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For Immediate Release

CyGenics and the Murdoch Childrens Research Institute to Collaborate on Stem Cell Expansion Trials

10th AUGUST 2004 – Stem cell biotechnology company, CyGenics Ltd (ASX: CYN) and the Murdoch Childrens Research Institute (MCRI) announced that the CyGenics subsidiary Cytomatrix, will provide the stem cell expansion technology (a proprietary three-dimensional cell growth scaffold) to the MCRI, for use in CyGenics' stem cell expansion clinical trials.

Utilising this stem cell expansion technology, and the MCRI's expertise in this field, these clinical trials are intended to demonstrate that the resulting expanded stem cells retain the full functionality and effectiveness of such stem cells derived from umbilical cord blood. The performance of this technology has previously been proven and published with the expansion of human bone marrow stem cells, cord blood stem cells and peripheral blood stem cells.

With staff strength of 550, the MCRI is the largest research institution in Australia focussing on child health. With companies in the US, Singapore and Australia, ASX-listed CyGenics provides tissue banking, cellular products, and develops stem cell-based therapies.

A successful completion of these trials will place CyGenics among the first in the world to offer safe, efficacious and cost effective means of multiplying human stem cells, addressing the key limitation of these cells – the insufficient supply of such cells to meet current worldwide transplantation and therapeutic needs. The global demand for stem cell transplants alone is estimated by Swiss-based Jain PharmaBiotech to be US\$7.8 billion by 2012. CyGenics expects to have this technology platform ready for commercialisation by 2005-2006.

The long term potential of these collaborative trials has also been recognised by the Australian government. The technology transfer is supported by the International Science Linkages Programme, under the Australian Government's innovation statement, Backing Australia's



Ability. Under this programme, the company secured a grant of A\$50,000 to assist in funding this project.

“The success of these trials will contribute significantly towards higher rates of recovery for a variety of haematologic malignancies and metabolic disorders, such as leukemia, thalassemia and anaemia, for patients around the world,” said Dr Michael Rosenzweig, Chief Scientific Officer, CyGenics. “We are indeed very pleased to have as respected an institution as the MCRI together with us in this endeavour.”

“As the largest body of its kind in Australia, the MCRI has been conducting life-saving medical research on a wide variety of conditions that affect babies, children and adolescents since 1960,” said Associate Professor David Ashley, head of the Childrens Cancer Centre of the MCRI and Royal Children’s Hospital. “In Australia, one in every 600 children will develop cancer. The potential of stem cell therapy for many diseases, in particular many cancers, is enormous. The primary limitation today in the use of such therapy has been the quantity. There simply aren’t enough stem cells available. We are excited to be working on trials that may well put an end to this limitation.”

“Stem cell expansion is the ‘holy grail’ of the stem cell research community and could open the door to not only many more stem cell transplants, but also the development of more medical applications using stem cells,” said Steven Fang, Group CEO, CyGenics. “These trials are in line with CyGenics’ goals of leveraging on the excellent clinical expertise and stem cell therapeutic programs being established in Australia, and part of our long term growth strategy for this market.”



About CyGenics

CyGenics is a biotechnology company focused on the development and commercialisation of stem cell-related products, services, applications and technologies. From its headquarters in Australia, CyGenics operates three divisions: Singapore-based CordLife (tissue banking services, in particular, cord blood banking) and Cell Sciences (consumable cell culture products), and Cytomatrix (cell therapeutics and technology development) based in the USA. CyGenics is listed on the Australian Stock Exchange, under the symbol CYN. For more information, please visit www.cygenics.com.

About Murdoch Children's Research Institute

MCRI is a major independent Australian research institute, with 550 staff and 60 students, conducting life-saving medical research and community health research to improve the lives of babies, children and adolescents. Priority areas include emerging child health issues like premature birth, childhood obesity and adolescent depression. Another priority is the development of new biotechnologies to improve child health. Cell-based and gene therapies are particularly strong areas of research, utilising stem cell technology and information from the human genome project. MCRI is a non-profit organisation supported by government, corporate and private donors, affiliated to the University of Melbourne and based at the Royal Children's Hospital. For more information visit www.mcri.edu.au.

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