



## BioPharmica Limited

Dear shareholder,

### **BIOPHARMICA IN GE HEALTHCARE COLLABORATION**

We are pleased to advise you that Molecular Discovery Systems (MDS), a wholly owned subsidiary of ASX-listed Perth biotech company BioPharmica Ltd (ASX:BPH), has entered into a number of separate agreements with one of the world's largest healthcare companies, GE Healthcare.

The relationship consists of three separate agreements:

- 1) Collaborative Research Agreement
- 2) Consultancy Services Agreement
- 3) A Show Site Agreement

The Western Australian Premier Alan Carpenter announced the project development yesterday at an event held at the Western Australian Institute for Medical Research (WAIMR), home of the WA Research Tissue Network.

These significant developments are set out below and in the attached announcement copy together with commentary on these latest developments carried in the "Stock to Watch" commentary on BioPharmica which was also released yesterday.

We are pleased to enclose these with your annual report.

Yours sincerely

David Breeze

BioPharmica (ASX: BPH) ASX Release October 31 2006

### **BIOPHARMICA IN GE HEALTHCARE COLLABORATION**

PERTH, AUSTRALIA -- West Australian breast cancer patients are aiding a Perth-based biotechnology company in its quest to help global researchers unlock the potential of their genetic discoveries more quickly.

The world-leading pilot study will use cutting-edge, cell-based imaging equipment – the first of its kind in Australia – to analyse tissue from more than 500 breast cancer patients whose samples form part of the WA Research Tissue Network.

The project springs out of a new collaboration between Molecular Discovery Systems (MDS), a wholly owned subsidiary of ASX-listed Perth biotech company BioPharmica Ltd (ASX: BPH), and one of the world's largest healthcare companies, GE Healthcare. Western Australian Premier Alan Carpenter announced the agreement today at an event held at the Western Australian Institute for Medical Research (WAIMR), home of the WA Research Tissue Network.

GE's IN Cell Analyzer imaging technology provides scientists with a way of seeing what is happening around genes, and in the process helps them to more quickly determine if the gene will be of use for new tests or treatments for diseases such as cancer and diabetes.

MDS Chief Executive Officer Dr Sam Gallagher said the technology also allowed researchers to learn more about the disease mechanisms.

"Before this type of equipment became available we could not see what was happening around the gene – it was like a black box - so being able to actually watch what's going on in real time can help us better understand how the disease operates," she said.

“The technology can also speed up drug screening which allows new treatments to get from the laboratories to patients’ bedsides faster.”

Premier Alan Carpenter said the partnership was a win for WA’s biotech industry.

“When a major global company such as GE Healthcare chooses to collaborate with a Perth company and a State Government-supported research institute, it’s a clear illustration that WA is punching above its weight in the biotechnology sector,” he said.

“This sort of partnership showcases WA’s skills and services to the world market and will help us ensure science and innovation plays a key part in ensuring WA’s economic growth, creating jobs and allowing economic diversification.”

WAIMR Director Professor Klinken welcomed the alliance, which will see MDS and its WAIMR-based researchers work with GE Healthcare teams in the US, UK, Australia and Singapore.

“As WA’s premier adult medical research institute, our primary goal is to improve the health of all West Australians – by helping drive the local biotech industry’s expansion and competitiveness,” he said.

“These sorts of partnerships are only possible because WA has been successful in attracting some of the world’s top scientists.”

HLS5, a gene discovered by Professor Klinken and his team and now being commercialised by Biopharmica, would be the first gene investigated in the study.

“GE Healthcare has always placed value on developing partnerships and working with customers to achieve common objectives,” said Stephen McIntyre, President, GE Healthcare, Australia/New Zealand.

“Co-operative efforts like this one see our vast experience come into play, and ensure our advanced technology is used to support innovative, groundbreaking and necessary research projects.”

BioPharmica Director Charles Murphy agrees the GE collaboration will support mutual goals.

“In some areas of the collaboration one party will own intellectual property and in other areas MDS and GE Healthcare will share it. Both MDS and GE Healthcare are seeking to increase the impact of cell-based imaging on research and patient care,” he said.

“MDS will play a vital, synergistic role in BioPharmica’s investment portfolio and enhance the capacity to invest into and commercialise world-leading Australian science.”

Under the new alliance MDS will also offer consultancy services to GE Healthcare and position the WAIMR laboratories as a ‘Show Site’, a way for GE Healthcare to showcase its technologies to its Asia Pacific partners and customers.

**MORE INFORMATION: Charles Murphy, Director, Tel (08) 9328 8366.**

Yours Faithfully,



David Breeze  
Chairman

**BioPharmica Limited**

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