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SUCCESSFUL COMPLETION OF FIRST STAGE OF ANTI-INFLAMMATORY MOLECULE DISCOVERY PROGRAM

VRI has had a successful result in the first stage of its anti-inflammatory molecule discovery program - confirming that PCC® (VRI's probiotic strain) inhibits inflammatory responses.

After human clinical trials indicated that PCC® (a complex organism) may have anti-inflammatory effects, VRI commissioned the Rowett Research Institute (RRI) in the UK to conduct a 2-stage program to:

1. Confirm that PCC® is capable of inhibiting inflammation and to determine the mechanism of that action at both gene and protein levels.
2. Identify the molecule(s) responsible for the anti-inflammatory activity.

The successful stage 1 outcome means that VRI can now commit to stage 2 which is likely to yield results before the end of 2005.

A successful outcome of stage 2 will be the discovery of one or more novel anti-inflammatory molecule(s) derived from PCC®. This would be extremely valuable intellectual property which VRI would license to a major pharmaceutical company for development and marketing.

This level of scientific discovery is unique in the probiotics industry, and should increase VRI's attraction to licensing partners.

Inflammatory diseases (including Inflammatory Bowel Disease, Rheumatoid Arthritis, Atherosclerosis, and Chronic Obstructive Pulmonary Disease) afflict one in three people in developed countries.

The recent problems associated with \$multi-billion selling COX-2 inhibitors such as *Vioxx* and *Celebrex* make this area of R&D of great interest to the large pharmaceutical companies.

The report from the RRI Chief Investigator Dr Denise Kelly, concluded that PCC® induced significant anti-inflammatory activity at the higher doses at both gene and protein levels.

Furthermore, the data suggest that molecules on the PCC® bacteria are capable of inhibiting a range of different inflammatory pathways, indicating that their inhibitory effect may have broad specificity and application in inflammatory disease.

The report provides evidence that the anti-inflammatory activity is confined to the bacterial membrane, and is not secreted. Some pro-inflammatory activity was detected in the conditioned media, which was inhibited by the higher concentrations of PCC® bacteria.



www.vribiomedical.com.au

ABOUT VRI BIOMEDICAL

VRI Biomedical Limited (ASX Code: VRI) is an Australian biopharmaceutical company specialising in the development and commercialisation of its world leading **probiotic** technology.

In 2004 VRI launched its proTract™ range of gastrointestinal products in Australian pharmacies and has since negotiated distribution/licensing agreements in other countries.

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VRI BioMedical Ltd

is bringing science to wellness by commercialising a range of products for health maintenance and disease prevention, based on robust scientific and clinical research. VRI BioMedical has developed extensive intellectual property in three platform technologies: probiotics diagnostics vaccines

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