



MEDIA RELEASE

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PLASVACC TO RAISE \$5M FOR US EXPANSION

Queensland biotech signs agreement to purchase leading US plasma supplier

www.plasvacc.com

BRISBANE, AUSTRALIA: Australia's leading commercial supplier of blood plasma products for animals – Plasvacc – today reinforced its vision to become a global leader in animal plasma therapy, announcing a capital raising of nearly \$5m to purchase pioneering US plasma supplier, Veterinary Dynamics Inc. (VDI).

The acquisition will give Plasvacc fast, streamlined access to the world's largest market for animal plasma through VDI's established customer base of US and Canadian veterinarians and animal owners, to whom Plasvacc can introduce its growing suite of Australian-made products.

Under a prospectus recently lodged with the ASIC, Plasvacc is offering 4,750,000 shares at \$1 per share. Applications must be for a minimum of 2,000 shares and thereafter in multiples of 1,000 shares. The offer closes on 23 September 2004.

Plasvacc co-founder and Chief Executive Officer, Mr Andrew Macarthur, said a key selling point of the offer was that, unlike many biotechs, Plasvacc is already a commercially viable, cash-flow positive business through its sale of animal plasma products in Australia.

In addition to existing licensed products for horses, dogs and camels, Plasvacc recently signed a groundbreaking agreement with CSL Limited's [ASX: CSL] Pharmaceutical Division to provide horse plasma for CSL's work in producing snake anti-venom products for human and animal application.

"This is not a matter of investing in a scientific venture that may or may not eventuate," Mr Macarthur said. "Plasvacc has completed a period of successful, trialled and proven R&D and is seeking to harvest the benefits of this by applying the technology to new and emerging markets."

"We are offering investors the opportunity to become owners of a business that currently services approximately 3,000 customers throughout Australia, New Zealand, the US and Canada; is investing in the development of additional products – in particular for cattle – and is also progressing plans to enter the rich European markets.

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“The purchase of VDI is the first step in expanding Plasvacc’s operations. Given our very promising ongoing R&D, the development of further products and markets to service represents an opportunity for Plasvacc to expand its business to many times its existing size,” he said.

Mr Macarthur said the investment was particularly suited to investors seeking businesses with a commercialised product range, significant expansion opportunities and who have a medium term investment horizon.

“The scale of such development is likely to require additional funding in the future, and at the appropriate time we will investigate a listing of the business, market conditions permitting of course,” he said.

Established in 1996, Plasvacc is the only registered commercial manufacturer and distributor of veterinary blood plasma products in Australia. Including the acquisition of VDI on a full year basis, the company has forecast sales of over \$4m, EBITDA (post R&D expenses) of approximately \$1m, and profit after taxes of over \$500,000, which equates to an earnings per share (pre amortisation of intangible assets) of 7.3c in the 2005 financial year.

Plasvacc’s revenues have grown at an average annual rate of more than 30 per cent in the four years to June 30, 2004. The company currently sells to more than 400 veterinary clinics in Australia and New Zealand.

Existing partnership

Based in Templeton, California, VDI is a market leader in the manufacture and supply of equine plasma. All VDI products (currently for horses only) are manufactured on site under a US Department of Agriculture (USDA) licence. The company sells to more than 2,500 veterinary practices in the US and Canada.

The two companies have collaborated closely since 1996, sharing intellectual property and market insights that have benefited both organisations. During this time, the companies have developed a strong working relationship and common scientific and manufacturing platform. Under the sale agreement, VDI founder and Chief Scientific Officer, Dr Derek Brook, will continue in a consulting role, advising Plasvacc on research and development initiatives.

Following the purchase of VDI, Plasvacc will be run as one business with all products and manufacturing methods scalable and transferable between Australia and the US. Additional management, research, and sales and marketing staff will be recruited to both the Australian and US sites.

“Given the established reputation of Veterinary Dynamics and Dr Brook in the US, we are confident Plasvacc will benefit from VDI’s position as a market leader in North America,” Mr Macarthur said. “Furthermore, the current exchange rate makes local manufacture and export very attractive,” he added.

Over the next 12-18 months Plasvacc will fully commercialise a new product for cattle called BOVIPLAS. Once registered in Australia, the plan is to achieve US registration via USDA to distribute Plasvacc products in the US market. The company will also introduce its CANIPLAS product for dogs, and expand VDI’s current equine sales through increased marketing and new product development.

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Following US registration, Plasvacc also plans to extend its EQUIPLAS, CANIPLAS and BOVIPLAS product range into the expansive European Union market.

There are approximately 60 million dogs, 6 million horses and 110 million cattle in the US and Canada, compared with 4 million dogs, 1.2 million horses and 35 million cattle in Australia and New Zealand.

About Plasvacc

Based near Kalbar, South East Queensland, Plasvacc is an Australian-owned pharmaceutical company that produces high quality blood plasma products for animals such as horses, dogs, camels and alpacas.

A natural product, blood plasma contains vital disease-preventing antibodies and clotting factors, and has received growing acceptance as an alternative to traditional antibiotics as a means of improving animal health.

The company's products have been developed by respected veterinarian and academic, Dr Ross Wilson, whose extensive career in plasma research and veterinary clinic management will be of major benefit to the research, product development and marketing efforts of the group.

A key benefit for the company is Australia's relatively disease free environment. In May 2002 the company won Australian Federal Government support through the Department of Transport and Regional Services receiving \$223,000 under the Dairy Regional Assistance program to further its production capacity.

Plasvacc is based at *Rigby*, a 200-hectare property on the Cunningham Highway near Kalbar, Queensland, which house its new \$1.8 million state of the art laboratory and blood plasma collection facility. All blood plasma is collected from special donor herds of animals kept on the property.

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For a copy of the Plasvacc Prospectus, or more information on Plasvacc, go to: www.plasvacc.com or contact:

Philippa Honner / Sheridan Lee
Shed Enterprises
02 9247 8533 / 0407 939 543 (PH) / 0411 101 492 (SL)