



MEDICA EGM

28 JUNE 2004



Presentation by

Dr Kevin Healey

Managing Director

Medica's initial strategy:

- Build a portfolio of investments in unlisted biotechnology companies with internationally competitive platform technologies
- Add value to this portfolio by maintaining board participation at least up to IPO or liquidity event.
- Raise capital progressively to make further investments
- Provide a tax efficient structure by obtaining PDF status

Investment climate in 2000/2001

- Early-stage, single potential product, few platform technologies
- Valuations exceptionally high
- Few experienced managers
- Increase in venture capital funds

.....**decision to further invest in current investee companies**

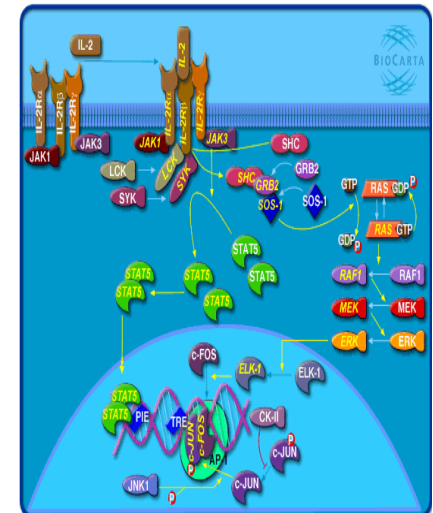
Our Portfolio

Alchemia	14.5%	<ul style="list-style-type: none">•Dow/APP deal on heparin•Anticancer lead•IPO of \$21million
Xenome	22.5%	<ul style="list-style-type: none">•IND approved for Xen2174 in June•QBF \$6million
Cytopia	81%	<p>Broad pipeline-</p> <ul style="list-style-type: none">• cancer•immune disease•cardiovascular

OUR VISION FOR CYTOPIA

To become a world-leading drug discovery and development company focusing on unmet clinical needs in the areas of...

- **Cancer**
- **Immune diseases**
- **Cardiovascular disease (Myomatrix)**

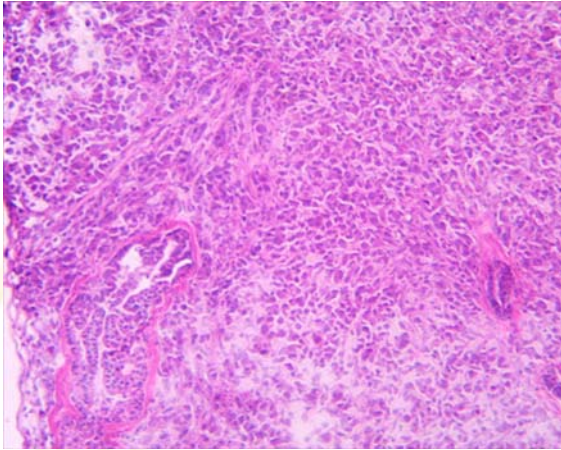


Cytopia has a strong intellectual property platform based on

- License to 5 granted patents on several validated drug targets (JAK1 and JAK2 kinases)
- 2 patent applications on novel mechanisms of action
- 6 patent applications on novel kinase and tubulin inhibitors
- Utility patent applications on new chemical entities

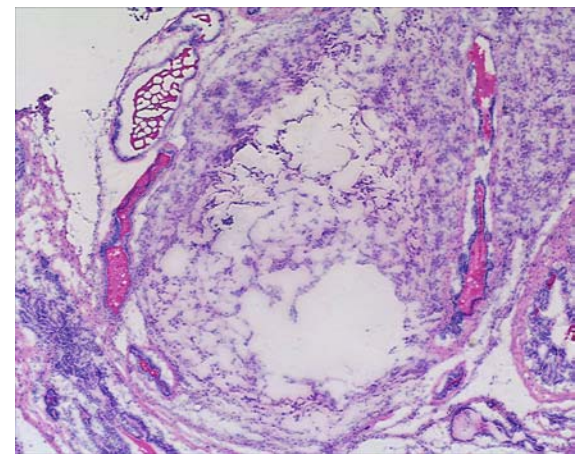
Cytopia has an integrated “engine room” for drug discovery

