



Press Release May 24th 2004

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Applied Phenomics enters collaboration with Xantos Biomedicine in histology-based target validation

Munich, Germany and Tartu, Estonia, May 24, 2004 – Xantos Biomedicine AG, a functional biology and drug Discovery Company based in Munich, Germany, and Applied Phenomics LLC, a privately-held clinical genomics company based in Tartu, Estonia, today announced that Applied Phenomics will provide Xantos with its methodological base and clinical genomics resources for validation of novel targets identified using Xantos cell-based screening approach.

Xantos uses its Xantoscreen™ technology to discover and functionally validate novel targets on a genome-wide basis. For further validation of these targets on clinical samples access to high-quality and flexible set of services offered by Applied Phenomics is of key importance. In the framework of the collaboration, Applied Phenomics uses its Phenomax™ tissue arrays for optimization of anti-target immunostaining in normal tissues, and performs target immunolocalization in tumor samples under optimized conditions. These studies are complemented with *in situ* hybridization studies and interpreted in the context of immunostainings with selected diagnostic antibodies from Applied Phenomics stock.

“Xantos focuses on the development of novel therapeutic proteins and drugs in the field of cancer and metabolic diseases. Validation of our novel targets in well documented clinical samples is of importance for us. Together with Applied Phenomics we work out detailed project procedures and we are very satisfied with the care they took to generate the data. Their in-depth knowledge of target validation by histological methods supports effectively our development process.” stated Ulrich Brinkmann, Ph.D., CSO at Xantos Biomedicine.

“Our combination of state-of-the-art molecular biology and clinical pathology expertise and research-grade ethically sound tissue samples forms a solid basis for validation of targets identified in *in vitro* screens” stated Tambet Teesalu, Ph.D., CEO at Applied Phenomics. “We are very pleased to be working with Xantos and contribute to the success of their drug development programs”.

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About Xantos Biomedicine AG - www.xantos.de

Xantos Biomedicine AG is a functional biology and drug discovery company that is focusing on the identification and validation of disease relevant human genes in the areas of cancer and metabolic diseases.

Studies on disease relevant biological functions are carried out rapidly by screening for phenotypic changes caused by increase of gene function in disease relevant human cells. For this Xantos has established the proprietary high-throughput, fully automated cellular gene-transfection and assay system XantoScreen™ that is used to:

- Identify and functionally validate novel drug targets,
- Discover novel disease relevant secreted and druggable proteins,
- Conduct contract research screening projects.

XantoScreen™ enables the fully automated and standardized functional analysis of up to 100,000 genes per month in cell systems. Xantos has one of the world's largest full-length human cDNA collections (35,000 clones), several high quality cDNA libraries from various human tissues and several cell systems available for high throughput analysis. The Company uses its technology for its own discovery program in cancer and metabolic diseases. Xantos focuses on the development of therapeutics based on secreted proteins involved in angiogenesis of cancer cells, in differentiation of fat cells and in the induction of insulin resistance. Xantos has already identified several disease relevant new targets and proteins and is searching for collaboration partners. Xantos is offering its technology, the human cDNA collections, libraries and functional cell assay systems on a fee-for-service basis for technology-driven interactions to identify gene functions and/or molecular targets for existing small molecule drugs.

About Applied Phenomics LLC - www.appliedphenomics.com

Applied Phenomics LLC is a rapidly growing privately-held clinical genomics company, which specializes in gene expression profiling and target validation products and services. The platform of Applied Phenomics LLC is based on combination of expertise of its team in histopathology and molecular cell biology, which allows determination of the expression of any gene product of interest by a variety of tissue and extract-based methods in quantitative or semi-quantitative manner. A key resource of Applied Phenomics is its tissue bank of normal and pathological research-grade tissue specimens, collected under ethics committee-approved project.

Applied Phenomics portfolio of clinical genomics resources includes tissue arrays of normal/diseased tissue samples, tissue based expression and activity analyses (in situ hybridization, immunohistochemistry, zymography), production of research-grade extensively validated derivatives (RNA for real-time PCR and expression profiling arrays) and histology consulting and support services.

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