

4 January 2012

Update on PolyNovo's US Partner Collaboration

- Feasibility study with major global medical device company completed;
- Final US\$100,000 milestone payment received;
- Discussions continuing regarding future product development.

Calzada Ltd's (CZD) wholly owned subsidiary PolyNovo has been working with a major US medical device company since December 2009. The group is an industry leader with a dominant market share in the field under review.

In January 2011, PolyNovo agreed to extend the feasibility study for a further twelve months in order for the group to progress animal trials aimed at testing product safety and efficacy. As part of this agreement the US group committed to pay a fee of US\$400,000, in four equal milestone payments over the year. We are pleased to report that the final payment of US\$100,000 has now been received.

Discussions between the US medical device company and PolyNovo are continuing. It is anticipated that Calzada will be in a position to release further information to the market regarding the future product development strategy by the end of January 2012.

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About Calzada Ltd

Calzada has 100% ownership of PolyNovo Biomaterials Pty Ltd and Metabolic Pharmaceuticals Pty Ltd. The company is listed on the Australian Securities Exchange (ASX Code CZD).

About PolyNovo Biomaterials Pty Ltd

PolyNovo owns and develops a suite of state of the art biodegradable polymers that have potential applications across numerous medical fields. PolyNovo has licence agreements and alliances with a number of the world's leading medical device companies and also has joint venture arrangements with local experts in the areas of skin repair.

About Metabolic Pharmaceuticals Pty Ltd

Metabolic's major asset is the AOD9604 peptide which has potential applications in the treatment of obesity and bone disease. AOD9604 is a small 16 amino acid peptide modelled on one active segment of human growth hormone. It has proven excellent safety and tolerability in a total of six human clinical trials involving 925 humans. AOD9604 is being sold in the market as one of the key components of Phosphagenics' cosmetic anti-cellulite cream called BodyShaper™. Metabolic receives royalties from Phosphagenics on worldwide sales of this product and a share of any sub-licensing revenue that may be received.