

Alchemia Announces Quarterly Fondaparinux Profit Share

BRISBANE, Australia: 17 February 2014 – Alchemia Limited, (ASX – ACL) a drug discovery and development company, today reports profit share of A\$2.8 million (US\$2.5 million) for the quarter ended 31 December 2013, on sales of its generic anti-coagulant drug fondaparinux. Alchemia will receive A\$2.2 million (US\$2.0 million) following its contribution of A\$0.55 million (US\$0.50 million) towards yield and cost of goods improvement activities, as previously announced. Such contributions will apply until the quarter ending 31 December 2014, after which time Alchemia’s obligations to make such payments will cease.

During the quarter, Dr Reddy’s total market share by volume in the US was 33% compared with 30% in the previous quarter. Alchemia’s commercial partner, Dr Reddy’s maintained volume sales compared with the previous quarter, despite a reduction in unit volume over the market as a whole, resulting in its share increasing. While Dr Reddy’s overall market share for Fondaparinux has increased in the quarter, Alchemia’s profit share was offset partially by lower pricing for the quarter and the return of expired product inventory from customers. During the quarter, Dr Reddy’s maintained its leading market share at 50% in the retail sector (*Source: IMS*).

“Dr Reddy’s sharp competitive edge has enabled it to maintain sales volumes in the quarter despite challenging market conditions,” said Alchemia’s CEO, Charles Walker. “While there has been pricing pressure, as well as some one-off items affecting profit share this quarter, we are very pleased with the continued progress Dr Reddy’s has made.”

Dr Reddy’s continues to work to expand the sale of fondaparinux into additional markets. As previously reported by Alchemia on 1 November 2013, Dr Reddy’s plans to launch fondaparinux in Canada in the coming months and has filed generic applications for fondaparinux in two additional emerging markets.

Further analysis of fondaparinux sales is provided in a presentation which will be released to the ASX to accompany this press release.

About Alchemia Limited

Alchemia is a drug discovery and development company marketing FDA approved fondaparinux, an injectible antithrombotic in the US, as well as other major markets via partner Dr. Reddy's Laboratories. The Company is also developing a late stage oncology product pipeline with multiple ongoing trials through its proprietary HyACT drug delivery platform, which targets anti-cancer drugs to solid tumours. Lead asset HA-Irinotecan is in a pivotal Phase III clinical trial for the treatment of metastatic colorectal cancer. HA-Irinotecan is also in two Phase II investigator-sponsored trials, one of which is in collaboration with Merck Serono combining HA-Irinotecan with Erbitux® (cetuximab). Alchemia is also exploring additional small molecule drug discovery targets via an internal discovery platform VAST, based on the Company's deep chemistry expertise. The VAST technology is being developed in collaboration with leading academic institutions and is partnered with AstraZeneca AB.

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