



PHOSPHAGENICS

Company Announcement

Phosphagenics Signs Major Distribution Agreement for Asia

- *Deal enables initial supply of Elixia® personal care range in A.S. Watson & Co. stores in Singapore*
- *Products to be launched Q4 2011*

6 July 2011, Melbourne, Australia: Melbourne biotechnology company Phosphagenics Limited (ASX: POH, OTCQX: PPGNY) has signed an agreement with a leading Asian distributor ensuring its Elixia® personal care range will be available in stores across the Asia Pacific region by the fourth quarter, 2011.

The milestone distribution deal has been struck with the Sungate Supplies Pte Ltd, which will exclusively supply A.S. Watson & Co. stores commencing in Singapore.

A.S. Watson & Co. is a retail and consumer division of the Hong Kong based conglomerate Hutchison Whampoa Ltd, and over the past decade has become the largest health and beauty retailer in the world with over 7,000 stores.

Announcing the agreement, Phosphagenics CEO, Dr Esra Ogru, said while the Elixia® ranges had recently achieved Australian sales target of \$1 million, the Asian region “is the fastest growing skincare market in the world. In 2010 skincare sales across the region generated \$37.4 billion,” she noted.

“We are very excited about this milestone. This is in line with our strategy to become an international skincare brand. We are continuing to pursue other opportunities in the Asia region as well as Europe and the US. Phosphagenics is on track to meet its stated goal of becoming financially independent by the end of 2012” said Dr Ogru.

Cathy Yeap, the Managing Director of A.S. Watson & Co., Singapore said “We are very excited to be involved in the Asian launch of Elixia® through our stores and we anticipate that we will replicate the very successful launch of the products in Australia.”

The Asian market will initially be supplied with three primary Elixia® lines: the High Performance Anti-Ageing skincare range, the Natural Anti-Ageing skincare range and the top-selling BodyShaper Cellulite Contour Crème™.

Elixia® is an Australian owned and developed brand which includes anti-ageing skincare formulas, specially developed to penetrate and target fine lines and wrinkles. The active anti-ageing ingredients include SNAP-8, Carnosine and CoQ10. TPM® is a patented world first delivery technology which enables superior penetration of these active ingredients into the skin.

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The BodyShaper Cellulite Contour Crème™ uses this technology to deliver fat-reducing molecules into the skin. The product includes the proprietary anti-fat peptide AOP9604 (which has been licensed to Phosphagenics) and two other lipolytic molecules, caffeine and forskolin.

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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
www.elixia.com.au