

PRESS RELEASE

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

11th September, 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 United States Patent and Trademark 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 treat chronic lung inflammation.

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 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 happy that the US Patent Office has granted us claims protecting our lead anti-inflammatory product PA401, and we were granted a similar patent earlier in 2009 by the European Patent Office. There is an urgent clinical need for biopharmaceuticals which can help patients with chronic lung inflammation in the USA and EU and this patent grant in the USA is an important step in commercialising PA401."

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Notes to Editors:

About ProtAffin AG

ProtAffin is a European pre-clinical stage biotechnology company based in Austria, developing protein therapeutics targeting inflammation and oncology. This novel class of protein therapeutics are decoy proteins based on human chemokines which act to block inflammatory processes. ProtAffin has used its proprietary CellJammer[®] discovery technology to develop a pipeline of pre-clinical development candidates to validate this novel therapeutic approach within the field of biopharmaceuticals. The discovery technology is also applicable to many targets in the field of oncology.

The Company raised a €14 million Series B financing in April 2009 which was co-led by Atlas Venture and SR One Ltd. ProtAffin previously raised a €4 million Series A financing in 2007 led by Aescap Venture Management, with participation from Entrepreneurs Fund and Z-Cube Srl, who all participated in the Series B financing. ProtAffin has also raised €2 million in non-dilutive financing in Austria in seed finance and product development grants supporting the pre-clinical development of PA401. The Company currently has 18 employees in its offices and labs in Graz, Austria and a Corporate Office in Vienna, Austria.


About PA401

ProtAffin's lead anti-inflammatory product is PA401, a modified form of the human chemokine IL-8. Human interleukin 8 (IL-8/CXCL8) is a chemokine whose primary function is the induction of

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chemotaxis in neutrophils. PA401 acts as a potent, targeted anti-inflammatory decoy protein preventing the infiltration of neutrophils which are a hallmark of many chronic respiratory diseases and acute inflammatory diseases. PA401 disrupts the endothelial-bound gradient of wild-type IL-8/CXCL8, thereby preventing activation of neutrophils and the events that would normally lead to inflammation. PA401 is in pre-clinical development for chronic inflammatory lung diseases such as COPD and neutrophilic asthma.

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