

PRESS RELEASE

KALBE FARMA SETS UP R&D BASE IN SINGAPORE TO FOCUS ON DRUG DEVELOPMENT OF BIOPHARMACEUTICALS

SINGAPORE, 26 May 2006 – Indonesian-listed pharmaceutical company, PT Kalbe Farma Tbk. (Kalbe Farma), the largest in Southeast Asia, today officially opens its office for research coordination and licensing in Singapore. The company focuses on research and development of biopharmaceuticals (medicines manufactured using biotechnology) and other innovative products as well as diagnostic tools.

Known as Innogene Kalbiotech Pte Ltd (Innogene), it is a wholly owned subsidiary of Kalbe. Innogene aims to specialise in oncology, intensive care, therapeutic and preventive vaccines.

Mr Johannes Setijono, Chief Executive Officer of Kalbe Farma, said: “With Innogene, Kalbe Farma will be the regional pioneer to leverage cutting-edge technology and enjoy the first mover advantage to introduce breakthrough medicines worldwide. This, in turn, will enable us to stay committed to our long-term objective of delivering better quality of life to people around the world through the betterment of their overall health.”

“With Innogene based in Singapore, we are confident that the island-state’s favourable biomedical ecosystem and existing state-of-the-art infrastructure will help us fast-track our R&D processes. We also hope to leverage Singapore’s high-calibre workforce, respect for intellectual property rights and the country’s trustmark for positive work ethics and quality to consolidate Innogene’s positive standing in the world market. We also target to take the company public eventually and Singapore’s status as a renowned financial hub will be to our advantage,” added Mr Setijono.

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To advance its vision to become a leading biopharmaceutical company, Innogene also collaborates with other local and international companies, researchers and institutions to acquire, develop and patent innovative pharmaceuticals and diagnostic products for the global market. They include Fraunhofer-Gesellschaft, Europe's largest applied science organisation to develop affordable diagnostic kits for Hepatitis C, Canada's YM BioSciences Inc to develop nimotuzumab also known as hR3 for treating brain tumour and Recombio, a Swiss company to develop a cancer vaccine, IE10, for the treatment of non small cell lung carcinoma and breast cancer. Innogene is also working with Singapore's Lynk Biotechnologies to develop and license out innovative products for application in different therapeutic classes.

Dr Rikrik Ilyas, Director of Innogene Kalbiotech, said: "Currently, we are working towards developing and patenting lactate-based pharmaceuticals globally from Singapore. The focus indications are for post-cardiac surgery and traumatic brain injury. The post-cardiac surgery indication was launched last month in Jakarta and will soon be submitted for registration in Singapore. Launches in more countries in Asia are expected within the coming years. The traumatic brain injury indications have completed the proof of concept stage and are now pending clinical trials in the USA. We are also working on the clinical development of an antibody (a biotech drug designed to resemble human antibody) that inhibits cancer cell growth and IE10 in Singapore. We hope to launch and market both cancer therapies in Singapore and regionally in 2007 and 2010 respectively."

In addition to being the centre that coordinates clinical trials and research activities, Innogene will also be the office for licensing activities which manages the application and commercialization of patents worldwide. Currently, Innogene is looking at a staff strength of 12 including scientists, clinical technicians and administrative staff. The Singapore subsidiary is supported by advisors located in the USA and France as well as ad hoc experts of different therapeutic disciplines.

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About Kalbe Farma

Kalbe Farma was founded in 1966 and has since been committed to improving the overall health of people for better quality of life. The company's three core businesses are healthcare, food and packaging for pharmaceutical products and consumer goods. It groups its products into five categories namely Over-the-Counter, Prescription, Animal Health, Kalbefood and Kalbebiotech.

Headquartered and publicly-listed in Jakarta, Kalbe Farma now owns 14 per cent of Indonesia's pharmaceutical market. Its export sales in 2005 rose to more than US\$30 million (5 per cent of its total consolidated sales). Kalbe Farma posted revenue of Rp 1.4 trillion for its first fiscal quarter in 2006 ended March 31 (6.9 per cent higher than first quarter in 2005). Its net profit reached Rp 200.3 billion which is 22.1 per cent higher compared to the same period last year. Kalbe Farma boasts offices in Cambodia, Malaysia, Myanmar, the Philippines, Singapore, South Africa, Sri Lanka and Vietnam and employs more than 12,000 staff.

For media queries, please contact:

Innogene Kalbiotech

Dr Rikrik Ilyas
Director
Tel: 62-21 4585 0725 ext 102
email: rikrik.ilyas@kalbe.co.id

Foreword Communications

Ms Cecilia Tan
Executive Director
Tel: 65-6338-5918
email: cecilia@foreword.com.sg

Mr Thomas Ng
Account Manager
Tel: 65-6338-5918
email: thomas@foreword.com.sg