



PHOSPHAGENICS

Company Announcement

Phosphagenics on track to reach \$1 million target for personal care products

- *New Australian stockists confirmed*
- *20,000 plus units sold since April 2011*
- *US strategic push in second half of 2011*

28 June 2011, Melbourne, Australia: Melbourne biotechnology company Phosphagenics Limited (ASX: POH, OTCQX: PPGNY) is on track to reach its million dollar sales revenue target by the end of July for its Elixia® range of Personal Care products.

The sales result comes as the company adds two further high profile stockists for Elixia® products: Terry White Group and Symbion Pharmacy Services to its growing list of retail outlets in Australia.

Phosphagenics CEO, Dr Esra Ogru, said more than 20,000 units of Elixia® – all containing the company's patented TPM® transdermal delivery technology – had been sold since the company launched three new cosmetic lines in April this year.

"These sales results have exceeded our expectations and are further endorsement of the company's versatile platform technology," she said.

The products were launched on the TVSN home shopping channel and online, before being made available in flagship Myer Retail Group stores in late May, and selected Pulse Pharmacies in June.

Dr Ogru said while the entire range had experienced outstanding sales, the BodyShaper Cellulite Contour Crème™ in particular had far exceeded initial sales forecasts.

She said manufacturers had been forced to double initial production capacity and almost ten thousand units of this product alone have been sold.

Dr Ogru indicated the company was also in late stage discussions with a large Asian based distributor and had just finalized negotiations with a specialist distributor into spa, salons and beauty outlets in Hong Kong and Macau.

"Asia is also a major focus for brand growth and we are continuing negotiations with key distributors in this region," Dr Ogru said.

"Moreover, our strategic push into the United States in the second half of this year will mean our Elixia® products are stocked on shelves in US department stores.

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Elixia® is an Australian owned and developed brand which includes anti-ageing skincare formulas, specially developed to penetrate and target fine lines and wrinkles. Its active ingredients include SNAP-8, Carnosine and CoQ10. TPM® is a patented world first delivery technology which enables superior penetration of these active ingredients into the skin.

The BodyShaper Cellulite Contour Crème™ uses this technology to deliver fat-reducing molecules into the skin. The product includes the proprietary anti-fat peptide AOP9604 (which has been licensed to Phosphagenics) and two other lipolytic molecules, caffeine and forskolin.

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About Phosphagenics

Phosphagenics is commercialising drug delivery applications based on its novel transdermal (drugs administered via skin) TPM® – Targeted Penetration Matrix technology. TPM® is a patient friendly and cost effective system used to deliver proven pharmaceutical and nutraceutical products.

The lead product advancing through clinical trials is an oxycodone matrix system for the relief of chronic pain.

Phosphagenics' shares are listed on the Australian Securities Exchange (POH) and its ADR – Level 1 program in the US is with The Bank of New York Mellon (PPGNY).

www.phosphagenics.com