- Proprietary software platform – ChemaPhore for *in silico* drug design and screening
- Structure group based on X-ray crystallography
- Cell and biochemical screening expertise
- Excellent medicinal chemistry capability
- Animal model, and candidate evaluation via CRO’s



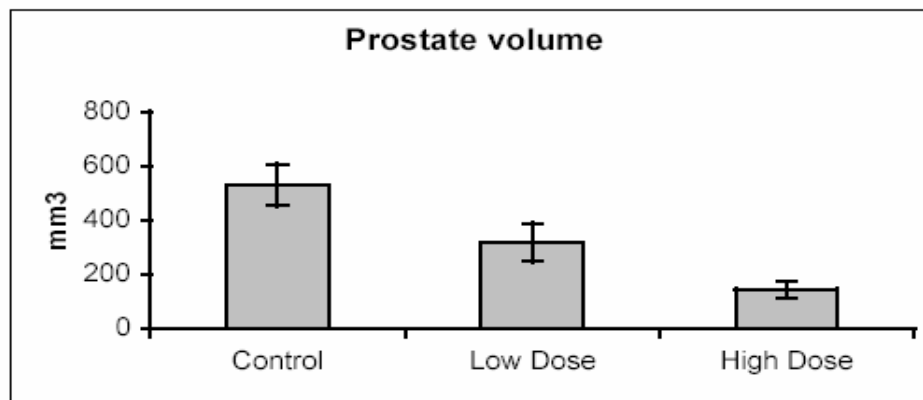
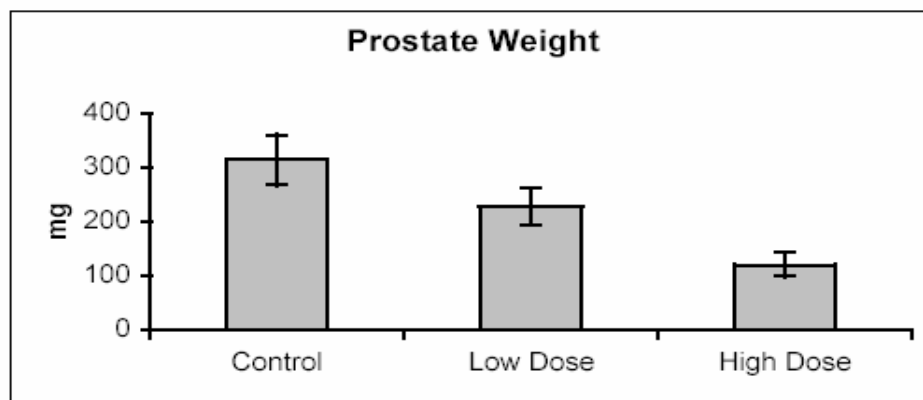
CONTROL

