

# Bone Medical

ASX/MEDIA RELEASE

## **Bone Medical Phase II Capsitonin™ (oral calcitonin) interim clinical trial data in 36 patients Positive** *Initial calcium data showing Bone's capsule drug is active*

**19 July 2007:** Bone Medical Limited (ASX:BNE) has announced that the interim data from its Phase II clinical trial of its osteoporosis drug has shown biological activity.

The calcium levels measured from the 36 patient study are indicative that the oral formulation of salmon calcitonin, used for the treatment of osteoporosis, is biologically active and suggestive that it is bioequivalent to the control in the study namely a nasal formulation of salmon calcitonin.

The trial in Brisbane Australia tested Capsitonin™, Bone's lead osteoporosis product.

The first clinical end point measured and analysed is the calcium level in patients after drug administration. Bone's Scientific Advisory Committee has reviewed this data and is very pleased with the results.

The second major endpoint to be reported soon will be biomarkers measuring CTX for osteoporosis. This is the measure the FDA have indicated as the primary endpoint to show bioequivalence with the control nasal version of calcitonin.

"This is an excellent interim result. A positive calcium measurement gives us confidence that our oral formulation is bioactive and bodes well for the outcome of the trial. The oral delivery of proteins has been a target for the industry for decades and we are very pleased to be achieving this result without having to use any new chemical entities in our formulation of Capsitonin™," said Mr Troels Jordansen, Managing Director of Bone Medical.

"The potential market superiority of Capsitonin™ is being able to take it as a daily capsule rather than the existing injectables or nasal spray."

"Capsitonin™ targets osteoporosis and has potential for other bone degenerative diseases including osteoarthritis."

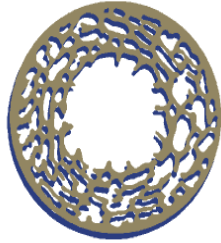
The trial was conducted with research company Q-Pharm in Queensland with 36 subjects.

Capsitonin™ works by inhibiting the action of osteoclasts which cause bone breakdown by supplementing calcitonin, the body's own hormone responsible for strong and healthy bones. Calcitonin has been safely administered as an injectable to treat bone disease patients for over 30 years and more recently as a nasal spray.

Bone Medical is targeting inroads into the US\$700 million global market for injectable and nasal calcitonin.

**Investor conference call** - Please see following page for details of an investor conference call.

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## Investor Conference Call

In order to answer questions from investors, Dr. New and Mr. Jordansen will host an investor conference call on Friday 19th July at 11.00am Sydney time. The investor conference call is open to Australian based investors, for participation, please dial 1 800 672 949 and use access code 722 12132 2355#

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## About Bone Medical Limited

Bone Medical Limited is an international biopharmaceutical development company positioned to exploit the growing market in the treatment of bone disease particularly in osteoporosis and arthritis. Bone has a portfolio of biopharmaceutical development projects for the treatment of bone disease including,

### Osteoporosis

- Capsitonin™ oral calcitonin
- oral parathyroid hormone
- bone cell regulators BN005 & BN008

### Arthritis

- TNF regulators BN006
- joint protection & collagen tolerance BN007