



## **Neuren and Metabolic collaborate to develop a range of nerve repair compounds with support from the NZ Government**

**Auckland, New Zealand and Melbourne, Australia – March 3, 2005 – Neuren Pharmaceuticals Ltd (ASX: NEU) (Neuren) and Metabolic Pharmaceuticals Ltd (ASX: MBP) (Metabolic) today announced that the two companies have agreed to collaborate to co-develop Neuren's class of Neuro-regenerative Peptides (NRPs) for the treatment of degenerative conditions such as peripheral neuropathy, motor neuron disease and repairing the brain or nerves after injuries such as spinal cord injury. The parties will jointly develop the NRPs project with all intellectual property and commercial outcomes to be equally shared.**

Neuren and Metabolic are pleased to advise that Mr Pete Hodgson, Associate Minister of New Zealand's Industry and Regional Development, announced that the joint collaboration had been awarded NZ\$635,000 [A\$585,000] in grant funding. The grant is from the Australia New Zealand Biotechnology Partnership Fund which is part of the New Zealand Government's Growth and Innovation Framework, designed to assist and speed collaboration between New Zealand and Australian biotech companies. The grant will meet 25% of the eligible project costs with Neuren contributing 25% and Metabolic 50%.

### **CEO Comment**

Neuren's CEO, David Clarke said "This is significant for Neuren as it reduces our costs considerably and accelerates one of our new classes of drug candidates towards the clinic, while enabling Neuren to continue our focus on the clinical development of our neuroprotective compounds Glypromate and NNZ2566. The NRP's are targeted to address new markets in addition to those targeted by Glypromate and NNZ2566. I am delighted to be entering this agreement with Metabolic. There are substantial synergies between our two companies, having complementary experience in protein chemistry and interests in overlapping scientific fields".

Metabolic's CEO, Dr Roland Scollay said "Over the last year we have been working closely with Neuren on forming this collaboration and on a number of other matters of joint interest. The NRP class represents an exciting opportunity, complementing Metabolic's current development activity in the neuro-active peptide field, with our drug ACV1 for the treatment of neuropathic pain due to enter clinical trials in Q2 2005. The two companies can clearly benefit from joining forces in this development. We also congratulate Neuren on their recent IPO on the Australian Stock Exchange."

In commenting on the New Zealand Government grant support for the collaboration both David Clarke and Roland Scollay said, “The receipt of a Biotechnology Partnership grant in the first round will be a major boost to our joint initiative and the future success of this trans-Tasman collaboration.”

## **Background to the Neuro-regenerative Peptides**

The NRPs are a novel class of small peptides displaying a range of biological effects important to both protection and regeneration of nervous system tissue.

Neuren scientists have discovered a neuroactive factor present in brain tissue of developing animals and from this initial work a family of human genes has been identified. The NRPs possess a broad array of effects on nervous tissue and are active at extremely low concentrations, protecting the nerve cells against injury and encouraging repair and regrowth

Experiments performed by Neuren to date on animal models of human disease including stroke and multiple sclerosis have shown potent protective activity. The broad range of effects of the NRPs presents many possible applications to treat diseases of the nervous system for which there is significant need for improved therapies.

## **The research program**

Over the next 18 months Neuren and Metabolic will work together to develop a lead compound for clinical development and assess its efficacy in a range of animal models of neuropathic conditions, including large market diseases of the peripheral nervous system such as diabetic neuropathy, motor neuron disease and extremely challenging conditions such as regrowth of nerves after spinal cord injury.

When sufficient supporting data are in hand the companies intend to promote the lead molecule into formal preclinical development and to enter into clinical development for the most promising indication.

The compounds are the subject of a series of international patent applications.

## **About Neuren**

*Neuren Pharmaceuticals (ASX: NEU) is a biotechnology company developing novel therapeutics in the fields of neuroprotection and metabolic disorders. The Neuren portfolio consists of 72 patents across five product families, targeting markets with large unmet needs and limited competition. Neuren has two lead candidates, Glypromate (Phase 2 in 2005) and NNZ2566 (Phase 1 in 2005), targeting a range of acute neurological conditions. Neuren enjoys commercial and development partnerships with Pfizer Inc and the US Army’s Walter Reed Hospital among others. For more information, please visit the company’s website at [www.neurenpharma.com](http://www.neurenpharma.com).*

**Contact Information:**

David Clarke – CEO, 1-800-259-181 (Australia), +64-9-303-2121 (New Zealand), [dclarke@neurenpharma.com](mailto:dclarke@neurenpharma.com)

Rod Nockles – Director, Financial & Corporate Relations, Australia  
Tel: +61-3-9670-7996  
Mobile: +61-0-419-691-323  
[r.nockles@fcr.com.au](mailto:r.nockles@fcr.com.au)

**About Metabolic**

*Metabolic Pharmaceuticals Limited is a biotechnology company based in Melbourne, Australia, and is listed on the Australian Stock Exchange (ASX: MBP). The Company's mission is to develop a pipeline of new pharmaceuticals for world markets and currently has development programs aimed at treating obesity (AOD9604 - Phase 2b trial completed), neuropathic pain (ACV1 – Phase 1 to commence in Q2 05), and type 2 diabetes. For more information, please visit the company's website at [www.metabolic.com.au](http://www.metabolic.com.au).*

**Contact Information:**

Roland Scollay – CEO, +61-3-9860-5700, [roland.scollay@metabolic.com.au](mailto:roland.scollay@metabolic.com.au)

David Kenley – VP Corporate Development, +61-3-9860-5700, [david.kenley@metabolic.com.au](mailto:david.kenley@metabolic.com.au)

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