

Press Release
26 October 2004

Xantos Biomedicine signs service agreement with Serono

- XantoScreen™ applied to the discovery of new secreted proteins for diagnostics and drug candidates

Munich, Germany, October 26th, 2004 – Xantos Biomedicine AG, a leading functional biology and drug discovery company announced that it has signed an agreement with Serono, Europe's leading biotechnology company, to discover new secreted proteins for diagnostics and drug candidates. The terms of the deal were not disclosed.

Xantos will analyse proteins encoded by Serono's proprietary cDNA libraries and apply a cellular assay allowing the identification of only secreted factors. This program will be employed in XantoScreen™, a high-throughput, fully automated gene isolation, transfection and assay system. Xantos will deliver to Serono a cDNA collection with single clones encoding these extracellular molecules with therapeutic and diagnostic relevance.

Michael Kazinski, Xantos' CTO commented:

"We are delighted that a company of Serono's calibre has recognised the value of Xantos technology. Most approaches towards identifying secreted proteins are dependent on bioinformatic annotation, which predicts these molecules based on their leader sequence. However it is known that many of these proteins do not have defined signature sequence and therefore cannot be identified by a bioinformatics approach. Our unbiased, functional approach enables identification of all types of secreted proteins. Ultimately we will provide Serono with a cDNA collection that contains a major part of all human secreted proteins."

Serge Halazy, Head of the Serono Pharmaceutical Research Institute (SPRI) commented:

"We are impressed with Xantos' high-throughput library screening capabilities and extensive experience in assay development, which allows functional analysis of around 100,000 genes in just one month. The identification of therapeutically relevant secreted proteins is key to the success of this project. The collaboration with Xantos enables the realisation of our idea in a time and cost effective manner."

-Ends-

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. Studies on biological functions are carried out rapidly by screening for phenotypic changes caused by increase of gene function in mammalian cell systems. For this Xantos has established the proprietary high-throughput, fully automated cellular gene-transfection and assay system **XantoScreen™** that is used for several functional applications:

- Molecular drug profiling
- Target / pathway profiling
- Target and protein identification and
- Lead identification

XantoScreen™ enables the fully automated and standardized functional analysis of 100,000 to 300,000 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 programs 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.

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