



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

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Probiomics Ltd and Nestlé execute global license agreement for probiotic use in infant nutrition.

Probiomics Ltd and Nestlé Nutrition, a unit of Nestlé SA, have agreed to co-develop infant and child nutrition products offering immune system benefits to infants and children.

Improving the immune systems of infants and children will help protect the infants and children from infections and allergies; very common ailments. Nestlé and Probiomics believe that probiotics, and in particular Probiomics' proprietary *L. fermentum* strain – a beneficial bacteria which occurs naturally in the gastro-intestinal tract – offer an exciting option for improving the immune systems of infants and children. Probiomics currently markets the probiotic under the PCC brand.

As products are successfully developed, Nestlé will have the exclusive right to market the products globally and will pay Probiomics a royalty. Some of the fundamental terms of the agreement are:

- Nestlé will pay Probiomics a sign on fee and milestone payments during the development period.
- Nestlé will fund the Research and Development program including a number of human clinical trials.
- Nestlé will work with Probiomics to refine production methodology and range of technical aspects.
- Nestlé's product sales should commence within 3 to 4 years.

The collaboration with Probiomics is part of the Nestlé Nutrition commitment to invest in cutting-edge science that can enable it to launch innovative products and services which provide consumers with clear and tangible benefits.

Probiomics Limited

Probiomics has proprietary ownership of a unique probiotic strain – PCC®.

PCC® has been clinically proved to have superior qualities to other probiotic strains – particularly in promoting systemic immune response.

Probiomics' commercial objective is to earn royalties from licensing PCC® to distribution companies selling products in global markets.

About Nestle Nutrition

Nestlé Nutrition is an autonomous business within the Nestlé group which manages and develops the group's speciality nutrition brands. Through science-based nutrition products and services, Nestlé Nutrition helps enhance the quality of people's lives by supporting health and providing care for specific consumer groups with special nutrition needs at every stage of life.

Nestlé Nutrition has a turnover of about CHF 10 billion. Its product portfolio – covering infant nutrition, healthcare nutrition, performance nutrition and weight management – includes such trusted and well-recognised brands as: NAN, GERBER, LACTOGEN, NESLAC, CERELAC, BOOST, NUTREN, PEPTAMEN, RESOURCE, OPTIFAST, POWERBAR, MUSASHI and JENNY CRAIG. More information at: www.nestlenutrition.com.

YOUR CONTACTS

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