

ASX ANNOUNCEMENT

USA ANTIBODY PATENT FOR ADHESION ALLOWED

- Patent for the treatment of surgical adhesions using midkine antibodies allowed in the USA
- Commercially important to Cellmid's therapeutic antibody program

SYDNEY, 18 April 2012: Cellmid Limited (ASX: CDY) Notice of Allowability has been issued by the United States Patent and Trademark Office (USPTO) for Cellmid's patent application 10/547,011 entitled "Agents for Preventing Post-Laparotomy Adhesions" ('011). This is a key patent in Cellmid's inflammatory patent family, which in turn is fundamental to the midkine (MK) antibody program and strengthens the company's dominant intellectual property position in the MK space.

Patent '011 is part of a global patent family owned by Cellmid that covers the use of MK antibodies as therapeutic agents in surgically induced adhesions. This patent has already been granted in Japan and is under examination in Europe. Specifically, the '011 patent grants claims for the prevention of adhesion by administering any MK antibody or antibody fragment, providing a broad intellectual property protection for the Company's therapeutic agents.

Surgical adhesion is the build-up of internal scarring following surgery. Adhesions occur between different organs or between organs and the abdominal wall in over 95% of abdominal operations. It can result in chronic pain, bowel obstruction and even infertility in women. Adhesions account for 6% of all readmissions following surgery, making it a massive and costly unmet medical need; the post-surgical anti-adhesion market is estimated at approximately **\$3 billion** in the US and \$5 billion globally. There are **currently no drugs** available for preventing surgical adhesions.

Currently surgical adhesion is most frequently treated by further surgery to remove scarring, but approximately 85% of the time this simply results in more adhesions. The current leading method for preventing abdominal surgical adhesions is insertion of bio-absorbable barriers during surgery. However this practise is often ineffective, relies on surgeons being trained in proper use of the barriers, plus it extends operating time and associated costs and risks.

An anti-MK antibody could be administered in situ at the site of surgery or systemically either at the time of the procedure, or before, to pre-condition patients.

"Allowance of patent '011 in the US is an important commercial outcome for Cellmid, since surgical adhesion represents one of the key clinical areas where we anticipate applying our humanised MK antibody", said Cellmid Head of Product Development, Darren Jones.

This patent complements Cellmid's other patent families that protect the use of MK antibodies in inflammatory and autoimmune diseases as well as several composition of matter patents and patents for methods of production of MK antibodies. Together these patents provide an extremely robust IP position for the company in relation to the therapeutic use of anti-MK antibodies.

Cellmid holds the most significant intellectual property assets related to MK worldwide. Cellmid's patent portfolio currently includes 75 patents in 21 patent families, covering use of MK and anti-MK agents for therapeutic purposes in a number of diseases and the use of MK as a diagnostic marker in cancer and other disorders.

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Cellmid is an Australian biotechnology company developing innovative novel therapies and diagnostic tests for inflammatory diseases, heart attack and cancer. Cellmid holds the largest and most comprehensive portfolio of intellectual property related to midkine and midkine antagonists globally. The Company's most advanced clinical development program is for the treatment of acute myocardial infarction (AMI) utilising the midkine protein. Cellmid is also developing anti-midkine antibodies for the treatment of inflammatory and autoimmune disorders. In addition, Cellmid is commercialising midkine as a biomarker for cancer diagnosis. Elevated midkine concentration in the blood and other body fluids is strongly indicative of cancer. Cellmid's first product, the MK-ELISA, is a blood test that sensitively and accurately measures serum midkine levels.

Midkine (MK)

Midkine is a multifunctional growth factor that is highly expressed during embryonic development. Midkine modulates many important biological interactions such as cell growth, cell migration and cellular adherence. These functions are relevant to cancer, inflammation, autoimmunity, ischemia, nerve growth/repair and wound healing. Midkine is barely detectable in healthy adults and only occurs as a consequence of the pathogenesis of a number of different disorders. Midkine expression is often evident very early in disease onset, even before any apparent physical symptoms. Accordingly, midkine is an important early marker for diagnosing cancers and autoimmune diseases. Finally, because midkine is only present in a disease context, targeting midkine does not harm normal healthy tissues.