CANCER PROGRAM



TREATED

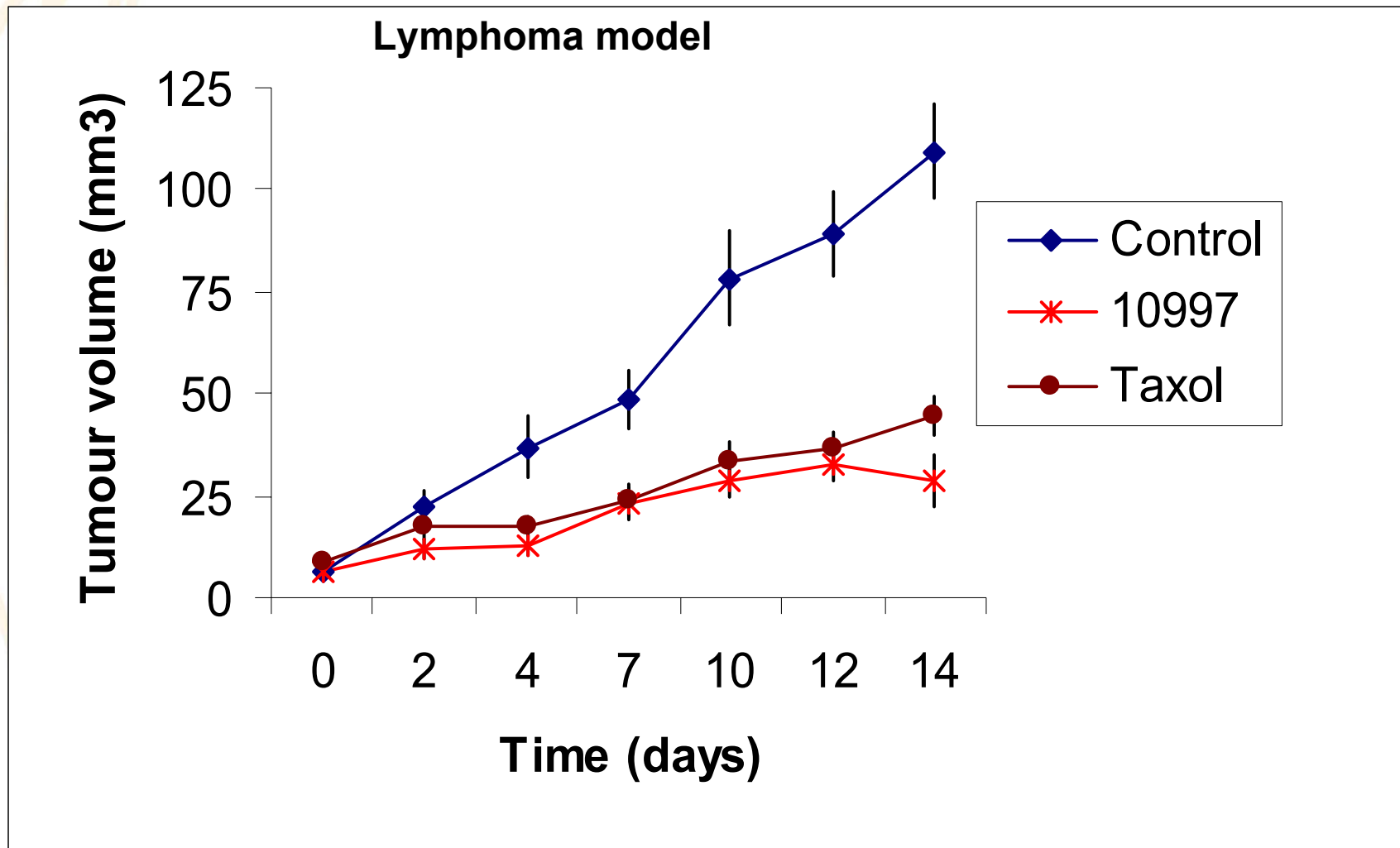
Cytopia has discovered a new class of molecules with broad anti-cancer activity...



Orthotopic prostate cancer model

... with dose dependent activity

Are as effective as current first-line cancer drugs..



... and appear to have some major advantages..

KEY ADVANTAGES

Cytopia has discovered a broadly-acting anti-cancer drug candidate that ...

- Is highly effective in animal models of prostate cancer, lymphoma, leukemia and breast cancer
- Appears to be less toxic than other cancer drugs
- Is orally available
- Appears to be much less susceptible to the development of drug resistance
- Acts via a novel patentable mechanism involving α -tubulin

DEVELOPMENT PLAN

- Conduct preclinical toxicology and lodge IND by Dec 2004
- Phase I safety testing in cancer patients by early 2005
- Phase IIa efficacy testing in second half of 2005

