

27 April 2016

P&G Product Development Agreement to be extended to 2021 as Work Plans added, BodyGuard ends exclusive evaluation period

- **Product Development Agreement to be renewed for a further 5 years**
- **Ten Work Plans now established including the licensing term sheets for the Wave I Eye Wand and Wave II applicator**
- **Work Plan including Licensing Term Sheet executed for the new Wave II applicator to be used across multiple SK-II products**
- **Negotiations in progress and the development of the new Wave III product underway**
- **P&G requested an Extension of time for BodyGuard evaluation on a non-exclusive basis**

OBJ Limited (ASX: OBJ) is pleased to announce that after recent negotiations, its Product Development Agreement (PDA) with Procter & Gamble (P&G) will now be extended out to 2021.

Originally executed in 2014, the renewal will also encompass various forthcoming licensing arrangements between OBJ and P&G, covering multiple brands within the P&G stable and the product development and licensing that incorporates OBJ's technologies. The terms of the new PDA, including the relaxation of several provisions as requested by OBJ, have been agreed and the new Agreement is now awaiting final execution.

Directors

Mr Glyn Denison
Mr Jeffrey Edwards
Dr Chris Quirk

As part of the renewed PDA the number of Work Plans is being extended to ten from the original three with an additional Work Plan in negotiation. The two new Work Plans agreed cover the licensing term sheet for the Wave I Eye Wand over two brands and the Wave II applicator.

Company Secretary

Mr John Palermo

The Licensing Term Sheet for the Wave I Eye Wand has been agreed to by both parties and is in final documentation phase and a detailed licensing agreement will be finalised within 90 days of the execution of this Term Sheet.

The Wave II Work Plan incorporating the licensing terms for the development and launch of the new applicator to be used across multiple SK-II products has now been executed.



This product is being designed and developed by OBJ on behalf of SK-II and is an exciting complementary product to the existing licensing arrangements.

Registered Office:

284 Oxford Street
Leederville
Western Australia 6007
Tel: +61 8 9443 3011
Fax: +61 8 9443 9960
www.obj.com.au
ABN: 72 056 482 636

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P&G continues to assess the results of the BodyGuard UQ clinical trial in relation to their business and product needs on a non-exclusive basis and has requested additional time to consider the data. As the exclusivity has expired OBJ is now in discussions with several major FMCG companies to determine how OBJ can maximise its coverage of this exciting new market being opened by BodyGuard. Presentations have already been made to several additional potential partners and distributors and the feedback has been both very positive and informative providing OBJ with excellent market information going forward.

OBJ's Managing Director Jeff Edwards said, "Our relationship with P&G continues to move from strength to strength as the abilities for OBJ's technologies to drive innovation and sales become apparent to brands beyond the skincare sector. In addition to advancing the SK-II Eye Wand closer to a global rollout, the launch plans are now progressing with the second P&G brand, another household name in skincare. In addition, Wave II and III products when completed will provide OBJ with the next big opportunity for a commercial outcome with P&G.

It is also very pleasing to note P&G's request for additional time to assess the BodyGuard technology."

BACKGROUND TO THE ANNOUNCEMENT

The SK-II Eye Wand project was one of the first work plans that formed the initial P&G Product Development Agreement (PDA) announced in April 2014. The Wave II development has taken place over the past twelve months that included the new wand design and prototyping as well as consumer testing leading up to this announcement.

P&G held a 60-day exclusive evaluation period entitlement of the recent results of the UQ clinical trial under an Agreement executed by the parties in 2014. That exclusivity evaluation period expired during April which has now enabled OBJ to disclose all relevant BodyGuard IP across multiple potential partners.

MANUFACTURING

OBJ's magnetic micro-arrays are manufactured in volume by the Company's preferred supplier and shipped in bulk to Singapore for final assembly and testing. Production is undertaken in sterile, clean room conditions under strict quality assurance programs developed in collaboration between OBJ and P&G.

Completed wands are then shipped to Japan for packaging before dispatch.

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ABOUT OBJ

OBJ develops proprietary magnetic micro-array drug delivery and product enhancement technologies for the pharmaceutical, healthcare and consumer goods sectors. OBJ partners companies in the design and development of next generation products using physical science rather than chemistry to provide new levels of product performance without the cost of reformulation or new ingredient approvals.

OBJ offers a portfolio of proprietary technologies and supports partners by providing IP-protected market exclusivity, expertise in magnetic array design, feasibility and efficacy and claims testing, engineering and production.

ABOUT OBJ'S TECHNOLOGIES

OBJ has developed a platform of physical enhancement technologies based on low-cost magnetic micro-arrays that influence the movement and penetration through the skin of drugs, active ingredients and formulations at the molecular level.

Complex 3-D array and moving magnetic fields have the ability to repulse certain molecules to enhance diffusion and to alter the permeability of certain biological and non-biological targets.

OBJ develops low cost micro-array film technology that utilise diamagnetic repulsion, induced permeation and energy redirection to offer a new way of managing the speed, depth of penetration and delivery of active ingredients in a wide range of pharmaceutical and consumer products.

ABOUT P&G

P&G is the world's largest consumer goods company with a brand portfolio containing over 300 household names – from *Gillette* to *Duracell*, *Olay* to *Covergirl*. With 130,000 employees, P&G provides global market access across 180 countries and serves some 4.4 billion consumers daily. P&G's annual turnover is in excess of \$US76 billion/annum.

FORWARD-LOOKING STATEMENTS

This announcement contains certain “forward-looking statements” concerning OBJ. Where OBJ expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis.

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Forward-looking statements provided in this announcement are based on assumptions and contingencies which are subject to change without notice. Such forward-looking statements including statements regarding intentions, planned events and potential results are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements, and there are risks associated with OBJ and the industry which may affect the accuracy of the forward-looking statements. OBJ does not undertake any obligation to release publicly any revisions to any forward looking statement to reflect events or circumstances after the date of this announcement or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

For more information:

OBJ Limited:	284 Oxford Street	Phone: +61 8 9443 3011
Mr Glyn Denison – Director	Leederville	Fax: +61 8 9443 9960
www.obj.com.au	Western Australia 6007	

Media/Investor relations:

Matthew Wright
matt@nwrcommunications.com.au
Phone: +61 451 896 420