



PHOSPHAGENICS

Company Announcement

Phosphagenics to Launch New Cellulite Cosmetic April 2011: Trials Show Up to 40% Cellulite Reduction

- *Global \$2.3 billion pa market*
- *First Australian sales later this month*
- *International trial results 'exceeded all expectations'*

11 April 2011, Melbourne, Australia: Biotechnology company Phosphagenics Limited (ASX: POH, OTCQX: PPGNY) will launch its novel anti-cellulite technology in Australia by the end of the month after recent US studies produced stunning results.

The product, known as BodyShaper Cellulite Contour Crème™, uses the company's proprietary platform TPM® technology to deliver fat reducing active compounds into the skin.

It is now being released to market after trials demonstrated a reduction in the appearance of cellulite of up to 40 per cent after 4 weeks as well as improving skin elasticity and hydration.

Phosphagenics CEO, Dr Esra Ogru, said the company had built a solid reputation in pharmaceutical product delivery, but was now poised to garner a large slice of the global multi-billion dollar per annum market for cellulite reduction products using its platform technology.

"Our cosmetic products have been developed by scientists using the unique and patented Phosphagenics' proprietary platform TPM® technology," she said.

"We have repeatedly demonstrated the versatility of this technology with pharmaceutical, dermatological and cosmetic preparations.

"TPM® is a scientific technology that enables active ingredients to be delivered into the skin effectively, safely and non-invasively. Our recent studies have demonstrated the fat reducing compound AOP 9604 is also able to be delivered in this manner."

The BodyShaper™ product combines the company's TPM® platform delivery technology with the novel lipolytic peptide (AOP 9604) licensed from Calzada Ltd and two other fat-busting molecules, caffeine and forskolin.

The novel AOP9604 is a 16 amino acid cyclical peptide that was discovered at Monash University by Professor Frank Ng and co-workers.

It has undergone several years of scientific testing to characterise its ability to promote lipolysis, which is the breakdown and release of fat stored in fat cells. Its safety has been rigorously established over many years, as has its ability to reduce the size and contents of human fat cells *in vitro*.

Cellulite describes a condition where bulging fat cells give the appearance of bumps on the body, commonly referred to as the “orange peel” effect.

About the Study

This independent study is being conducted by AMA Laboratories Inc in New York. Thirty women are participating in the trial which involves morning and night application of the Bodyshaper Cellulite Contour Crème™ to the upper thigh of a single leg. The application area is to be assessed over an eight week period for quantifiable changes in the visible appearance of cellulite using advanced digital photographic techniques, as well as skin hydration and elasticity. Participants are also recording their subjective assessments of any perceived improvements at regular intervals. The untreated leg is used as a control for all measurements.

After 28 days of application, the visible appearance of cellulite was quantifiably reduced by as much as 40% at the sites of application. These improvements were visibly noticeable to the participants, with 86% of women reporting a perceived improvement to the visible appearance of the bumps and dimples of their cellulite. They (96%) also observed an improvement to skin firmness and smoothness, while 93% of women saw an increase in skin tightness. Measurable skin hydration was increased by 20% and elasticity increased by 5% over the course of the four weeks. Continued use of the product is expected to further improve the outcomes for all measurable endpoints.

Ends

Enquiries:

Dr Esra Ogru
Chief Executive Officer
Phosphagenics Limited
+61 3 9565 1119

Rudi Michelson
Monsoon Communications
+61 3 9620 3333

About Phosphagenics

Phosphagenics is commercialising drug delivery applications based on its novel transdermal (drugs administered via skin) TPM® – Targeted Penetration Matrix technology. TPM® is a patient friendly and cost effective system used to deliver proven pharmaceutical and nutraceutical products.

The lead product advancing through clinical trials is an oxycodone matrix system for the relief of chronic pain.

Phosphagenics' shares are listed on the Australian Securities Exchange (POH) and its ADR – Level 1 program in the US is with The Bank of New York Mellon (PPGNY).
www.phosphagenics.com

About Calzada

Calzada is a Melbourne based biotechnology company which owns 100% of PolyNovo Biomaterials Pty Ltd, an innovative biodegradable polymer technology company, and 100% of Metabolic Pharmaceuticals Pty Ltd which holds the AOD9604 intellectual property for the treatment of obesity and bone disorders. The company is listed on the Australian Securities Exchange, ASX code: CZD.