



PHOSPHAGENICS

Company Announcement

31 May 2011

Phosphagenics Limited
ANNUAL GENERAL MEETING
CEO PRESENTATION

Attached for release to the market is a copy of the power point presentation to be given at the Annual General Meeting of the shareholders of Phosphagenics Limited in Melbourne today by Joint Chief Executive Officer, Dr Esra Ogru.

ENDS

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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

Phosphagenics Limited

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PHOSPHAGENICS

*Commercialising a Platform
Technology*

AGM 2011

Dr Esra Ogru
Joint Chief Executive Officer

*Delivering More...
Through Innovation in Transdermal Delivery*

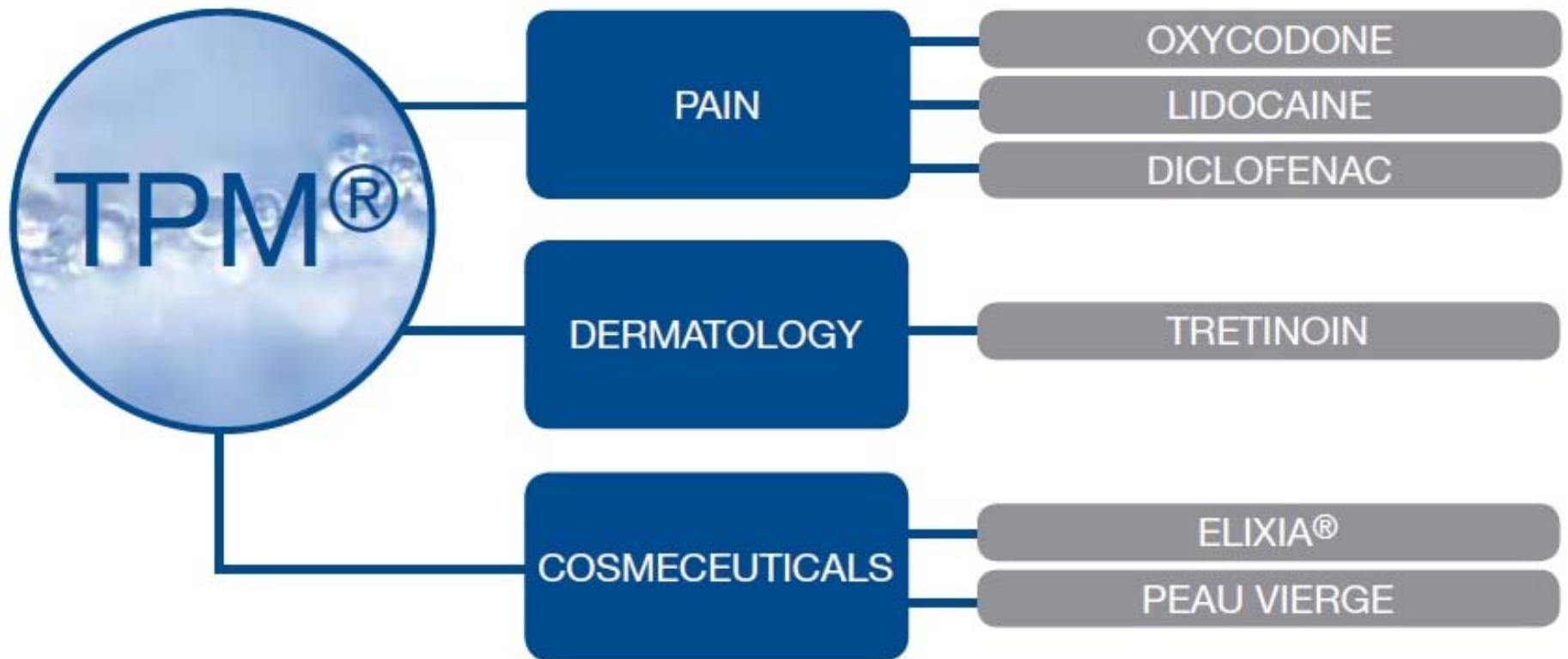
Safe Harbor

This presentation contains forward-looking statements based on current expectations of future events. If underlying assumptions prove inaccurate or unknown risks or uncertainties materialise, actual results could vary materially from Phosphagenics' expectations and projections. Risks and uncertainties include general industry conditions and competition; economic conditions, such as interest rate and currency exchange rate fluctuations; technological advances and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approvals; domestic and foreign health care reforms and governmental laws and regulations.

