

PRESS RELEASE

ProtAffin AG granted patent in EU for lead anti-inflammatory product PA401

23rd January, 2009, Graz, Austria: ProtAffin AG, a biotechnology company developing anti-inflammatory therapeutics that act by targeting cell-surface glycan structures, today announced that it has been granted a patent by the European Patent Office on anti-inflammatory variants of chemokine IL-8, including the Company's lead product PA401. PA401 is an IL-8 variant in pre-clinical development at ProtAffin to prevent inflammation in a number of chronic and acute inflammatory settings.

Whereas wild-type chemokines are over-expressed in many chronic and acute inflammatory diseases, ProtAffin has developed anti-inflammatory variants of IL-8 with increased affinity for heparin-like glycan structures found on inflamed endothelium. These anti-inflammatory products do not activate chemokine receptors found on leukocytes.

Dr. Jason Slingsby, CEO of ProtAffin commented: "We are very pleased that the European Patent Office has granted us claims protecting our lead anti-inflammatory product PA401, as well as other anti-inflammatory variants of IL-8. This is an important commercial step for us as we seek to develop and commercialise PA401 for a number of chronic and acute diseases in the world's major pharmaceutical markets. PA401 represents a novel class of biological product which disrupts protein-glycan interactions which drive inflammation in a number of diseases with serious unmet medical need."

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Notes to Editors:

About ProtAffin AG

ProtAffin is a European pre-clinical stage biotechnology company based in Austria, 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.

The Company raised a €4m Series A financing in 2007 which was led by Aescap Venture Management BV in Amsterdam. ProtAffin has also raised €2m in non-dilutive financing in Austria in the form of seed finance and product development grants supporting the pre-clinical development of PA401. The Company currently has 17 employees in its offices and labs in Graz, Austria and also has a Corporate Office in Vienna, Austria.

ProtAffin Biotechnologie AG

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About PA401

ProtAffin's lead anti-inflammatory product is PA401, a modified form of the human chemokine IL-8. Human interleukin 8 (IL-8) is a chemokine produced by macrophages and other cell types and its primary function is the induction of chemotaxis in neutrophils. PA401 acts as a potent, targeted anti-inflammatory protein preventing the infiltration of neutrophils which are a hallmark of many chronic and acute inflammatory diseases. 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 both chronic and acute inflammatory diseases. The Company was granted Orphan Drug designation for PA401 in 2008 in the US and EU for an acute indication, which is the prevention of delayed graft function after solid organ transplantation.

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