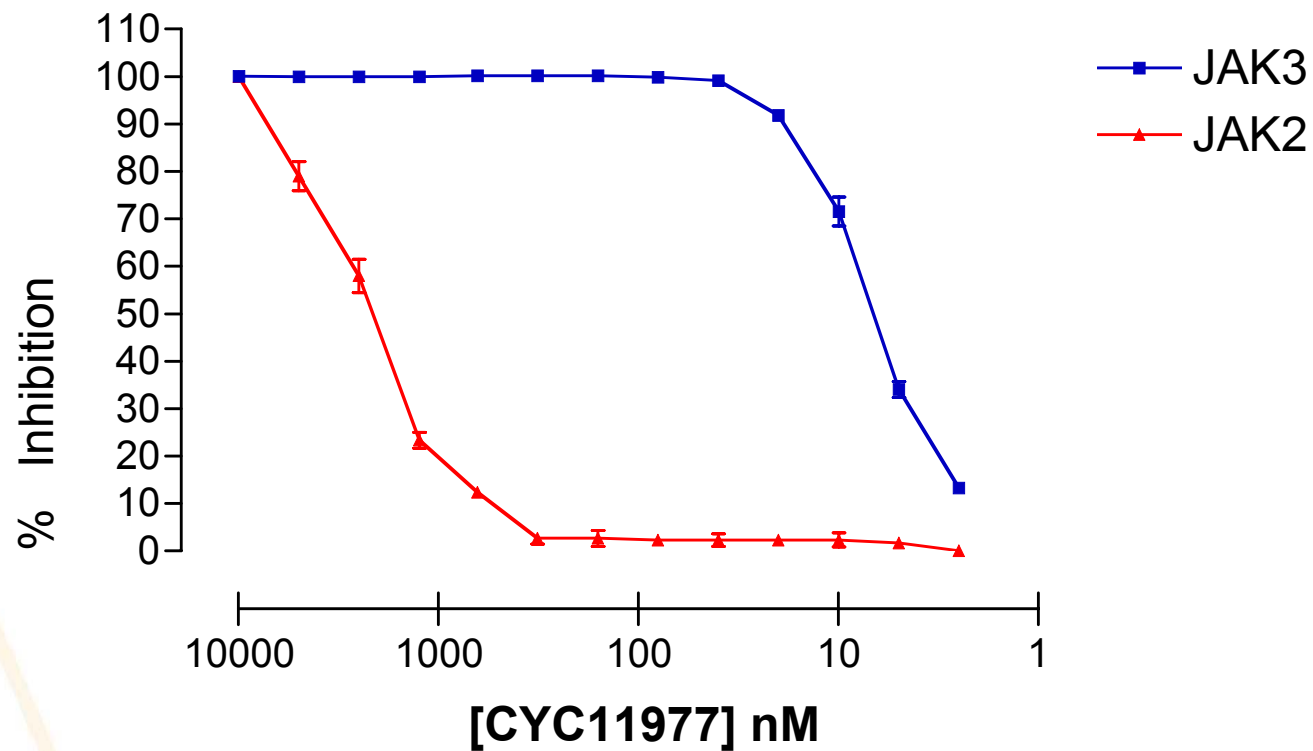
THERAPEUTIC TARGET

JAK 3 kinase acts as a switch to turn on the immune system and in various diseases may be over activated

