



PHOSPHAGENICS

Company Announcement

Phosphagenics Moves into Lucrative Hair Care Market

- *First US hair product sales using TPM® technology expected late 2011*
- *US Hair Care Industry: US\$7.4 billion market*

20 April 2011, Melbourne, Australia: Melbourne biotechnology company Phosphagenics Limited (ASX: POH) has signed a non-exclusive license agreement with a prestige New York hair care company operated by Rodney Cutler.

Cutler, who left Australia almost 20 years ago, operates a leading chain of high-end US hair salons across New York and Miami and is affiliated with leading global hair care brands. The deal with Phosphagenics enables Cutler to use the proprietary TPM® delivery technology to develop a new range of hair care products for the US, UK and Australian markets which account for over 15% of the global, \$67 billion, hair care sector.

Under the terms of the agreement Phosphagenics will collaborate with Cutler to develop new formulations using its platform technology to target the delivery of active ingredients into the scalp. Cutler will be responsible for manufacturing, selling and distributing the products and will pay Phosphagenics royalties on all sales.

Phosphagenics joint CEO, Dr Esra Ogru, said the deal was another example of the versatility of the biotechnology company's platform technology which has been used to develop pharmaceutical, dermatology and cosmetic lines, with many products now appearing on store shelves in the US and Australia.

"We have established that our TPM® technology enables superior topical penetration of active ingredients. This deal is our first into the lucrative hair care market. We are focused on maximising on our technology and creating shareholder value across multiple market segments".

"The high-end Cutler hair care products will be the first in the world to use this technology to deliver proprietary oils and natural actives into hair. These ingredients promote hydration, color lock and scalp health."

The collaboration will see a new range of high end shampoos, conditioners, hair serums and intensive treatments on shelves in US stores and exclusive salons in the first quarter of 2012. Global distribution and roll out will follow thereafter.

Rodney Cutler said that "as an expat Australian, I am delighted to have entered into a deal with an Australian company that is a global leader in delivery technology capable of changing the paradigm in hair care. Using this validated technology will enable better delivery of the most advanced protein hair care ingredients, resulting in improved hair appearance and healthier hair and scalp. I am excited that my hair care products will be a world first for Phosphagenics' innovative technology in this category."

Ends

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About Cutler

Cutler offers a jolt of fresh, artistic ideas executed by a 150 person staff of energized, innovative and motivated stylists and colorists. Over 30 editorial stylists boast work that is featured in top fashion and beauty publications worldwide and Cutler headlines over 40 shows at fashion week including Cynthia Rowley, Toni Maticevski, James Coviello, Vivienne Tam, Betsy Johnson, Tory Burch, Tadashi, Reem Acra, Gottex, Rebecca Taylor, and more. Cutler offers avant-garde products committed to creating attainable hair fashion for all. Each lightweight product features a complex of key ingredients that work synergistically to maintain healthy hair.

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