplin reported revenue of \$3.4 million (2004: \$6.3 million), research and development expenses of \$9.7 million (2004: \$9.9 million) and general and administrative expenses of \$1.9 million (2004: \$1.5 million) to record an operating and net loss, both before and after tax, of \$8.2 million (2004: \$5.1 million). All of Peplin's product candidates are in the development stage and the company expenses its research and development costs.

Peplin Managing Director and CEO Michael Aldridge said he was very pleased with the operating and financial performance of the company in 2005 and the strength of its balance sheet at year end.

"In 2004/05 we secured full control of our lead product PEP005 Topical from our previous corporate partner, announced very favourable results from a phase I clinical trial and have confidently advanced that product candidate into a comprehensive phase IIa clinical trial program," he said.

"We now have three phase IIa clinical trials in Australia underway and a further US based phase IIa clinical trial planned to start later this month - all of those achievements have been made on an R&D investment comparable to the previous year."

Mr Aldridge said Peplin was on schedule to announce the results of its phase IIa clinical trial of PEP005 Topical in actinic keratosis (AK) by December 2005 and the results of the first of its phase IIa clinical trials of PEP005 Topical in basal cell carcinoma in the first quarter of 2006.

“The market opportunity for a product like PEP005 Topical to treat AK and non-melanoma skin cancer gets larger and more attractive by the day. That together with the favourable results of our phase I clinical trial and the progress we are making on our current phase IIa clinical trials underlines the wisdom of our decision to reacquire this product late last year and advance it independently into later stage clinical development,” he said.

Mr Aldridge said Peplin had now also started to see tangible benefits from its previous investment in a research program into the anti-leukemia properties of PEP005 with heightened investor and clinician interest following the publication of research results in *Blood*, the journal of the American Society of Hematology.

“We were very pleased to complete the \$4 million placement on 4 August to secure the necessary resources to advance PEP005 IV for leukemia into its final set of pre-clinical studies and a phase I/II clinical trial in leukemia patients,” he said.

“Advancing PEP005 IV into clinical development is a very important strategic initiative for Peplin.”

Mr Aldridge said the outlook for 2005/06 was very positive, with Peplin in the strong position of having two highly differentiated products in development which address large and highly attractive markets.

“The coming year will be an exciting and busy time for Peplin as we reignite PEP005 IV’s development and continue to advance our skin cancer program,” he said.

Upon introduction of the Australian equivalents of international financial reporting standards (IFRS) from 2005/06, Peplin will derecognise intangible assets previously carried on the balance sheet (\$3.4 million as at 30 June 2005). This will be done by a one-off adjustment to shareholders’ equity and will result in the elimination of the annual expense of approximately \$0.3 million to Peplin’s profit and loss account for amortisation of this item.

The other main impact upon introduction of IFRS will be to expense the value of options granted over the period from date of grant until the options vest. This value will be recognised in a new reserve within shareholders’ equity as the expense is brought to profit and loss account.

**ENDS**

## **ABOUT PEPLIN**

Peplin is focused on the development and commercialisation of prescription human therapeutic products for the treatment of cancer. Its lead compound PEP005 is the first in a new class of investigational agents targeting various forms of cancer. Peplin's lead product is PEP005 Topical, which is being studied in phase IIa clinical trials for the treatment of actinic keratosis (a pre-cancerous lesion) and non-melanoma skin cancer. PEP005 Topical works by a powerful mode of action, 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 potentially a rapidly acting and cosmetically attractive non-surgical treatment for actinic keratosis and non-melanoma skin cancer. Peplin's product development activities are supported by the Australian Federal Government under its Pharmaceuticals Partnerships Program.

Peplin's earlier stage pipeline is targeted at leukemia (a blood borne cancer) using its lead compound PEP005 in an intravenous formulation (PEP005 IV) and bladder cancer using an intra-cavitary or intravesical formulation (PEP005 IC). PEP005 has demonstrated selective and potent anti-leukemia activity in pre-clinical disease models. PEP005 induces apoptosis in leukemia cells via the activation of PKC delta. Peplin holds global proprietary rights for PEP005 Topical and other oncology applications of PEP005. Its research portfolio of EPUFA compounds opens additional potential opportunities particularly in cancer and pain.

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