



Chairman's AGM Address 2006
Sydney, 20 November 2006

Firstly I would like to welcome you all to the annual general meeting of SciGen on behalf of the Board and Management. We are delighted you can be here today.

It gives me great pleasure to report, on behalf of the Board, the Company's results, activities and progress during the year ended 30 June 2006.

The year has been one of continuing advancement, coupled with major investments in building the infrastructure necessary to enter the markets we serve as and when registration of our products is secured.

The operating results for FY2006 include revenue for the full year totaling S\$8.78m, a 29% increase on the previous year. The net result for the Company was a deficit of S\$7.59m, a 38% increase on last year. Further detailed information on the financial position and performance of the Company can be found in the Directors' Report and accompanying financial statements contained in the Annual Report.

During the year SciGen reached a significant number of financial and operational milestones.

- Bioton S.A. of Poland, a major investor and substantial strategic partner of SciGen has made a general offer to SciGen shareholders subsequent to a share exchange with Scitech Genetics, a major shareholder of SciGen. Bioton offered a 31% premium to SciGen shareholders at A\$0.092 per share, which resulted in gaining control of the company with 90.5% of the shares.
- Commitment by Bioton to invest in SciGen ongoing and future projects.
- Mastering the technology of the Hepatitis B Vaccine in our pilot plant and the construction of a new facility in Rehovot, Israel to increase our manufacturing capacity and meet contractual obligations to our distributors.
- Acquisition of our Contract Manufacturer Shreya Biotech in Pune, India where Insulin and other Biopharmaceutical products will be manufactured once the plant is operational.
- Secured the license of two biosimilar (BioGeneric) products, GCSF and EPO with a combined worldwide market of US\$13.8 Billion dollars.
- The creation of a Joint Venture with Hefei Life Sciences (formally Shenzhen Meheco) together with Bioton for formulating & filling of Insulin for the Chinese market to effectively compete in this important market.

- Commercialization agreement with Hefei Life Science Park Investment and Development Co. for the distribution of SciGen Hepatitis B Vaccine in China. The agreement will generate revenues ranging from US\$145m to US\$210m over seven years from the date of health registration approval anticipated by the end of calendar year 2007.
- Negotiated royalty-free license of Insulin with our licensor for the remaining life of the license.

As part of the Company's growth and development, the decision was made by the Board to appoint Mr. Ryszard Krauze, Chairman of Bioton and Prokom, as the Vice Chairman of SciGen. I was given the Chairmanship of the Company in addition to my present responsibilities as the CEO.

The Board is indeed grateful to Mr. Paul Freiman for his Chairmanship throughout the most critical period of SciGen's development. Under his Chairmanship the Board of Directors benefited tremendously from his vast experience in the Biopharmaceutical Industry and wise counsel.

We are thankful and very pleased that Mr. Paul Freiman has agreed to remain on the Board as the Lead Independent Director, Chairman of the Remuneration Committee and a member of the Audit Committee and will continue to give us guidance through the next phase of our growth.

Existing and future opportunities in our sector abound with over US\$20 Billion dollars of Biopharmaceutical products whose patents expired or about to be expired in the next two years. SciGen faces many challenges as we continue the development of Biosimilars and penetrate markets throughout the world. The projects contemplated in last year address to our shareholders were implemented and are in various stages of completion.

We shall continue to work closely with our partners and major shareholder Bioton S.A. on a number of initiatives. SciGen has made significant progress in the past twelve months and met most of its objectives. The list of achievements is evidence of this. However, there is still much to do as we move forward to provide an appropriate return to investors as we Deliver Human Solutions to our clients.

I would like to once again thank Mr. Ryszard Krauze, Chairman of Bioton and its President Mr. Adam Wilczega for their unshakable support of and enthusiasm for SciGen and its future endeavours.

I'd like to also thank all of the tireless and hardworking staff of SciGen for another year of achievement. The Company is also very grateful for the support, encouragement and faith in the business shown by our remaining loyal shareholders.

To our customers, partners and other key stakeholders, we say "thank you" for working with us to Deliver Human Solutions not only across the Asia Pacific Region but now throughout the world.

In closing I also offer my thanks to my colleague directors on the Board for their wise counsel and hard work.

Together with Management of the Company, we invite your questions and discussion.

Saul A. Mashaal
Chairman
Founder & Chief Executive Officer

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