

12 November 2008

## **Arana Reports Increased Revenues and Strong Financial Position**

Arana Therapeutics Limited today reported a strong financial position for its year ended 30 September 2008 and substantial progress in product and technology development.

Financial and development highlights include:

- ART621 in Phase II clinical trials: ongoing psoriasis trial and IND application for rheumatoid arthritis successfully passed FDA review
- Major new collaboration with Kyowa Hakko Kirin (KHK) of Japan to co-develop ART104 with potential for future milestone and royalty revenues.
- Completion of projects for technology partners CSL and Vegenics again with potential for future milestones and royalties.
- Receipt of final instalment from sale of shares in Domantis - \$17.7 million
- Strong cash position of \$181.6 million
- Revenues increased by 14.2% to \$39.5 million
- Net loss of \$4.1 million, including non cash depreciation and amortisation of \$9.6 million

Revenues for the period were \$39.5 million, an increase of \$4.9 million or 14% over last year. The strong Australian dollar through the 2008 financial year offset a significant increase in underlying US dollar denominated revenues. This included income earned on the major new collaboration with Kyowa Hakko Kirin. Revenues for the period also included increased interest income on Arana's significant cash balance due to higher interest rates.

Arana reported a net loss for the period of \$4.1 million, compared to a profit of \$133.4 million last year. Last year's profit included a \$136.1 million gain from the sale of shares in Domantis. The net loss for the year included the writing off of tax losses, contributing to a \$3.0 million tax expense, and non cash depreciation and amortisation expenses of \$9.6 million.

Cash at 30 September 2008 was \$181.6 million, an increase of \$12.6 million compared with last year.

Commenting on the full year results, Robin Beaumont, Chairman of Arana said: "We are in a very strong financial position thanks to ongoing revenues from licensing fees and royalties and the benefits of our strategic investments. Arana has never been in a better financial condition."

"Our financial assets put us in a very strong position, particularly in the current market environment. This has enabled us to continue the development of our substantial research and development program, while also undertaking prudent financial management."

Arana Therapeutics Limited  
Level 2 37 Epping Road  
Macquarie Park  
Sydney, NSW 2113  
Australia  
P + 61 2 8061 9900  
F + 61 2 8061 9999  
ABN 98 002 951 877

“We continue to invest in activities that will create shareholder value. During the year, we increased our research and development expenditure by 107% to \$24.1 million. This increase was due to our full year ownership of EvoGenix and costs associated with our progressing clinical program,” he added.

Arana’s lead inflammatory product ART621, has successfully passed review by the FDA (Food and Drug Administration) in the USA and Arana can now proceed with its planned Phase II study in rheumatoid arthritis (RA). Results of the ongoing Phase II psoriasis trial are expected in the first quarter of 2009.

“The passing of the FDA review for ART 621 is a significant step for Arana and we are planning to initiate recruitment in the RA trial by the end of this year. This is important milestone is also a catalyst for our ongoing partnering discussions.”

“Our other products also continue to progress, particularly ART104, an antibody targeting colon cancer, which is being co-developed with Japanese partner Kyowa Hakko Kirin.”

Arana’s technology platform continues to deliver to partners. Over the year, Arana completed projects for CSL and Vegenics, delivering enhanced and potentially more effective antibodies.

“Our technology business continues to be a success – we have now completed four technology projects, all of which have met the expectations of our partners,” Mr Beaumont said.

Ends

**About Arana Therapeutics:**

Arana Therapeutics (ASX: AAH) is a biopharmaceutical company focussed on developing next generation antibody based drugs that will improve the lives of patients with inflammatory diseases and cancer.

Arana Therapeutics’ innovative engineering technologies provide the basis for developing its next generation antibody candidates. Arana Therapeutics has the financial strength and management expertise to develop its product pipeline. Arana has a significant track record of commercialising its technologies and has partnerships with GSK, CSL, KHK, Centocor (J&J) and Abbott Laboratories.

For further information: [www.arana.com](http://www.arana.com)

**Contact information:**

**Company:**

Robin Beaumont  
Chairman  
Arana Therapeutics  
T: + 61 2 8061 9900  
E: [rbeaumont@arana.com](mailto:rbeaumont@arana.com)

**Investor & Media Relations:**

Paul Dekkers  
Buchan Consulting  
T: + 61 2 9237 2800  
Mobile: 0418 218 722  
E: [pdekkers@bcg.com.au](mailto:pdekkers@bcg.com.au)