



MTY News

Issue 3

26 May 2008

IMPORTANT DATES



14 June 2008
PROXY

YOUR PROXY IS DUE TO BE RECEIVED BY REGISTRIES LIMITED



16 June 2008
EGM

YOUR VOTE IS IMPORTANT PLEASE COME AND EXERCISE IT



20 June 2008

PROPOSED SETTLEMENT OF THE MIDKINE IP AGREEMENT

HIGHLIGHTS OF THE MIDKINE TRANSACTION

Large intellectual property platform with strong pipeline
PLUS
Advanced diagnostic portfolio ready for clinical validation and medium term revenue
PLUS
Midkine as therapeutic
PLUS
120+ antibodies with therapeutic and diagnostic potential
PLUS
Anti-midkine nucleotides with therapeutic potential

Dear Shareholder,

It is my pleasure to invite you to attend our upcoming Extraordinary General Meeting on 16th June 2008. We have called this meeting to ask your approval of a series of resolutions connected to the acquisition of the Midkine Intellectual Property Portfolio.

As you are probably aware the management team has been actively looking for intellectual property acquisitions for sometime to strengthen our IP platform and pipeline. In this search for the most suitable technology the Board has reviewed several promising projects, and has made a decision to progress to definitive agreement for the acquisition of the Midkine Intellectual Property Portfolio.

The Midkine IP Portfolio was developed by Japanese biotechnology company **Cell Signals** over several years. Since 2001 more than \$10M was spent on this cutting edge research.

With their commitment it has become a strong portfolio of diagnostic assets which are close to market and therapeutic projects which include not only the midkine protein but anti-midkine antibodies and nucleotides as well.

Not being a biological scientist I have been looking for **strong business rationale** in the projects presented to the board by our CEO, Maria Halasz. And the acquisition of the Midkine IP Portfolio makes perfect business sense to me.

The Midkine IP Portfolio is different from most other technologies we have been able to access. It was originally developed as a **diagnostic portfolio** and as such is close to clinical validation in certain cancers and inflammatory diseases. This means it is closer to market and closer to generating revenue.

The other important differentiating factor in this deal is the depth of the **therapeutic portfolio**.

Midkine has been tested in animals for its ability to halt damage to the heart muscle following myocardial infarct, or **heart attack**, with convincing

results. In addition midkine has the ability to promote the development of blood vessels, a crucial process for the recovery of the heart muscle following an adverse cardiac event.

Cell Signals has also been able to establish collaborations for the development and testing of monoclonal antibodies and nucleotides for the treatment of various **cancers** and **inflammatory conditions**.

All this means a significant pipeline of therapeutic products with opportunities for collaborations and partnerships. All of this is important in delivering high value therapeutic products and revenue for MTY.

Our team at MTY has developed a detailed document on the technology called "Additional Information" which will be published together with this MTY News. Please read it with the Notice of Meeting, the already published presentation and our April announcement on the transaction.

Our CEO is always happy to talk to shareholders and I encourage you to contact her with any additional questions.

The acquisition of this valuable portfolio of assets represents an uncommon opportunity for the growth and success of our company. For this reason I strongly recommend that you support the resolutions put forward by the Notice of Meeting and make it possible for our team to deliver this exciting technology.

Yours sincerely,

Dr DAVID KING
Chairman

For further information:
E: info@medicaltherapies.com.au
T: +612 9299 0311
www.medicaltherapies.com.au