



**COMPANY ANNOUNCEMENT  
29 August 2008**

**NEURODISCOVERY ANNOUNCES FULL YEAR RESULTS**

NeuroDiscovery Ltd (ASX: NDL), a specialty neuroscience services provider and drug development company, announced the release of its consolidated final results and operational highlights for the year ending 30 June 2008.

**Results for Announcement to the Market**

	<b>2008</b>	<b>2007</b>	<b>Change (\$)</b>	<b>Change (%)</b>
<b>Revenue</b>	2,190,396	1,851,160	339,236	18
<b>Gross profit</b>	1,104,646	890,769	213,877	24
<b>Net loss after income tax benefit</b>	(2,767,299)	(1,674,138)	(1,093,161)	65
<b>Net tangible assets per security (cents)</b>	2.3	6.5	(4.2)	(65)
<b>Basic loss per share (cents)</b>	(4.91)	(4.36)	(0.55)	(13)

No dividends have been declared or are expected to be declared.

**Key financial points**

- The net loss before tax for the year was \$(2.77) million, up from a loss of \$(1.67) million for the year ending 30 June 2007. This increase predominantly relates to increased expenditure on the Group's development programmes, as NeuroDiscovery's drug pipeline continues to successfully progress through clinical trials.
- Revenues were up 18% to \$2.19 million from the previous year's \$1.85 million. This improvement, which comes despite the translation of GBP revenues at higher average fx rates, relates in part to expansion of the specialist services being offered by NeuroSolutions, including the introduction of automated hERG screening (cardiac safety testing).
- Gross profit was up 24% to \$1.1 million from the previous year's \$0.9 million. This was in line with increased revenues from the specialist services business.
- The Company's cash position is \$1.75 million, which is in line with budget expectations.

## Operational Highlights

As previously announced:

### *Research and Development:*

- Achieved proof-of-concept with NSL-101, which was shown to be effective in a Phase IIa trial to alleviate the pain associated with dental planing and scaling, a procedure to treat periodontitis (gum disease).
- Transitioned NSL-043 successfully through Phase I clinical testing, completing two trials in human volunteers that demonstrated excellent safety and tolerability of this development compound for potential use in neuropathic pain.

### *Specialist Services Business:*

- Expanded operations to include new safety testing market, known as hERG screening. This area has the potential for growth thanks to increased regulatory demands being made by the major international agencies, such as the US FDA and European EMEA.
- Formed two new commercial partnerships: with UK-based Argenta Discovery Ltd, a company providing contract research services that are complementary to our own; and with TetraQ Pty Ltd, a premier contract research organisation in Australia, to market the Company's hERG screening services.
- Established a collaboration between NeuroSolutions and Queen's University Belfast to develop new models of Alzheimer's disease. Funded by a grant from the UK government of approximately \$200,000, this collaboration will keep NeuroSolutions at the cutting edge of neurology research techniques.
- Signed \$1 million, 12-month contract with a large US-based pharmaceutical company.

A full copy of the Appendix 4E can be found on the ASX website or at [www.neurodiscoveryltd.com](http://www.neurodiscoveryltd.com).

**-ENDS-**

## **About Neuropathic Pain**

Neuropathic pain is associated with peripheral or central nervous system injury, and can persist for months or years after the initial insult. It is often described as "burning" or "shooting" in nature and can be continuous or paroxysmal. It is estimated that up to 5% of the general population of the USA, Europe and Japan are affected by neuropathic conditions including diabetic neuropathic pain and post-herpetic neuralgia.

The condition has a poor prognosis and is a significant cause of morbidity. The neuropathic pain market is forecast to reach over US\$6.3 billion by the end of 2017 (Datamonitor 2008). Although there is no single definition of neuropathic pain, approximately 26 million patients worldwide suffer from some form of the condition (Espicom, 2005). As the currently available treatments for neuropathic pain provide only partial pain relief, there is a strong need for new agents with novel mechanisms of action that lead to improved drugs.

## About NeuroDiscovery

NeuroDiscovery Ltd is an ASX listed speciality neuroscience services provider and drug development company which owns 100% of NeuroSolutions Ltd (ASX Code NDL).

## About NeuroSolutions

NeuroSolutions Limited is a profitable service company, which has applied its broad spectrum expertise and drug discovery platforms to become a leading provider of specialised electrophysiological assays to the biopharmaceutical industry. Electrophysiology is a specialised technique which is used to record electrical activity in membranes, cells or tissues. NeuroSolutions' current clients include many established pharmaceutical and biotechnology companies.

In parallel to running its service business, the Company is also exploiting its in-house technologies and expertise for its own internal R&D and has a mature pipeline of programmes underway for the treatment of pain.

During 2008, the Company reported success in a Phase II trial for NSL-101. The Company also successfully completed two Phase I trials for its development compound NSL-043, in partnership with Sosei Group Corporation. Both of these trials reported a successful outcome, facilitating further development.

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