

ASX/Media Release

Shareholder Update: Genepharm On Budget and On Track for 2005

18-20 Genepharm products in pharmacies in 2006

9 September 2005, Melbourne: Generic pharmaceutical company Genepharm Australasia Limited (ASX:GAA) issued its Preliminary Final Report today for the full year ended 30 June 2005 reporting a net cash outflow of \$2.244 million and an EBITDA loss of \$1.253 million. This shows a cash position ahead of budget while all milestones are on track for Genepharm's initial pharmacy launch and first sales in the second half of this financial year.

"Our 30 June cash reserves of \$8.472 million are above budget and product registrations and our sales and marketing programs are proceeding on schedule. Genepharm is set to release 18 to 20 new generic pharmaceutical products in 2006," said Mr Dennis Bastas, CEO and Managing Director of Genepharm.

As per previous market guidance Genepharm submitted 15 drugs to the TGA in the year to 30 June 2005 and expects to submit another 5 by year-end. 9 drugs are now in the final stages of regulatory evaluation and the company expects a number of registrations finalised in the next few months.

"Our first pharmacy range of drugs will include 3 of the top 20 PBS medicines with annual market sales of over \$450 million. The company will also be releasing another 10 top selling generics later in 2006 with an additional sales value of \$500 million," said Mr Bastas.

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About Genepharm:

Genepharm Australasia (ASX:GAA) is a specialist generic pharmaceutical company developing, distributing and marketing a premium range of generic pharmaceuticals in Australia and New Zealand. With its partnership with Europe's Genepharm SA, Genepharm Australasia has access to an established portfolio of over 100 generic pharmaceuticals including many of the top 100 PBS prescription pharmaceuticals. The company expects to submit 40-50 products in its first three years, securing distribution partners and building a strong marketing capability. Generic pharmaceuticals are expected to double to an estimated \$2billion in dispensed value by 2008. Genepharm Australasia listed on the ASX in June 2004.