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**The Australian Stock Exchange Limited,  
Companies Announcements Office  
SYDNEY**

**Via: asxonline**

**8<sup>th</sup> November 2005**

### **GRANT TO FUND MOLECULAR DISCOVERY PROGRAM**

Probiomics Limited has received an AusIndustry Commercial Ready Grant which will cover 50% of the cost of the next stage of its molecular discovery program.

As announced earlier this year, independent research commissioned by the company confirmed that its proprietary probiotic organism – PCC<sup>®</sup> - exhibited considerable anti-inflammatory activity in a bioassay.

The next stage of this program involves the isolation, identification, and characterization of the PCC<sup>®</sup> molecules that are driving the anti-inflammatory response.

In the (likely) event that the molecules are novel, Probiomics will have valuable intellectual property which can be licensed to a major pharmaceutical company for development.

Over the past several months, Probiomics has developed relationships with several "big Pharma" companies, in the course of advancing negotiations for the marketing and distribution of its proTract<sup>®</sup> brand.

The therapeutics arising from this program will have direct application in inflammatory bowel diseases which are chronic relapsing disorders for which there are no medical cures available.

These diseases represent a global annual financial burden of \$US24 billion – up to 25% of which comprises pharmaceutical expenditure (*Bodger, K. Cost of illness of Crohn's disease. Pharmacoeconomics. 2002;20(10):639-52.*).

Beyond this initial disease target, broader pharmaceutical targets can be considered, such as treatment of other serious inflammatory disease conditions including rheumatoid arthritis, asthma and allergy, atherosclerosis and psoriasis.

"These diseases represent the greatest collective burden of suffering and economic cost in the developed world, afflicting one in three people over the course of their lives and consuming tens of billions of dollars in annual health care costs" *Source: AstraZeneca Australia -<http://www.astrazeneca.com.au/article/502023.aspx>*

The entire molecular discovery program will conclude in August 2006, however it is likely that the first molecules will be identified in March/April 2006.

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