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PanGenetics B.V. licenses therapeutic antibody for treatment of pain from Lay Line Genomics S.p.A.

Utrecht, The Netherlands / Cambridge, UK and Rome, Italy - December 7 2006 - PanGenetics B.V. and Lay Line Genomics S.p.A. (LLG) jointly announced today that the companies have entered into a collaboration in the field of therapeutic antibodies for the treatment of pain. Under the terms of the collaboration agreement, LLG has granted to PanGenetics exclusive rights to Hu-alphaD11, a humanized antibody against nerve growth factor (NGF) that has shown very promising effects in preclinical animal models of inflammatory and chronic pain. The companies will work together on the preclinical program and PanGenetics will assume full responsibility for the clinical development and commercialization of Hu-alpha-D11. In addition to research funding and an upfront payment, LLG will receive undisclosed milestone payments and royalties on commercial sales.

New therapies for the treatment of chronic pain represent a very important medical need. The currently used therapies, mainly opioids such as morphine, are often associated with severe side-effects and therefore new therapeutic classes with improved safety and efficacy are needed. A very promising new approach for the treatment of chronic pain is the targeting of the NGF signaling pathway, for which a key role in the pathophysiology of pain is strongly supported by recent scientific evidence and clinical data. The collaboration between PanGenetics and LLG will focus on the translation of this data into clinical benefit for patients suffering from pain with several etiologies, including inflammatory, neuropathic and cancer pain.

"*After our recently announced license agreement with Schering Plough, this collaboration with LLG adds another highly promising antibody to the portfolio of therapeutic antibodies that we have assembled during the past year*" said Kevin Johnson, CEO of PanGenetics. "*With the preclinical support of LLG, it is our clear goal to have Hu-alphaD11, which will be renamed PG110, ready for human trials in 2008. The focus of this program on nervous system disease provides important synergy with our PG102 program, for which we are currently planning a clinical study in MS patients, and will allow us to maximize the output from our lean organization.*"

Antonino Cattaneo, CSO and President of LLG added: "*We are thrilled to work together with PanGenetics on this very exciting program. Our in-depth knowledge of NGF and its role in the biology of pain combined with the experience of the PanGenetics team in the preclinical and clinical development of therapeutic antibodies will allow a very rapid progressing of this program. This agreement further contributes to establishing LLG as a key player in the field of therapeutic antibodies against neurological disorders of large unmet medical need, this antibody being the second licensed out by LLG in the current year. Furthermore, this collaboration will allow us to further focus our efforts on our programs in Alzheimer's Disease and on our SPLINT antibody generation platform.*"

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About NGF
Nerve growth factor (NGF) is the prototypical member of the family of neurotrophin growth factors that are involved in the growth and survival of nervous tissue. NGF and its receptors, the tyrosine-kinase receptor TrkA and the p75 NTR receptor are responsible for the survival and maintenance of specific subsets of peripheral neurons and basal forebrain cholinergic nuclei during development and maturation. In the adult peripheral nervous system, NGF signaling plays a key role in pain transduction mechanisms. Furthermore, NGF levels are increased in inflammatory processes and administration of exogenous NGF leads to hyperalgesia, hypersensitivity to thermal stimulation and muscular pain. These multiple lines of evidence qualify NGF as a very promising target for therapeutic intervention in pain.

About Hu-alphaD11
HuαD11 is a fully humanized antibody that binds to NGF with very high affinity, thereby preventing the interaction of NGF with both its receptors TrkA and p75. HuαD11 does not cross-react with other neurotrophins and exerts its inhibiting activity at lower than equimolar ratios with respect to NGF. The antibody therefore is a highly specific function-blocking molecule that is able to neutralize NGF bioactivity, both in vitro and in vivo. The antibody has been humanized applying LLGs proprietary methodology.

About PanGenetics B.V.
PanGenetics is headquartered in Utrecht, The Netherlands with an office near Cambridge in the UK. The company specialises in taking antibodies at the late research stage through to clinical proof of concept. The company employs a lean business model with most development activities outsourced to specialist providers in Europe. The most advanced program is PG102, a CD40 antagonist that has already shown promise in an open label phase Ib/IIa Crohns study. The company's Management, Board and Advisors comprise many of the worlds leading antibody developers.

About LLG S.p.A.
Lay Line Genomics (LLG) is a private biotechnology company focused on the discovery and development of innovative therapies for Alzheimer's and other neurological diseases. Founded in 2001 as a spin out of the International School of Advanced Studies (SISSA) in Trieste, LLG has developed an original pipeline of antibodies and biopharmaceuticals to take into clinical development for Alzheimer's and other neurodegenerative diseases. The company licensed out its first therapeutic antibody in 2006. LLG's approach to Alzheimer's disease pursues therapeutic and diagnostic developments in parallel. LLG's proprietary antibody technology platform SPLINT allows the rapid generation of a broad range of recombinant fully human antibodies that fuel the LLG pipeline and provides broad opportunities for partnerships. LLG currently employs 20 people and has sites in Rome and Trieste, Italy.

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