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23 June 2003

Company Announcements Office
Australian Stock Exchange Ltd (ASX)
4th Floor, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Please find herewith a commercially sensitive announcement "**Patent approvals for Cytopia strengthen commercialisation discussions**" for distribution to the market immediately.

Yours sincerely

NICHOLAS MATHIOU
Finance Director



Media Release
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Patent approvals for Cytopia strengthen commercialisation discussions

Medica's subsidiary Cytopia today announced that patent applications covering its proprietary drug discovery targets have now been granted in Japan and all claims approved in Europe. This adds to the already granted US and Australian patents.

The patents cover a group of enzymes that are core to many immune diseases and cancers and belong to the new wave of drugs known as kinase inhibitors which have already generated annual sales over \$2 billion.

Cytopia has an exclusive worldwide license to these patents from the Ludwig Institute for Cancer Research.

Dr Kevin Healey, Cytopia's CEO and Medica's Managing Director said, "the granting of the patents in Japan and shortly in Europe puts the company in a much stronger position to commercialise our technology in these regions and gives us the ability to consider geographical segmentation to maximize the commercial value of our technology".

Dr Healey and Dr Andrew Wilks, Cytopia's Chief Scientific Officer are attending the BIO 2003 conference being held in Washington DC between June 22 and June 25 and are continuing partnering discussions with several companies.

"Our objective is to partner the development of our lead cancer compound this year", said Dr Healey.

Dr Wilks added, "our patent applications covering our novel drug leads have also progressed to the PCT phase. These patent applications are aimed at protecting several families of molecules that have shown excellent in vivo efficacy against a range of cancers including hormone refractory prostate cancer".

About Medica Holdings Limited

Medica, an ASX-listed Pooled Development Fund, specialises in investing in the biotechnology sector. It established Cytopia and owns around 79%. It also owns 20.7% of Alchemia, which is developing carbohydrate-based drugs and 25% of Xenome, which is developing new drugs derived from venoms for the treatment of neurological disorders.

Under the PDF Scheme, Medica's shareholders are exempt from tax on capital gains or profits from the sale of shares. For further information, please visit www.medica.com.au, email info@medica.com.au or contact:

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About Cytopia Pty Ltd

Cytopia is a Melbourne-based drug discovery company focused on the treatment of immune diseases and cancer. It is a 79%-owned subsidiary of Medica Holdings Limited (ASX: MCA).

Cytopia specialises in discovering new drugs that can inhibit enzymes known as kinases, an exciting new class of drugs.

Cytopia holds a worldwide exclusive license from the Ludwig Institute for Cancer Research to a number of these enzymes known as JAK kinases which play a crucial role in activating cells of the immune system and some cancers. The JAK kinases, which were discovered by Dr Wilks, are well-validated drug targets and Cytopia has now lodged four patent applications to protect inhibitors with therapeutic potential.

Cytopia has developed proprietary computer software to test how well molecules bind to the proteins involved in causing diseases. The “Chemaphore” platform consists of a series of software modules developed by Cytopia that collectively enable the design of focused chemical libraries, high-throughput *in silico* screening, and the refinement of drug leads into drug candidates. *In silico* or virtual screening, allows many hundreds of thousands of molecules to be rapidly screened by computer without the need to take the time and expense of physically making a single compound. The time and cost saving can be as much as 100 times the usual approach of random screening.

Cytopia combines this *in silico* technology with smart medicinal chemistry and a broad screening capability that includes high-throughput screening of over 20 different kinases and a large range of cell-based validation assays.

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