



ASX & MEDIA RELEASE

12 MAY 2004

VRI BIOMEDICAL LAUNCHES NEW proTract™ RANGE OF PROBIOTICS

ASX listed VRI BioMedical Limited (VRI) today launched its new proTract™ range of probiotics to pharmacies nationally with marketing to general practitioners commencing later this week.

For VRI, this is the first large scale distribution of its OTC probiotics to the retail market with the proTract™ range including three TGA-listed products for the treatment separately of irritable bowel syndrome (IBS), diarrhoea and general intestinal health.

Probiotics are living micro-organisms which provide a health benefit by influencing or triggering the immune system and VRI is marketing its probiotics as OTC products supported by clinical trials.

CS Pharma, the sales arm of DiaCare International, is managing the distribution of proTract™ progressively to 3000 pharmacies nationally over the next 12 weeks, with a sales force of 26 representatives.

The proTract™ range has already been taken up by the three major pharmacy wholesalers which together cover 80 per cent of Australian pharmacies.

A key difference between the proTract™ range and other probiotics is that proTract™ is freeze dried and encapsulated, resulting in it being stocked easily on pharmacy shelves rather than under refrigeration like other products.

According to Dr Peter French, managing director, VRI BioMedical, the rollout of the proTract™ range signalled the next phase of VRI's transition from a research-focused biotechnology company to a commercial operation with revenue generating products.

"The proTract™ range is a result of research and clinical trial data which has shown particular probiotics strains to be effective in the treatment of a range of gut related conditions," Dr French said.

"Until now there has been no effective treatment of IBS, with a focus on symptoms such as diarrhoea or bloating, but no attempt to address the underlying causes.

"VRI's probiotic is a naturally occurring compound which has allowed us to take the results of clinical trials into a product for pharmacy shelves in under a year," added Dr French.

The main product in the proTract™ range is for the treatment of IBS, a condition which is estimated to affect up to 25 per cent of Australians and a similar proportion globally.

ASX announcement re proTract™ launch

Severe symptoms of IBS can be crippling, effectively preventing the sufferer from participating in normal daily activities with IBS being the leading cause of absenteeism, second only to the common cold (Datamonitor, 2002).

Its economic impact in the US has been estimated by the American Gastro Association at US\$25 billion annually, with 19.4 million cases forecast for 2000 (Decision Resources, 2001) and current treatments include laxatives, anti-diarrhoeal and antispasmodic products, and anti-depressants which have limited efficacy for the condition and can have unwanted side-effects

According to international market research company Datamonitor , "the global opportunity for IBS was valued at over \$15.3bn in 2002.....Combining these figures with the fact that the market lacks disease specific drugs means that IBS represents a highly lucrative area to explore by potential investors." (Datamonitor, 2002)

Of those affected with IBS, only 20 percent consult a doctor, with the remainder seeking no treatment or visiting a pharmacy, which underlines VRI's rationale for focusing its marketing campaign on pharmacists.

VRI's education campaign explains the scientific basis of its proprietary probiotic stain, *Lactobacillus fermentum* and, utilising the 'Ask Why' catch phrase, is designed to encourage consumers to inquire about the products at the pharmacy, engaging the pharmacist in the decision making process.

Coinciding with the pharmacy roll out of proTract, VRI has also commenced an information campaign to general practitioners (GPs) by exhibiting the new proTract™ range at the Sydney General Practitioner Conference and Exhibition, Australia's largest conference and exhibition for GPs.

VRI intends to provide pharmacists and GPs with further scientific and clinical trial data and is working with the Pharmaceutical Society of Australia to present a continuing education program on probiotics and their role in intestinal health.

The proTract™ products for diarrhoea, general intestinal health and IBS will retail for \$16.95, \$27.95 and \$29.95 respectively.

VRI is progressing negotiations with major international distributors for proTract™ in other regions. Agreements subject to regulatory approval have been secured in mainland China, Hong Kong and Taiwan.

VRI Biomedical is an Australian biotechnology company "bringing science to wellness™" by commercialising a range of probiotic products for health maintenance and disease prevention, founded on robust scientific and clinical research.

ISSUED FOR : VRI BIOMEDICAL LIMITED (ASX CODE: VRI)

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