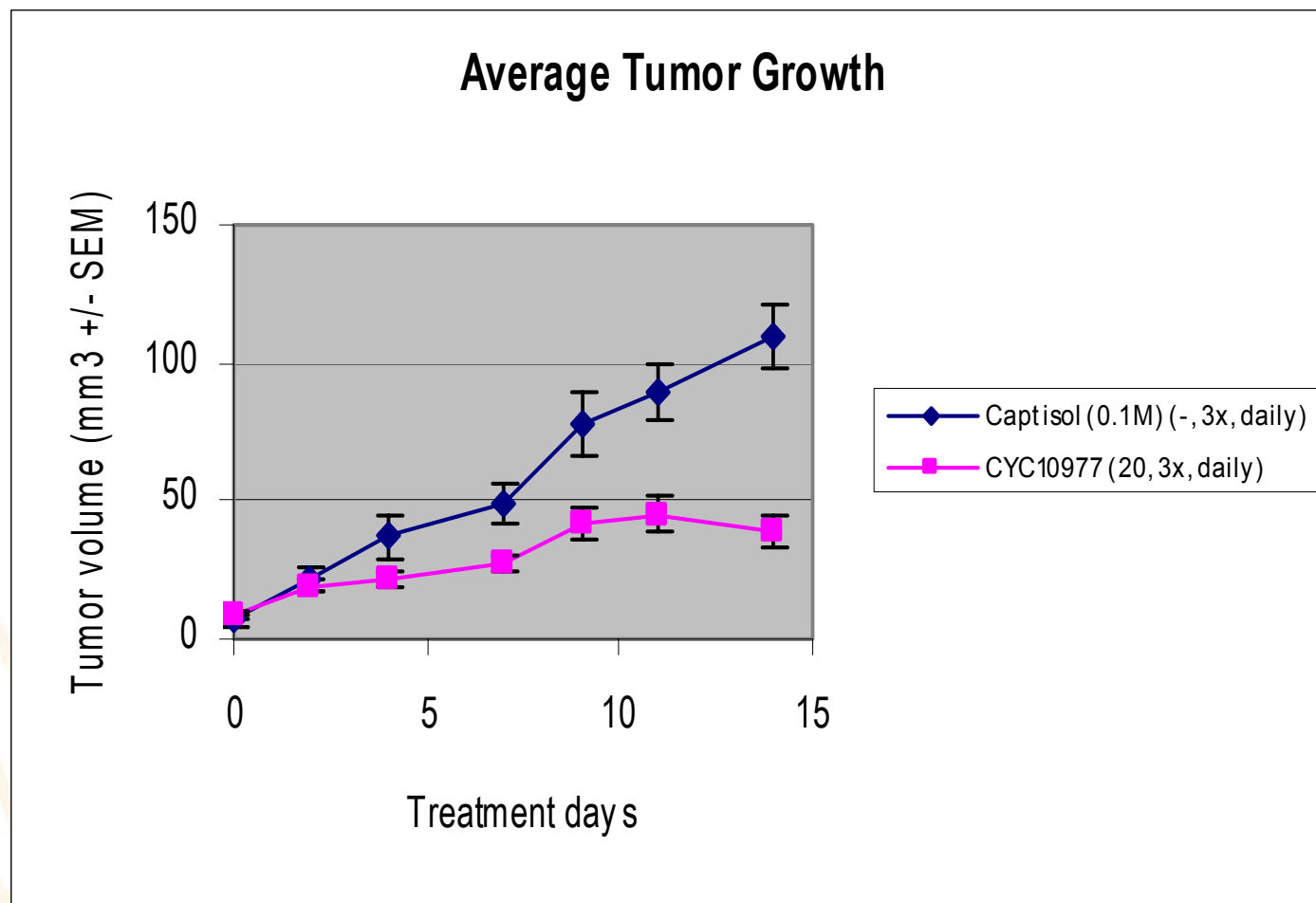
We are focusing on developing JAK3 inhibitors for the treatment of...

- **Asthma and COPD**
- **Dermatitis, Eczema and psoriasis**
- **Transplant rejection**

CYC11977 is a JAK3 Specific Inhibitor

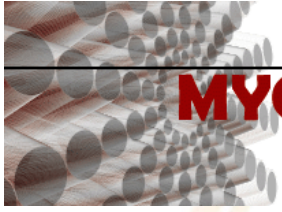


CYC10977 is active in an animal model of cancer...



DEVELOPMENT PLAN

- Efficacy in 3 animal models of immune diseases by Q4 2004
- Data from Pharma evaluations by Q3 2004
- Selection of candidate by end 2004
- Preclinical studies and IND by mid 2005

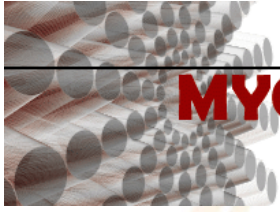


MYOMATRIX



CARDIOVASCULAR DISEASE PROGRAM

[A collaboration between Cytopia and Myomatrix]

