Prana Announces that PBT2 Reduces Cognitive Impairment Caused by Tau Protein Accumulation

New data to be presented at the 11th International Conference on Alzheimer's and Parkinson's Disease

Melbourne – 4 March, 2013 Prana Biotechnology (NASDAQ:PRAN; ASX:PBT) today announced the upcoming presentation of new data demonstrating the ability of PBT2 to reduce the damage to brain cells, caused by the accumulation of the tau protein and preventing subsequent cognitive impairment. The tau protein, along with the Abeta protein, are the two major proteins associated with Alzheimer's Disease.

The findings are consistent with the improvement in cognition previously reported in transgenic Alzheimer's mice studies* and in patients in a Phase IIa clinical trial with PBT2** and further validate the metal targeting mechanism of action of PBT2. New data will be presented by Prana scientist Associate Professor Paul Adlard at the 11th International Conference on Alzheimer's and Parkinson's Disease, to be held in Florence, Italy, March 6th to 10th, 2013.

To date, Abeta has been the primary therapeutic target for disease modifying drugs developed for Alzheimer's disease. However, the clinical failure of several anti-Abeta drugs supports the view that targeting Abeta alone may be insufficient to improve outcomes for patients. The other hallmark pathological feature of Alzheimer's disease is the presence of neurofibrillary tangles, composed of abnormal tau protein. In his presentation, entitled "Metal Chaperones are novel therapeutic agents for tauopathy', Associate Professor Adlard will present new data showing that treatment with PBT2 significantly improves cognition and reduces the abundance of tau aggregates through metal mediated mechanisms in a transgenic mouse model of tau overexpression.

Commenting on the significance of the new data, Rudy Tanzi, the Rose and Joseph Kennedy Professor of Neuroscience at Harvard Medical School and Prana's Chief Scientific Advisor said, "These findings provide further evidence for PBT2 as a highly attractive therapeutic for Alzheimer's disease that targets both beta amyloid deposition and tangle formation. Translating these dual effects into the clinic could potentially provide tremendous benefit for patients."

PBT2 is currently in a Phase II clinical trial, the IMAGINE trial, which is now fully enrolled and will be completed at the end of the year.

* Adlard *et al.* Neuron (2008) vol. 59, pp. 43-55.

** Lannfelt *et al.* Lancet Neurology (2008) vol. 7, pp. 779-86. Lannfelt *et al.* **Errata:** Lancet Neurology (2009) vol. 8, pp. 981.

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.

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 factions 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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