CELLMID LIMITED

ASX ANNOUNCEMENT

CDY SIGNS COLLABORATION FOR HEART ATTACK TREATMENT

- **CDY signed a collaboration agreement with Pharmahungary for the co-development of midkine for heart attack treatment**
- **Pharmahungary will contribute up to early clinical proof of concept in return for a minority interest in the program**
- **The collaboration provides CDY with significant cost savings and access to globally recognised expertise in cardiac product development**

Sydney, 4 March 2010: Cellmid (ASX:CDY) today signed research, development and collaboration agreements with Pharmahungary for the pre-clinical and early clinical validation programs for midkine to treat heart attack (acute myocardial infarction or AMI).

According to the terms of the agreements Pharmahungary will provide its facilities and cardiac drug development expertise for Cellmid's AMI product development program, including in vivo studies, analytical and scientific services, for a minority interest in the AMI project.

The pre-clinical studies will be undertaken as part of Cellmid's preparation for human clinical trials. Under the collaboration Pharmahungary will initially perform safety and tolerability studies, pharmacokinetic, dose-response and efficacy trials in small as well as in large animals. In addition, Pharmahungary will make available to Cellmid its proprietary exclusion criteria studies[1], which are expected to increase clinical trial success.

Cellmid will pay Pharmahungary milestone payments on completion of the series of studies included in the research, development and collaboration agreements. Subject to successful preclinical validation of midkine as an effective treatment for heart attack Cellmid and Pharmahungary are expected to further collaborate to achieve early proof of concept in the clinic (Phase 1b/2a) on similar terms.

"We are delighted to have access to Pharmahungary's expertise in developing treatments for cardiovascular diseases" said Maria Halasz, CEO of Cellmid. "In addition to the financial benefits we expect that their strong track record in cardiac drug development will enhance the likelihood of clinical trial success" she added.

"There is an urgent need to tackle the problem of high mortality of heart attack patients with safe and effective therapies" said Professor Peter Ferdinandy, Chief Executive Officer of Pharmahungary. "We are excited to be involved with the midkine program having reviewed its safety and efficacy results to date" he added.

[1] Exclusion criteria studies are designed to examine subsets of trial subjects with certain diseases in order to improve predictability of clinical trial success. In this case animals with induced diabetes and/or hyperglycaemia, in addition to AMI, may be assessed separately for their response to midkine treatment.

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Myocardial infarction

Myocardial infarction is the death of myocardial cells. It occurs when myocardial damage exceeds a threshold and prevents the cells from carrying out their normal repair function.

Myocardial infarction is the leading cause of death in developed countries and in Australia around 28,000 people die from heart attack every year accounting for 22% of all deaths. In the US around 800,000 people are affected and 250,000 of them die annually.

There are limited treatment options to prevent the death of myocardial cells during or even after a heart attack. Current therapies for heart attack are useful but all have significant and recognised side effects and they fail to directly address the fundamental issue of cell death.

Midkine's role is the treatment of heart attack

Administration of Cellmid's midkine, a validated cell protecting agent, is expected to directly reduce cell death from myocardial injury and therefore improve immediate and long terms survival of heart attack patients.

Using midkine in previous animal studies showed significant improvement in mortality rates, reducing it from 33% to 10%. In addition, long term cardiac outputs and survival also improved significantly.

The planned studies will be conducted to confirm the results of these previous trials, to establish optimum dosing regimes and to confirm safety data in preparation for an IND application.

Pharmahungary

Pharmahungary is a globally recognised expert in the development of treatments for cardiac pathologies, including acute myocardial infarction (AMI). Their expertise extends not only to clinical and pre-clinical product development but also to proprietary exclusion studies for enhanced clinical success. Pharmahungary's scientists are widely published with over 100 peer reviewed journal articles and more than 2000 citations. Further information on Pharmahungary is available on www.pharmahungary.com .

For further information visit www.cellmid.com.au or contact:
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About Cellmid Limited (ASX: CDY)
Cellmid Limited is a biotechnology company listed on the Australian Stock Exchange. The Company is the owner of the most comprehensive intellectual property portfolio around midkine globally. Midkine is a significant novel therapeutic and diagnostic target. It is a native protein expressed during early cancer formation as well as at the onset of a number of inflammatory processes. Cellmid is committed to the commercialisation of its portfolio of therapeutic and diagnostic products. In addition to its product development programs Cellmid is actively seeking partners for some of its non-core assets.

Investment in biotechnology companies
There are a number of inherent risks associated with the research, development and commercialisation of pharmaceutical products. Investment in companies specialising in these activities carry specific risks which are different to those associated with trading and manufacturing businesses. As such, these companies should be regarded as highly speculative. Medical Therapies recommends that investors seek professional advice before making an investment in its shares.