Executive Summary

- Unique platform delivery technology – TPM®
- Significant growth and investor momentum in the last 12 months
- Multiple applications across diverse markets
- Many partnerships and collaborations with global and small companies
- Development of world-first transdermal oxycodone patch system – **TPM/oxycodone**
- Advanced stage clinical development program
- Revenue generating cosmetics business – enabling progression towards self-funded business model

TPM[®]... A Unique Platform Technology



Key Programs Targeting Strong Markets

Pain Management Market

- Oxycodone brands contributed to 36% of narcotic analgesic sales (\$3.47bn)
- Global prescription pain management market: \$30b by 2013
- Oxycodone use in the U.S has risen 866% in the decade to 2010
- The U.S consumes 80% of global opioid supply

Personal Care

- Global personal care and cosmetics market value: \$328bn in 2009
- Market growth varies depending on geography and segment; overall market has expressed annual growth of 5%

Strong Partnerships



CALZADA LIMITED

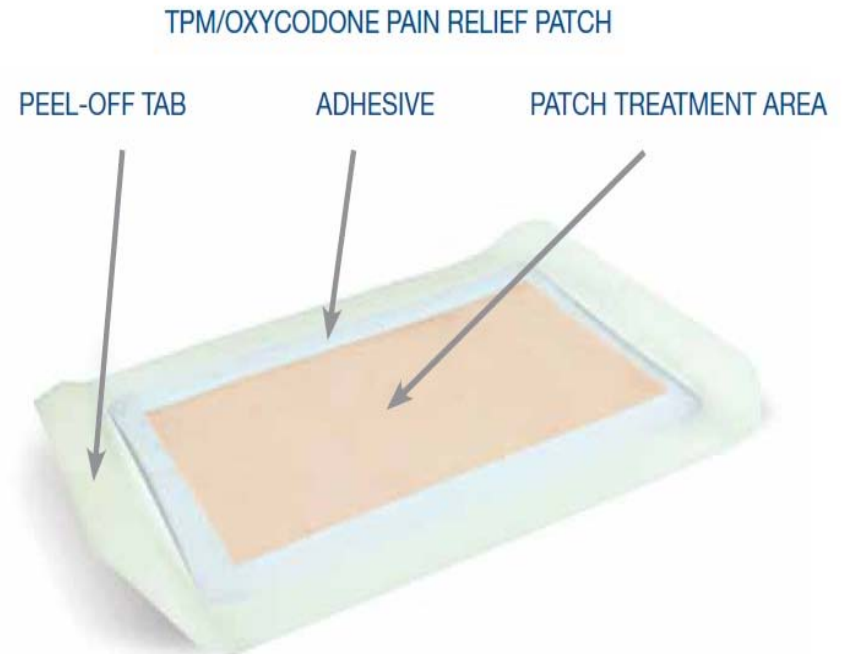
3M

MYER



Transdermal Delivery of Oxycodone

- World's first transdermal oxycodone
- Potential blockbuster
- Multi-billion dollar global market
- Reproducible, non-invasive delivery using TPM
- **Global development partner 3M**



Successful Clinical Trials

- TPM/oxycodone patch created in the POH laboratories:
 - Tested in over 60 subjects & hundreds of *in vivo* studies
 - Safe and effective in delivering therapeutic doses of oxycodone
 - Non – invasive
 - Easy to use
 - Reproducible & reliable
- **Development of commercial patch - 3M partnership**

Successful Collaboration with 3M

- ✓ Stage 1 completed (Technical transfer and optimisation)
- ✓ Patch delivery increased by **5-fold**
- ✓ Second stage has commenced (Scale up) in Minneapolis
- ✓ Phase 2/3 pivotal trials **on track** for Q4 2011



- ✓ Reduced development risk as patch fully characterised
- ✓ More delivery likely to produce a **7 day patch**
- ✓ Smaller size patch will mean increased patient compliance
- ✓ Significant advantages over oral delivery
- ✓ Blockbuster product for the management of pain

Deals Signed in the last 6 months

- Partnership with global dermatology partner – acne
- Partnership with US dermatology partner - psoriasis
- Partnership 3M for transdermal Oxycodone program
- Launch of skin care line – Elixia[®]
 - TVSN
 - Myer
 - Pulse Pharmacy
 - E-Commerce
- Collaboration with MMA – animal health
- Collaboration with US-based prestige hair care company

Revenue Generating Cosmeceuticals

- Revenue generating division
- Phosphagenics' TPM[®] technology used in new Le Métier de Beauté beauty line, two products initially – **eight new products launched in May 2011**
- Exclusive launch in Neiman Marcus, Bergdorf Goodman, John Barrett, Jose Eber and Fred Segal
- **More than 20,000 UNITS sold in the first 12 months since launch of initial two products**



Awards:

- Daily Candy: Best of Beauty 2010
- InStyle Best Beauty Buys 2010: Editor's Pick

ELIXIA®

A Scientific Breakthrough in Performance Skincare

TVSN launch in April 2011 – currently top selling No.1 skin care brand

Myer launch May 2011

ELIXIA®



WITH TPM® DELIVERY TECHNOLOGY



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** Elixia® formulations are the ONLY products developed with patented TPM® Delivery Technology in Australia and is scientifically proven to enhance the **ABSORPTION & PENETRATION** of active ingredients into skin.

