

MEDIA RELEASE

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\$3m for promising new fibrosis drug

University of Melbourne spin-out Fibrotech Therapeutics receives investment funding from Brandon Capital Partners, MRCF and Uniseed to develop fibrosis drugs

Fibrotech Therapeutics Limited has secured \$3 million investment funding to advance development of its lead fibrosis drug FT011 to completion of Phase Ib clinical trials.

The company is developing novel drug candidates to treat the fibrosis prevalent in chronic conditions such as kidney disease, heart failure, pulmonary fibrosis and arthritis. Fibrotech's proprietary compounds are novel analogues of tranilast (Rizaben®), a known anti-fibrotic agent which is off patent.

FT011 has been shown to be orally bioavailable and significantly inhibit the progression of renal fibrosis in a rat model of diabetic nephropathy. The initial indication being pursued by Fibrotech is late-stage diabetic nephropathy, the clinical outcome being delayed progression to end-stage renal disease.

Fibrosis is the irreversible scarring of tissue which reduces the ability of organs to function properly. Fibrotech will initially target a type of fibrosis called diabetic nephropathy which is a complication that arises in approximately 30 per cent of diabetics. Over 194 million people worldwide have diabetes and more than 57 million experience diabetic nephropathy as a complication. This is a chronic disease whose progression is characterised by a reduction in the ability of the kidney to filter waste from the blood, ultimately leading to kidney failure.

"We are expecting to test our first patients within the next 18-24 months," says Fibrotech's founder Assoc Prof Darren Kelly.

"An estimated 45 per cent of all deaths in the developed world are attributed to some type of chronic fibroproliferative disease and therefore the demand for antifibrotic drugs is enormous."

"If this comes to fruition, and we're confident with the results so far, it has the potential to become a blockbuster drug," Prof Kelly said.

Fibrotech has also received a Type 1 Diabetes RAID Grant (Rapid Access to Interventional Development) from the US National Institute of Health (NIH). It is the first Australian company to be awarded a grant of this type, validating the potential of Fibrotech's technology.

Managing Director of Brandon Capital Partners Dr Chris Nave is enthusiastic about the Company's potential.

"Fibrotech's technology has a broad range of applications outside the diabetic nephropathy market. Revenue streams will be sought from partnering or sale of the FT011 program following Phase II trials in diabetic nephropathy. Fibrotech would then endeavour to expand the disease applications with its other lead compounds including inflammatory indications, pulmonary fibrosis, liver cirrhosis and chronic heart disease," said Dr Nave.

Fibrotech Therapeutics was formed by Assoc Prof Darren Kelly of the Department of Medicine, University of Melbourne and St Vincent's Hospital, with the support of Melbourne Ventures, the technology transfer company for the University of Melbourne.

The funding is a Series A funding round from the Medical Research Commercialisation Fund, BBF1 IIF (both managed by Brandon Capital Partners) and Uniseed. Phase I Trials are targeted for 2010.

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About Brandon Capital Partners

Brandon Capital Partners makes seed and venture capital investments into emerging businesses in the high-growth life science industry. Brandon Capital Partners' team has a track record of successful life science investment as well as a history of working in research, operations and business development in the healthcare industry.

www.brandoncapital.com.au

About Medical Research Commercialisation Fund

The Medical Research Commercialisation Fund (MRCF) is a pre-seed investment fund dedicated to providing early stage investment funding to opportunities emanating from its member medical research institutes. The \$30m fund provides investment for proof-of-concept activities as well as funding into later stage projects and companies. The MRCF was founded through collaboration between Australia's leading medical research institutes and Statewide and Westscheme Superannuation funds, with support from the State Governments of Victoria, New South Wales and Western Australia.

www.mrcf.com.au

About Uniseed

Uniseed is a \$61 million commercialisation fund operating at the University of Queensland, New South Wales and Melbourne. Apart from these three universities, Western Australia's largest non-governmental superannuation fund, Westscheme, is also a member. Uniseed has made over 30 investments in technologies arising from its partner universities, including Vitela (AVCAL Best Early Stage Deal 2005) and QRx-Pharma (largest biotech IPO in ASX history).

www.uniseed.com

About Melbourne Ventures

Melbourne Ventures Pty Ltd is the technology commercialisation company of the University of Melbourne. The company offers comprehensive commercial advisory and technology commercialisation service to the academic community of the University of Melbourne and its affiliate organisations.

www.research.unimelb.edu.au/ventures