



MTY News

Issue 2

1 February 2008

DIARY DATES

MTY reporting

28 February 2008
Appendix 4C
Cash flow

30 April 2008
Appendix 4D
Half yearly accounts

BIO Conferences

26-28th February 2008
Bio Business 2008
Geneva

14-17 April 2008
Bio Medical Asia 2008
Singapore

17-20 June 2008
Bio International Convention
San Diego

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Chiefly speaking

2008... the caravan moves on!

Dear Shareholder,

Welcome to this second edition of MTY News.

2008 has definitely started with a big bang for our team, or a couple of bangs to be exact. We've had a flurry of excitement during the last three weeks from staff changes to board changes, new business opportunities, clinical trials and of course the marathon mediation with The University of Sydney.

Building a great Board

We are delighted to welcome our new Chairman, **Dr David King**. He brings much needed public company, corporate governance and capital markets experience to the Board. He is also a passionate business builder and the Board now has the great synchronicity essential for MTY's transformation.

Our star recruits

Since my last note to you we have employed **Bernadette Kerrigan** as your joint Company Secretary. Not only does she come with strong credentials but with extensive biomedical industry experience.

There was little time to settle in for new Chief Scientific Officer, **Dr Stephanie Williams**, who participated in our university mediation on her second week on the job... Nothing like being thrown in the deep end!

Just last week we welcomed **Elisabeth Nyssen** who brings to us exceptional office management

skills. Elisabeth will take over from Sindy Taouk, our super-dedicated new-mum-to-be.

Cuprindo in First in Human trial

How exciting is this! After a long road we have finally hit this significant milestone and, for the first time, Cuprindo will be tested in Phase I trials in humans for safety and tolerability. All our healthy volunteers have now been recruited and trials will commence next week.

Mediation outcome

Earlier this week we announced the successful settlement of all outstanding matters with The University of Sydney. I am not able to discuss the settlement in much detail, but it is a truly positive step forward in transforming your company into institutional investment grade.

Special thanks to our legal team Luke Aiken of Aiken Lawyers and Barrister Alwyn Narayan. They have steered us to this excellent outcome with a great deal of commitment and understanding.

Finally, a big thank you for your ongoing interest and support. Especially as many of you are probably affected by the rough start to the markets in 2008.

I continue to encourage you to contact me direct should you have any questions about your company.

Warm regards,

MARIA HALASZ
CEO and Managing Director



Chairman Dr David King is briefed by Chief Scientific Officer Dr Stephanie Williams

The changing face of MTY...



Dr David King was appointed Non-Executive Director and Chairman of the Board on 18 January this year and brings extensive public company experience to MTY. He is a director of a number of listed and private companies including Eastern Star Gas Ltd, Gas2Grid Ltd, Sapex Ltd, and Baron Partners Limited. He is a Fellow of the Australian Institute of Company Directors and the Australian Institute of Geoscientists.



Dr Stephanie Williams joined MTY as Chief Scientific Officer in January following an extensive career as a medical researcher and advocate for biomedical research. She completed her PhD in colon cancer genetics at the Queensland Institute of Medical Research. In addition to her scientific credentials Stephanie also has a Graduate Diploma in Journalism.



Elisabeth Nyssen is taking over as MTY's new Office Manager as Sindy Taouk leaves us for motherhood. Elisabeth has a background in senior executive management support and office management gained in professional services companies, government, and the university sectors. She has completed a certificate in Financial Services Procedures and a degree in French and Communications. We wish Sindy every happiness as a new Mum and thank her for her magnificent contribution as MTY's Office Manager.

Bernadette Kerrigan, ACIS, joined MTY in November as joint Company Secretary. Bernadette is a corporate solicitor with extensive experience in governance and legal compliance. She gained valuable exposure in the life sciences sector during her previous appointments with Ventracor Limited and the Nucleus Group of Companies.

FIRST IN HUMANS: Most significant milestone yet

Last year was a period of rapid progress as far as Cuprindo is concerned. We have transferred the technology out of the university research labs into commercial manufacture, completed the first pharmacokinetic study in animals and began to understand how the drug behaves in the blood. This year we took the work one step further and completed a heat escalation study with our cGMP collaborators, Dr Reddy's, confirming that Cuprindo is highly heat tolerant and can safely be formulated into capsules, suppositories and topical creams and lotions. As the most significant technical milestone for MTY's core metal NSAID technology to date, our first human clinical trials involving healthy volunteers will commence next week. These will yield valuable information on the safety, tolerability and pharmacokinetic characteristics of Cuprindo. The trial results are expected to become available in April 2008.

Successful settlement... what it means to your company

MTY and The University of Sydney had a number of agreements including two research agreements, two consulting agreements with the scientists, and an option deed. These could have given rise to ongoing obligations and liabilities for your company. The settlement achieved with The University of Sydney removes all these potential future liabilities and obligations. Not only it cancels out the need for future basic research funding it also prevents further dilution that you would have suffered pursuant to the option deed. As a result we have not only preserved but increased your company's per share value.

Acquire or in-license

We would very much like to give you a more detailed account on our acquisition and in-licensing activities as we are very excited about some of the opportunities. We are evaluating late stage products as well as technology platforms which could both add significant value to your company. Our selection criteria have not changed since we began our search last year and we are still looking at technologies that could not only enhance our existing portfolio but give us a substantial new direction and early commercialisation/cash flow opportunity. Perhaps the most unpredictable part of the process is timing, as other parties are also involved. Nevertheless, we are on track to complete a transaction during the first half of 2008.

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