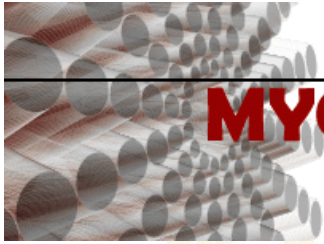


MYOMATRIX



JAK2 one of Cytopia's proprietary targets plays a critical role in cardiovascular disease

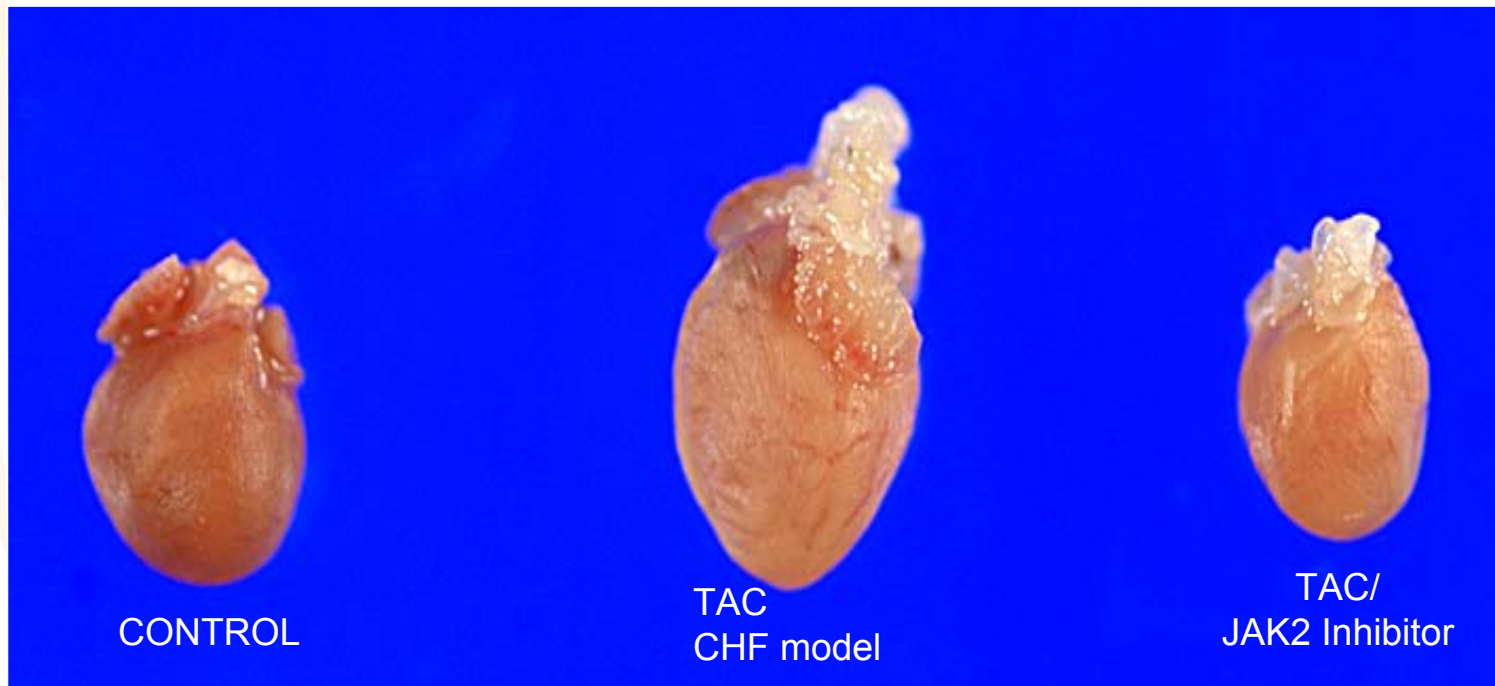
Pulmonary Hypertension	US\$ 500 million*
Heart Failure	US\$ 2 billion
Hypertension	US\$ 10 billion
Ischemia/Reperfusion	US\$ 1 billion*
Transplant vasculopathy	US\$ 400 million*

