

PRESS RELEASE

ProtAffin AG announces preclinical data in COPD for lead product PA401

21st September, 2010, Graz, Austria: ProtAffin AG, a biotechnology company developing a novel class of biopharmaceutical products that act by targeting cell-surface glycan structures, today presented compelling preclinical data in chronic obstructive pulmonary disease (COPD) for its lead product PA401 at the European Respiratory Society Congress in Barcelona, Spain. This conference is the largest gathering of scientists and clinicians in the respiratory community in the world. The Oral Presentation was made in the session “Pre-clinical models of airways disease”.

The Company presented impressive efficacy data for PA401, a glycan-binding decoy protein based on human chemokine IL-8 (CXCL8) in gold-standard preclinical models of COPD. The activity of PA401 was benchmarked against other relevant treatment modalities including the PDE4 inhibitor roflumilast and the CXCR2 antagonist SCH527123. PA401 showed strong and broad anti-inflammatory activity in preclinical models, while also reducing levels of several key inflammatory biomarkers. The differentiated pharmacology of PA401 compared to other treatment modalities suggests that this novel first-in-class product may bring specific benefits to certain populations of COPD patients.

PA401 is the first of a novel class of biopharmaceutical products which are glycan-binding decoy proteins. Specific cell surface glycans underlie inflammatory processes in several diseases including COPD, and represent a rich and relatively under-investigated class of potential drug targets for pharmaceutical and biotechnology companies. ProtAffin’s approach is highly innovative and opens up glycans as druggable targets through the use of its CellJammer[®] discovery technology. As IL-8 is known to play a central role in the chronic neutrophilic inflammation seen in the lungs of COPD patients, the glycan-binding decoy protein PA401 represents a potential breakthrough in tackling the severe unmet medical need in many patients with COPD.

Dr. Jason Slingsby, CEO of ProtAffin commented: “We are delighted to announce strong, differentiated preclinical efficacy data for our lead product PA401 in preclinical models relevant to COPD. The European Respiratory Society Congress is one of the top gatherings of the respiratory community worldwide and presenting compelling new biology at this conference marks an important step for us as a Company. We look forward to progressing PA401 through preclinical development in 2010 and 2011 and to starting Phase 1 trials early in 2012. Given the unique properties of PA401 in preclinical models of COPD, PA401 may represent a new treatment paradigm for patients with COPD.”

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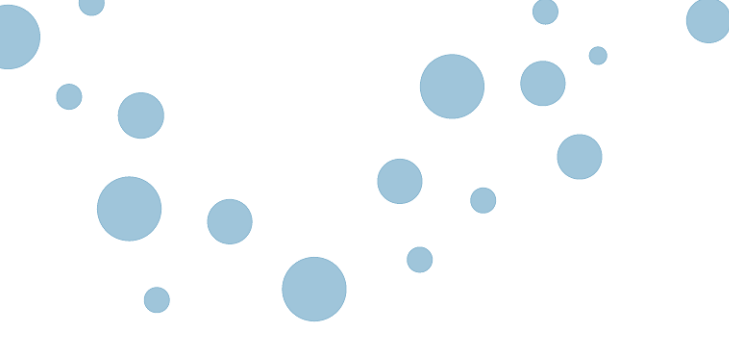
Notes to Editors:

About ProtAffin AG

ProtAffin Biotechnologie AG

Impulszentrum Graz-West t: +43 316 382 541
Reininghausstraße 13a f: +43 316 382 541-4
A-8020, Graz, Austria www.protaffin.com

Bank Austria, BLZ 12000, Acc. Nr. 50671555301,
UID Nr. ATU 61800144, FB-Nr. 264334 B / HG Graz



ProtAffin is a European preclinical stage biotechnology company based in Austria, developing protein-based products targeting inflammation and oncology. Its novel class of biopharmaceuticals target heparin-like glycans (complex sugars) that drive inflammatory processes. ProtAffin has used its proprietary CellJammer[®] discovery technology to develop a pipeline of preclinical development candidates based on engineered human chemokine proteins. The CellJammer[®] discovery technology has been successfully applied to a number of chemokines, in addition to IL-8, central to inflammatory and autoimmune diseases and is also applicable to many targets in the field of oncology.

