

PRESS RELEASE

ProtAffin AG granted Orphan Medicinal Product Designation by EMEA for lead anti-inflammatory product

18th July, 2008, Graz, Austria: ProtAffin AG, a biotechnology company developing anti-inflammatory therapeutics that act by targeting cell-surface glycan structures, today announced that it has received Orphan Medicinal Product Designation in the European Union from the European Medicines Evaluation Agency (EMA) for ProtAffin's lead product PA401 (also designated as Recombinant human CXCL8 mutant). PA401 has been granted Orphan Medicinal Product designation in the European Union for the "prevention of delayed graft function after solid organ transplantation". PA401 is ProtAffin's lead anti-inflammatory product and is a modified form of the human chemokine IL-8 which acts as a potent, targeted anti-inflammatory protein preventing the infiltration of neutrophils which is often seen in the first days following solid organ transplantation.

Dr. Jason Slingsby, CEO of ProtAffin commented: "I am pleased that the EMA has approved the Orphan Medicinal Product Designation for PA401 for the prevention of delayed graft function after solid organ transplantation. There is a real unmet medical need for an anti-inflammatory product that works to prevent the delay in graft function that is often experienced following solid organ transplants. There are no products currently authorised in Europe to prevent this condition and we hope to make an important contribution to the field of clinical medicine and to improve patient outcomes in transplantation."

– ENDS –

Notes to Editors:

About ProtAffin AG

ProtAffin is a pre-clinical stage biotechnology company developing protein-based products targeting inflammation. Its novel class of biologics target heparin-like glycan structures that drive inflammatory processes. ProtAffin has used its proprietary CellJammer[®] discovery technology to develop a pipeline of pre-clinical development candidates based on engineered human chemokine proteins. The discovery technology is also applicable to many targets in the field of oncology.

Since its foundation, the Company has raised €4.3m in equity financing. A €4m Series A financing in 2007 was led by Aescap Venture Management BV in Amsterdam with participation from The Entrepreneurs Fund and Z-Cube Srl, the venture arm of the Zambon Company. The Company has also raised €2m in non-dilutive financing in Austria in the form of seed finance and product development grants. The Company currently has 16 employees in its offices and labs in Graz, Austria. The Company also has a Corporate Office in Vienna, Austria.

ProtAffin Biotechnologie AG

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About Delayed Graft Function (DGF)

Delayed graft function (DGF) represents a reduced function of the transplanted organ that occurs in the first days after transplantation. Following organ donation, the organ must be transported to a specialist centre where the transplant operation will be carried out. Following transplantation, the reintroduction of the blood supply to the organ causes a well recognised inflammatory process called ischemia/reperfusion (I/R) injury, with many white blood cells such as neutrophils infiltrating into the organ. This can prevent the organ from adequately functioning in the first week after transplantation.

There were over 10,000 kidney transplants in the European Union in 2006, and it is estimated that 25% of patients experience DGF, which is defined by the requirement for dialysis within the first 7 days following transplantation. The incidence of DGF can rise to up to 63% depending on various clinical factors. DGF can contribute to organ loss in the short term and the 10-year graft survival for kidneys which experience DGF is 33% versus 53% of those kidneys that do not experience DGF. Therefore, there is a clear need within transplantation medicine for an authorised product for the prevention of delayed graft function. The high incidence of DGF incurs significant additional costs to the healthcare provider and makes the dosing of standard immunosuppressive regimes more complex in the first week. None of the authorized immunosuppressive products traditionally used in organ transplantation area able to significantly reduce the ischemia/reperfusion injury which leads to delayed graft function.

About PA401

ProtAffin's lead anti-inflammatory product is PA401, a modified form of the human chemokine IL-8. PA401 acts as a potent, targeted anti-inflammatory protein preventing the infiltration of neutrophils which is often seen in the first days following solid organ transplantation. By binding to glycans that drive the infiltration of neutrophils in inflammation with a higher affinity than wild-type IL-8, PA401 can prevent wild-type IL-8 from activating neutrophils and inhibit the events that would normally lead to inflammation. PA401 is in pre-clinical development at ProtAffin for the prevention of delayed graft function after solid organ transplantation.

About Orphan Medicinal Product Designation in the EU

Medicines for rare diseases, so called "orphan medicinal products", are intended for the diagnosis, prevention or treatment of life-threatening or chronically debilitating conditions that affect no more than 5 in 10,000 people in the EU. The legislative framework for orphan medicines aims to stimulate research and development of medicines for rare diseases by providing incentives to the pharmaceutical industry. These incentives include fee reductions or exemptions for regulatory services, 10 year marketing exclusivity and direct access to EU registration via a centralized procedure, resulting in one single license for 27 EU member states.

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