



Prana Completes Recruitment in Alzheimer's Trial

12 month Phase II study with PBT2 in early Alzheimer's patients

Melbourne – 27 November, 2012: Prana Biotechnology (NASDAQ:PRAN; ASX:PBT) today announced that it has completed recruitment in the IMAGINE trial, a 12 month Phase II trial testing PBT2, the Company's drug in development for Alzheimer's Disease.

The double-blind placebo controlled trial has enrolled 41 patients with prodromal or mild Alzheimer's Disease in Melbourne, Australia. One additional patient may be included in the trial, subject to final screening procedures this week. All trial participants are undergoing brain scans to measure PBT2's effect on amyloid deposits in the brain (using PiB-PET scanning) and effects on increasing brain activity (F-FDG PET). Cognition effects are being measured by the Neuropsychological Test Battery (NTB), a test that measures the type of cognitive problems experienced by prodromal and early Alzheimer's patients.

In an earlier 12 week Alzheimer's Disease trial, PBT2 significantly reduced the level of Abeta protein in the spinal fluid of treated patients as well as significantly improving their cognitive Executive Function^{1,2,3}.

"We expect that the current 12 month IMAGINE trial will provide further evidence of PBT2's ability to have a positive effect in the brain and help Alzheimer's patients," said Prana's Executive Chairman, Mr Geoffrey Kempler.

The scientific data supporting the belief that PBT2 will bring meaningful clinical benefit to patients is extensive. PBT2 restores neuronal health by selectively binding and redistributing brain metals (copper, zinc) that have become imbalanced due to disease or the ageing process. Furthermore PBT2 is able to prevent Abeta protein induced toxicity and promote its disaggregation in the brain.

The trial has received funding from the Alzheimer's Drug Discovery Foundation (ADDF). Howard Fillit, MD, the ADDF's Executive Director commented that "PBT2 stands out as one of the few remaining orally available agents with clinical trial evidence of cognitive benefit for Alzheimer's patients. Success in this trial will demonstrate target engagement by PBT2 in the brains of people with Alzheimer's Disease, and accelerate the clinical development of PBT2 to patients".

Alzheimer's Disease and dementia affects over 26 million people worldwide. The cost to society has been reported as \$600 billion per annum. Currently all available treatments are approved to provide some degree of symptomatic relief. None change the course of the disease and the eventual decline in patient's cognition and health. PBT2 has the potential to be an effective treatment for Alzheimer's Disease that is supported by an extensive body of scientific and clinical work.

References

1. Lannfelt *et al.* "Safety, Efficacy, and biomarker findings of PBT2 in targeting Abeta modifying therapy for Alzheimer's disease: a controlled phase IIa, double-blind, randomized, placebo-controlled trial", *Lancet Neurology* (2008) vol. 7, pp. 779-86.
2. Lannfelt *et al.* **Errata:** *Lancet Neurology* (2009) vol. 8, pp. 981.
3. Faux *et al.* "PBT2 Rapidly Improves Cognition in Alzheimer's Disease: Additional Phase II Analyses", *Journal of Alzheimer's Disease* (2010) vol. 20 pp. 509-516

About Prana Biotechnology Limited

Prana Biotechnology was established to commercialize research into age-related neurodegenerative disorders. The Company was incorporated in 1997 and listed on the Australian Securities Exchange in March 2000 and listed on NASDAQ in September 2002. Researchers at prominent international institutions including The University of Melbourne, The Mental Health Research Institute (Melbourne) and Massachusetts General Hospital, a teaching hospital of Harvard Medical School, contributed to the discovery of Prana's technology.

For further information please visit the Company's web site at www.pranabio.com.

About the Alzheimer's Drug Discovery Foundation

The Alzheimer's Drug Discovery Foundation (ADDF) is the only non-profit organization whose sole mission is to accelerate the discovery and development of drugs to prevent, treat and cure Alzheimer's Disease, related dementias and cognitive aging. Since 1998, the ADDF has granted more than \$50 million to fund over 325 Alzheimer's drug discovery programs in academic centers and biotechnology companies in 18 countries. For more information about the Foundation, please visit www.AlzDiscovery.org.

Forward Looking Statements

This press release contains "forward-looking statements" within the meaning of section 27A of the Securities Act of 1933 and section 21E of the Securities Exchange Act of 1934. The Company has tried to identify such forward-looking statements by use of such words as "expects," "intends," "hopes," "anticipates," "believes," "could," "may," "evidences" and "estimates," and other similar expressions, but these words are not the exclusive means of identifying such statements. Such statements include, but are not limited to any statements relating to the Company's drug development program, including, but not limited to the initiation, progress and outcomes of clinical trials of the Company's drug development program, including, but not limited to, PBT2, and any other statements that are not historical facts. Such statements involve risks and uncertainties, including, but not limited to, those risks and uncertainties relating to the difficulties or delays in financing, development, testing, regulatory approval, production and marketing of the Company's drug components, including, but not limited to, PBT2, the ability of the Company to procure additional future sources of financing, unexpected adverse side effects or inadequate therapeutic efficacy of the Company's drug compounds, including, but not limited to, PBT2, that could slow or prevent products coming to market, the uncertainty of patent protection for the Company's intellectual property or trade secrets, including, but not limited to, the intellectual property relating to PBT2, and other risks detailed from time to time in the filings the Company makes with Securities and Exchange Commission including its annual reports on Form 20-F and its reports on Form 6-K. Such statements are based on management's current expectations, but actual results may differ materially due to various factors including those risks and uncertainties mentioned or referred to in this press release. Accordingly, you should not rely on those forward-looking statements as a prediction of actual future results.

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