MEDIA RELEASE - MEDIENMITTEILUNG - COMMUNIQUE AUX MEDIAS

Cytos Biotechnology enters exclusive license agreement with Novartis to develop, manufacture and commercialize novel vaccine for treatment of nicotine addiction

Cytos Biotechnology may receive up to CHF 600 million in upfront and potential milestone payments plus royalties on net sales

Schlieren (Zurich), Switzerland, April 25, 2007 – Cytos Biotechnology AG (SWX:CYTN) announced today that it has entered into an exclusive global commercial license agreement with Novartis (NYSE:NVS) to develop, manufacture and commercialize CYT002-NicQb, a therapeutic vaccine in phase II clinical development for the treatment of nicotine addiction.

Under the terms of the agreement, Novartis is granted world-wide exclusive rights for CYT002-NicQb and is responsible for late stage clinical development, manufacturing, and commercialization of the vaccine. In return, Cytos Biotechnology is eligible to receive up to CHF 600 million in upfront and potential development, regulatory approval and sales milestone payments based on the successful development and commercialization of CYT002-NicQb. The upfront payment by Novartis will be CHF 35 million. In addition, Cytos Biotechnology will receive royalty payments on net sales of products. The agreement announced today is subject to customary regulatory approvals such as clearance under the Hart-Scott-Rodino Antitrust Improvements Act.

"The vaccine market, including therapeutic vaccines, represents an increasingly attractive segment of the healthcare market and is an additional source of growth for large pharmaceutical companies. Licensing our phase II product candidate to Novartis, a top-tier healthcare company with strong in-house vaccines' expertise, maximizes the opportunity to build CYT002-NicQb as a first-in-class product to treat nicotine addiction", comments Dr Mark Dyer, EVP Business Development of Cytos Biotechnology.

About CYT002-NicQb

CYT002-NicQb is a therapeutic vaccine in development for the treatment of nicotine addiction. It is based on Cytos Biotechnology's Immunodrug™ platform. Vaccination with CYT002-NicQb has been shown to induce nicotine-specific antibodies that bind nicotine in the bloodstream. As the complex of nicotine attached to an antibody is too large to cross the blood-brain barrier, nicotine uptake into the brain and the subsequent stimulation of nicotine-responsive nerve cells is believed to be significantly reduced. In this way, the reward-inducing and addiction-driving stimulus of nicotine should be minimized and abstinence from smoking more easily achieved and maintained. A phase I and a phase II clinical trial have demonstrated that CYT002-NicQb has a favorable safety profile and is generally well tolerated and that it promoted and sustained long-term abstinence from smoking, when high antibody levels have been achieved upon vaccination.

About nicotine addiction

Worldwide, there are 1.3 billion smokers and with 4.9 million tobacco-related deaths per year, tobacco use is the leading cause of preventable death in the world today (WHO; Facts about smoking and health, 2006). Smoking harms nearly every organ of the body, resulting in life-threatening

Cytos Biotechnology AG • Wagistrasse 25 • Postfach • CH-8952 Schlieren (Zurich)
Tel: +41 44 733 47 47 • Fax: +41 44 733 47 40 • e-Mail: info@cytos.com • Web: www.cytos.com

diseases like cancer, chronic obstructive pulmonary disease (COPD), stroke, and circulation disease. Nicotine is a plant-derived alkaloid and the principal addictive component of tobacco. Upon inhalation of cigarette smoke, nicotine passes into the bloodstream and, within seconds, crosses the blood-brain barrier to enter the brain where it stimulates specific nerve cells. Stimulation of these nerve cells leads to the release of messenger molecules, which give rise to an almost immediate reward and feeling of pleasure. This sensory stimulus is critical to the addictive properties of nicotine and causes a high relapse rate after quitting attempts. Although nearly 75% of smokers in the U.S. report that they want to stop smoking, less than 5% of those who make an attempt are able to stay tobacco-free for 3 to 12 months (CDC, USA; Surgeon General's Report, 2004).

About Cytos Biotechnology AG

Cytos Biotechnology AG is a public Swiss biotechnology company that specializes in the discovery, development and commercialization of a new class of biopharmaceutical products – the Immunodrugs™. Immunodrugs™ are intended for use in the treatment and prevention of common chronic diseases, which afflict millions of people worldwide. Immunodrugs™ are designed to instruct the patient's immune system to produce desired therapeutic antibody or T-cell responses that modulate chronic disease processes. Taking advantage of the high flexibility of its Immunodrug™ platform, Cytos Biotechnology has built a pipeline of different Immunodrug™ candidates in various disease areas, of which six are currently in clinical development. The Immunodrug™ candidates are developed both in-house and together with Novartis and Pfizer Animal Health. Founded in 1995 as a spin-off from the Swiss Federal Institute of Technology (ETH) in Zurich, the company is located in Schlieren (Zurich). Currently, the company has 129 employees. Cytos Biotechnology AG has been listed on the SWX Swiss Exchange (SWX:CYTN) since October 2002.

For further information please contact:

Cytos Biotechnology AG
Claudine Blaser, PhD
Director Corporate Communications
Phone: +41 44 733 47 20
Fax: +41 44 733 47 18
e-Mail: claudine.blaser@cytos.com
Websites: www.cytos.com