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PharmAust Signs Manufacturing Deals with IGA and Progressive

PharmAust Limited (ASX: PAA) has signed new manufacturing contracts with major Australian grocery chain IGA and New Zealand retailer Progressive Enterprises to produce a range of sun care and over the counter cough and cold products.

Fully owned subsidiary PharmAust Manufacturing (PAM) has signed a one year roll-over contract with Woolworths subsidiary Progressive Enterprises Limited to manufacture the entire sunscreen range for its premium generic brand – Signature Range.

PAM has commenced manufacture of nine sunscreen products, which will be sold through Woolworths, Foodtown and Countdown supermarkets in New Zealand, representing 45% of the country's grocery market.

The agreement, which commenced in August 2006, will roll-over on a yearly basis, dependent upon retention of service delivery standards. The contract has a forecast value to PharmAust of \$230,000 per annum.

PharmAust has also signed an exclusive on-going contract with Australian supermarket chain IGA to manufacture cough and cold products for its generic, high-volume Black & Gold brand.

The contract will see PAM manufacture Cough Medicine and Black & Gold Chest Rub. Both products, for which PAM owns the formulations and TGA registrations, are sold in over 1000 IGA supermarkets Australia-wide.

PharmAust Executive Director, Mr Bryant McLarty said: "These agreements with IGA and Progressive Enterprises demonstrate that PharmAust has established itself as strong new player in the Australian Over-the-Counter manufacturing sector.

"In the near term PharmAust intends to cement its position by increasing market share in the personal care and skin care categories for high volume mass markets in Australia and overseas," he said.

About PharmAust Limited

PharmAust Limited was listed on the Australian Stock Exchange in December 2004. PharmAust owns three subsidiary companies and is focused on two key areas:

- Pre-clinical contract services
- Consumer healthcare

PharmAust Manufacturing Pty Ltd specialises in the manufacture of a range of over-the-counter medicines, hospital supplies and consumer healthcare products.

Epichem Pty Ltd provides synthetic and medicinal chemistry services to the drug discovery and pharmaceutical industries.

Mimotopes Pty Ltd manufactures specialty custom peptides for the global drug discovery and development industries.

Further Comments:

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