TPM® DELIVERY TECHNOLOGY

- ** Superior anti-ageing ingredients
- ** Visible Results
- ** Utilising TPM to out-deliver the competition

SCIENCE

- ** Rich in natural ingredients
- ** Essential oils
- ** Natural formulation
- ** Powerful benefits

NATURAL

- ** TPM Discovered
- ** Australian Biotech Company discovers world-first multi-platform delivery technology breakthrough

PHARMACEUTICAL RESEARCH



ELIXIA®

INTRODUCING

High Performance Anti-Ageing Skincare

The only injection-free, wrinkle-relaxing range with the power of an Anti-Ageing Multi Complex Peptide Formula plus patented TPM® Delivery Technology developed to reduce expression wrinkles, fine lines, puffiness and dark circles under eyes in 28 days.

WITH TPM® DELIVERY TECHNOLOGY



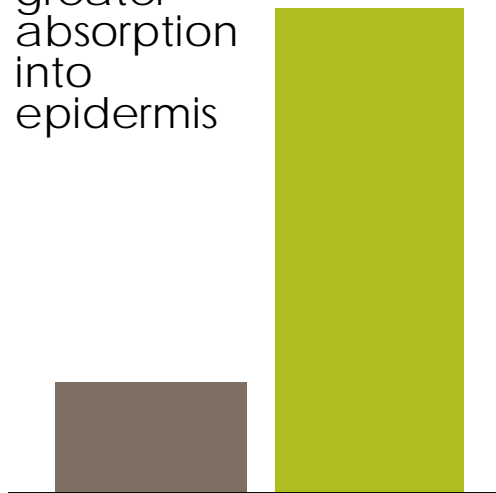
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VitaminA

Retinol is an antioxidant that increases collagen production and enhances skin's barrier function.

4x

greater absorption into epidermis



Retin-A

Vitamin A + TPM

CoEnzyme Q10

An antioxidant that occurs naturally in the body and helps to protect cells from free radical damage.

4x

greater absorption into skin



NiveaVisage

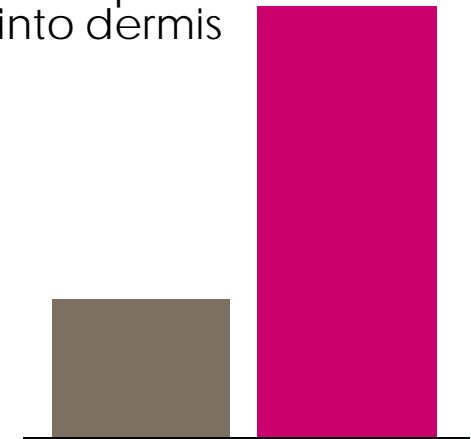
CoQ10 + TPM

Carnosine

A potent, naturally occurring anti-ageing antioxidant that inhibits AGE's and the cross linking of collagen.

3x

greater absorption into dermis



Carnosine without TPM

Carnosine + TPM



ELIXIA®

Australian
Launch
May 2011

Featured on TodayTonight, A Current Affair & TVSN

BodyShaper Cellulite Contour Crème™ (150ml)

A revolutionary product containing an unique "Active Peptide Complex" that is scientifically proven to reduce the size of fat cells, plus a concentrated blend of antioxidants and patented TPM® technology for firmer, tighter looking skin.

Key Ingredients: Tricellite Active™ complex

- AOP9604 – patented anti-fat peptide
- Caffeine – slimming
- Forskolin – used in body building for muscle shaping and tone