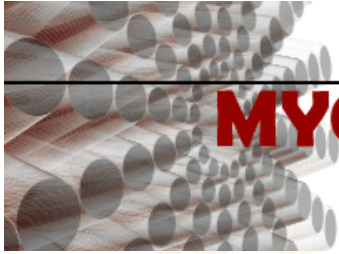


MYOMATRIX



Reversal of Cardiac Hypertrophy by JAK2 inhibitor – AG490



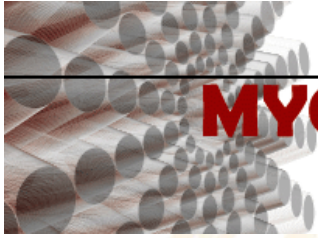


MYOMATRIX



STATUS OF COLLABORATION

- Myomatrix has a worldwide exclusive license to patents for the treatment of cardiovascular diseases with a JAK2 inhibitor
- JAK2 inhibitors have prevented cardiac hypertrophy in mouse models
- In rat cardiac myocytes, Cytopia's highly potent and specific JAK2 inhibitors are superior in blocking the signaling pathways known to cause heart failure in humans



MYOMATRIX



DEVELOPMENT PLAN

- Proof of efficacy in heart failure and pulmonary hypertension models by end 2004
- Orphan designation for pulmonary hypertension by early 2005
- IND filed with US FDA by mid 2005



IN SUMMARY



CYTOPIA'S EXPECTED PIPELINE BY DEC 2005

**CANCER (various)
(α -tubulin)**

Phase II Prostate Cancer

**Atopic Diseases
(JAK3)**

Phase I Atopic disease

Heart Failure (JAK2)

IND

**Pulmonary
Hypertension (JAK2)**

IND/Orphan Drug status



The new strategy..

- ➔ Medica and Cytopia shareholders will benefit from a strategy that allows the board and management to focus on growing Cytopia
- ➔ Cytopia needs improved access to capital
- ➔ We want the market to focus on our major objective – growing Cytopia's value
- ➔ Growth to include M&A activities



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Thank you



The conversions....

- **1 Medica fully-paid share in exchange for 4.5 Cytopia fully-paid shares**
 - 2.23 million listed Medica shares for 10 million Cytopia shares

- **1 Medica partly-paid share in exchange for 4.5 Cytopia partly paid shares**
 - 2.28 million Medica shares for 10.3 million Cytopia shares
 - Equivalent uncalled capital of \$1.2 million
 - Escrow until paid up

- **1 MDEOP Option in exchange for 4.5 CDEOP Options**
 - 1.365 million unlisted MDEOP Options for 6.14 million CDEOP Options
 - Equivalent subscription monies and expiry dates

- **1 New MEOP Option in exchange for 4.5 CEOOP Options**
 - 2.03 million unlisted MEOP Options for 9.111 million CEOOP Options
 - Equivalent subscription monies and expiry dates



“Medica’s” capital structure....

	Current Number (m)	Proposed Issues (m)	%	Proforma Number
Medica Fully Paid Shares	45.78	2.23	5 %	48.00
Medica Partly Paid Shares	-	2.28	5 %	2.28
MDEOP Options	1.55	1.37	3 %	2.93
MEOP Options	-	2.02	4 %	2.02
Total Securities	47.33	7.90	17 %	55.23

Motions before shareholders regarding the acquisition of Cytopia Minority Interests

- **Resolution 1 - approve issues to related parties**
 - Same consideration to be received as unrelated parties
 - Recommended by independent directors

- **Resolutions 2,3, 4 and 5 – approve issues to maximise flexibility to raise further capital**
 - If approved, Listing Rule 7.1 will not apply to the issues the subject of the resolutions
 - Listing Rule 7.1 permits up to 15% of issued shares within any 12 month period

Other motions before shareholders

➤ Resolution 6 - name change to Cytopia Limited

- Active, focused drug discovery company
- Assist capital markets to focus on strategy

➤ Resolutions 7 – Potential Deregistration as a PDF

- Allows maximum flexibility to explore all future opportunities for growth and development of the company
- Directors intend to maintain PDF status for as long as possible
- Directors will act in best interests of the company and its shareholders