



**ASX/MEDIA RELEASE**

**BONE MEDICAL TO LICENCE ORAL PTH OSTEOPOROSIS  
PRODUCT TO HYUNDAI FOR KOREAN MARKET**  
*Significant long term royalty arrangement*

**19 June 2008:** Bone Medical Limited (ASX:BNE) has reached initial agreement with Hyundai Pharm. Co. Ltd. over the terms for the grant of a licence to sell Bone's CaPTHymone™ oral parathyroid hormone osteoporosis product in South Korea.

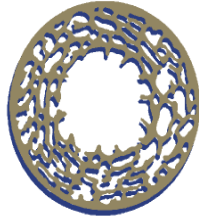
Bone Medical will qualify for an up-front payment, milestone payments related to product development, approval and launch events and payments for supply of bulk product. Bone will also receive royalties on annual sales of CaPTHymone™ by Hyundai Pharm. in South Korea.

Bone Medical's Managing Director Troels Jordansen said, "This is Bone's first heads of agreement for CaPTHymone™. It is the kick-off for what we expect will be multiple licence agreements for Bone's technology that should enable rapid product sales when approvals are finalised."

"Our recent clinical development progress has shown CaPTHymone™'s effective PTH oral delivery and we welcome the initiative demonstrated by our new partner Hyundai Pharm. in negotiating rights to the product for its home market. Korean annual sales of osteoporosis products currently exceed US\$100 million."

The transaction is subject to completion of due diligence and a formal licence agreement. Detailed terms have not been released by the parties.

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# Bone Medical

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**About Bone Medical**

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
- · CaPTHymone™ oral parathyroid hormone
- · bone cell regulators BN005 & BN008

**Arthritis**

- · TNF regulators BN006
- · joint protection & collagen tolerance BN007

**About Hyundai Pharm.**

Hyundai Pharm. Co., Ltd. located in Seoul, Korea, stands among top 20 pharmaceutical companies in Korea. Hyundai has history over 40 years and nationwide sales network as a complete pharmaceutical company having pharmaceutical, medical device and health food business in the territory. Hyundai has long and reputable experience in the field of ethical market, and now successfully marketing many products licensed from reputable multi-national companies like AstraZeneca (UK), Nycomed (Denmark) and Mitsubishi Tanabe (Japan) to name a few for many years. Recently, Hyundai established new business relationships with Bayer (Germany), Biogen Idec (Switzerland) and Uriach (Spain). Hyundai Pharm. has the active, aggressive, dedicated and honorable sales force.

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