



MEDIA RELEASE

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Aussie biotech expands into lucrative US plasma market

Queensland blood plasma specialist - Plasvacc - raises \$4 million, purchases leading US plasma supplier

www.plasvacc.com

BRISBANE, AUSTRALIA: Australia's leading commercial supplier of blood plasma products for animals – Plasvacc – today announced it has successfully raised \$4 million from local investors to purchase pioneering US plasma supplier, Veterinary Dynamics Inc. (VDI).

The acquisition gives 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.

Plasvacc co-founder and Chairman, Mr Robert Macarthur, said retail investors had showed strong support for the company's business proposition, which was underpinned by the fact that Plasvacc is already a commercially viable, cash-flow positive business through its sale of animal plasma products in Australia.

Plasvacc issued a prospectus in August last year to raise \$4.75 million. The company has been successful in raising over \$4 million to date, which has been used to purchase the VDI business. The offer remains open to investors until 30 March 2005.

In addition to the purchase of VDI, the new capital will be used to expand the sales and marketing efforts of both the US and Australian operations, as well as fund research and development into new plasma products.

Mr Macarthur said both Plasvacc and VDI experienced strong growth in 2004 with sales increasing by over 15 per cent in both businesses on 2003 figures.

"We expect 2005 to continue this growth trend as we work to amalgamate the brand and marketing efforts of both businesses," Mr Macarthur said. "In addition to recruiting additional sales managers in both the US and Australia, a core focus will be to replicate Plasvacc's sophisticated business and reporting disciplines for the US business."

"Through the purchase of VDI and the intellectual property of its plasma production technology, we can now harness existing cashflows and distribution networks throughout the expansive US and Canadian markets. With Plasvacc's advanced

business systems in place, we are looking forward to broadening VDI's product range to tap into North America's huge cattle market, as well as dogs, camels and horses."

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.

"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," Mr Macarthur said.

In addition to existing licensed products for horses, dogs and camels, Plasvacc last year 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.

VDI to be rebranded Plasvacc

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.

Dr Ross Wilson, Plasvacc's Chief Scientific Officer, said: "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.

"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," Dr Wilson said.

The company will also introduce its CANIPLAS product for dogs, and expand VDI's current equine sales through increased marketing and new product development. Following US registration, Plasvacc also plans to extend its EQUIPLAS, CANIPLAS and BOVIPLAS product range into the expansive European Union market.

About Plasma and Plasvacc

Based at *Rigby* a 200-hectare property on the Cunningham Highway 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. All blood plasma is collected from special donor herds of animals kept on the property. All plasma collection and processes are conducted under strict animal ethics guidelines

Plasma is 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.

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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)