

ASX Release

Full year results to June 2006 – Commentary

11 September 2006, Melbourne: Genepharma Australasia (ASX:GAA) has performed better than budget and market expectations for the year to 30 June 2006.

Key points:

- Genepharma's first three products launched in April 2006 achieved \$3.44 million in gross sales for the quarter to June 2006.
- Net revenues of \$2.20 million and EBITDA loss of \$3.57 million was better than market forecasts.
- The financial results do not include any sales or the resultant profit from the newly acquired Douglas Pharmaceuticals Australia business. Douglas' accounts have been consolidated with Genepharma's accounts from the settlement date of 13 July 2006
- The Douglas acquisition adds 110 prescription medicine products, 95 over-the-counter pharmacy products and 58 dermo-cosmetic products
- Strong cash position with \$14.99 million at 30 June 2006

"Genepharma has financially benefited from the Douglas Australia business since April and the combined gross sales of the two businesses for the quarter to June was in excess of \$20 million," said Mr Dennis Bastas, CEO of Genepharma.

"This substantial sales performance is combined with positive cash flow for the overall business. We are satisfied with the underlying earnings strength and growth of the business.

"The April launch and sales of Genepharma's first three products highlighted a strong demand from Australian pharmacy and the timely acquisition of Douglas Australia's operations has created an effective synergy for the business to achieve strong market penetration in this financial year," said Mr Bastas.

Inquiries :

Dennis Bastas
Genepharma Australasia
03 9699 2300

Rudi Michelson
Monsoon Communications
03 9620 3333

About Genepharma:

Genepharma Australasia (ASX:GAA) is one of Australia's leading generic pharmaceutical companies. It is the only company listed on the Australian Stock Exchange devoted to generic pharmaceuticals.

Genepharma markets and distributes a premium range of generic pharmaceuticals in Australia. Genepharma Australasia sells a variety of medicines and is probably the fastest growing company in this sector. Generic pharmaceuticals are expected to double in total dispensed value to an estimated \$2billion by 2009. Genepharma Australasia listed on the ASX in June 2004.