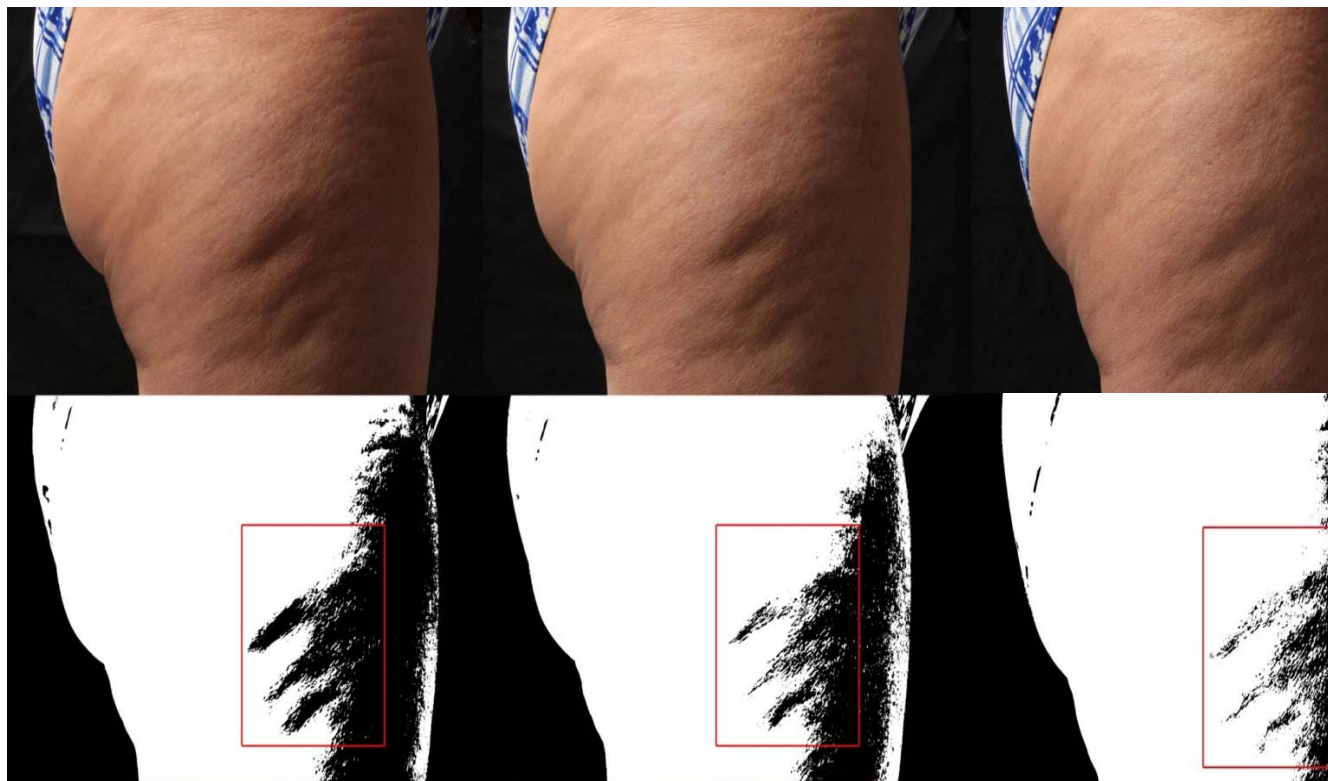


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ELIXIA[®]

Consumer
Study
Results

Total 43.34% reduction in cellulite after 8 weeks



2011 Consumer Study,
AMA Independent
Research Laboratories
USA.

Digital photography
conducted using
photogrammetric
image analysis at
baseline and after
3 weeks of product use.

Commercialising Elixia

- Myer top 30 stores – BodyShaper™ HERO product. Very successful launch.
- TVSN Elixia **No.1** skin care product – BodyShaper™ & High Performance big sellers
- Ecommerce – Body Shaper HERO product
 - 14,000 Members
- Multiple Pharmacy Distribution channels
- Tapping into South East Asia
- H2/2011 US

Focused and Targeted Strategy

- **Create value by leveraging TPM[®] technology and products across diverse markets**
- **Create global strategic alliances**
 - Synergistic path to value
 - Reduce risk through diversification
- **Generate revenue and create value through the sales and distribution of Elixia[®] as well as licensing opportunities**
 - Personal Care division revenue stream will aid in the funding of core pharmaceutical pipeline development
- **Focus on the development and commercialisation of TPM/oxycodone**

Pipeline Milestones & Objectives 2011

- **TPM/oxycodone matrix patch system**
 - Q3 - Completion of 3M patch system
 - Q4 - Initiate Phase 2/3 trials in Australia
 - Q4 - Submit IND dossier to the USA FDA
- **Development of ELIXIA®**
 - Q2/3 - Expand distribution channels into department stores, pharmacy chains
 - Q3/4 - Enter into South East Asia, Indian and USA markets
 - Generate revenue

"Bright future for POH"
Smart Investor

*"Leveraging TPM technology across
multiple products and Markets"*
Analyst Report Alpha Securities



PHOSPHAGENICS

*"Phosphagenics moving in leaps
and bounds"*
Proactive Investor

*"Cellulite cream sends biotech
shares soaring"*
Sydney Morning Herald

*"Transdermal drug delivery technology that
works"*

Stuart Roberts, SCEQ

www.phosphagenics.com