Since 2007, the Company has raised over €18 million in venture capital from Aescap Venture, Atlas Venture, SR One Ltd., Entrepreneurs Fund and Z-Cube Srl. ProtAffin has also raised €2 million in non-dilutive financing in Austria. The Company currently has 24 employees in Graz, Austria and Oxford, UK.

About PA401

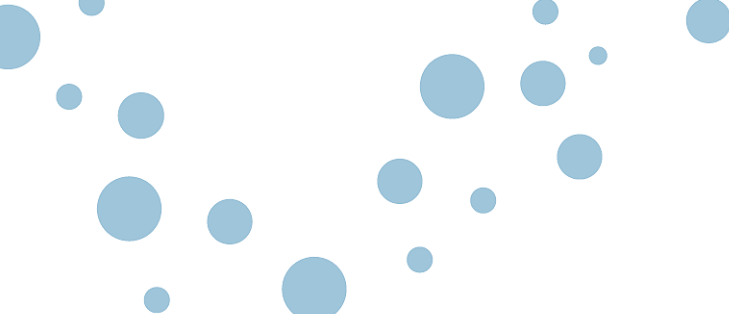
ProtAffin's lead anti-inflammatory product is PA401, a modified form of the human chemokine IL-8. Human IL-8 (CXCL8) is a chemokine produced by macrophages and other cells and its primary function is the induction of chemotaxis in neutrophils. PA401 acts as a potent, targeted anti-inflammatory protein preventing the infiltration of neutrophils which are a hallmark of many acute and chronic respiratory diseases including COPD.

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 chronic lung inflammation. PA401 is in preclinical development for COPD and related respiratory indications. A patent encompassing PA401 and other IL-8 variants was granted in the USA and EU in 2009. The Company signed a manufacturing agreement with CMC Biologics A/S in July 2010 for manufacture of PA401 for early clinical development. PA401 is a novel biopharmaceutical product representing a huge commercial opportunity by addressing the huge unmet medical need in respiratory diseases where chronic neutrophilic infiltration is present, including COPD, cystic fibrosis, and steroid-resistant asthma.

About Chronic Obstructive Pulmonary Disorder (COPD)

COPD is a chronic inflammatory disease characterised by airflow limitation that is not fully reversible. The airflow limitation is usually both progressive and associated with an abnormal inflammatory response of the lungs to noxious particles or gases. It is typified by partially reversible obstruction of the airways, with chronic bronchitis and/or emphysema, leading to a productive cough and progressive difficulty in breathing. The disease affects about 60 million people worldwide with more than 3 million people dying of the disease each year, making it the 4th leading cause of death in the world. The number of affected people is likely to increase in the next five years with the increased use of tobacco, and increasing industrial pollution, especially in Asia-Pacific countries.

Infiltration of neutrophils in the lung is one of the accepted hallmarks of COPD, but this neutrophil infiltration is resistant to current therapies for COPD, including inhaled corticosteroids. Interleukin-8 (IL-8) is accepted as one of the most potent mediators of neutrophil infiltration in the lung and targeting IL-8 or its receptors CXCR1 and CXCR2 is an approach under investigation by a number of leading pharmaceutical companies for suppressing the chronic lung inflammation seen in COPD.



ProtAffin's lead product PA401 is a glycan-binding anti-inflammatory decoy version of human IL-8 and therefore represents a promising new approach to reducing the IL-8 driven inflammation, present in COPD.

Media Contacts

Dr Jason Slingsby, Chief Executive Officer
ProtAffin AG
Impulszentrum Graz-West
Reininghausstrasse 13a
A-8020 Graz, Austria
T: +43 664 4187210
F: +43 316 382 541-4
E-mail: office@protaffin.com
www.protaffin.com

College Hill
For media enquiries:
Adam Michael, Anastasios Koutsos
Tel: +44 20 7457 2020
Email: protaffin@collegehill.com
www.collegehill-lifesciences.com