



PRESS RELEASE

December 13, 2006

BOEHRINGER INGELHEIM PHARMACEUTICALS EXPANDS DRUG DISCOVERY ALLIANCE WITH GRAFFINITY

HEIDELBERG, Germany — December 13, 2006 — Graffinity Pharmaceuticals GmbH announced today that its partner Boehringer Ingelheim Pharmaceuticals, Inc. has chosen to exercise options in its original agreement with Graffinity that will significantly increase the number of targets screened by Graffinity as part of this global alliance. Under the terms of the agreement, Graffinity will receive additional technology access fees for the generation of multiple novel small molecule hit series against a variety of drug targets from different therapeutic areas.

Graffinity will apply its proprietary fragment based drug discovery technology and drug fragment chemical microarrays to identify small molecule hit structures focusing on compounds with novel modes of action. Financial details of the transaction were not disclosed.

Kristina Schmidt, Chief Executive Officer of Graffinity, remarked, "Boehringer Ingelheim is taking full advantage of our proprietary process for rapidly identifying quality fragment hits. We believe that this collaboration is a validation of Graffinity's approach of accelerating drug discovery through innovations in fragment based drug discovery."

Both companies, Boehringer Ingelheim and Graffinity Pharmaceuticals, reiterated the importance of the continuation and expansion of this successful collaboration which complements Boehringer Ingelheim's in-house capabilities and will include a significant number of important additional drug targets.

About Graffinity Pharmaceuticals GmbH

Heidelberg, Germany based Graffinity Pharmaceuticals is a leader in the field of fragment based drug discovery. Utilizing its unique technology base, Graffinity is pursuing high-profile drug discovery collaborations with leading pharmaceutical and biotechnology companies worldwide. The Company employs a flexible business model which allows it to tailor programs to the specific needs of each partner and offers numerous benefits to its customers on a straightforward fee-for-service basis. Graffinity's proprietary fragment screening platform combines new chemistry approaches, physics, information technology and microsystems technologies to screen drug targets for its clients. Critically important is the combination of

chemical microarrays of drug fragment libraries with a proprietary method for the standardized, label-free detection of compound-protein interactions utilizing SPR imaging. Through Graffinity's approach small organic molecules identified in screening efficiently evolve into highly specific lead-like structures in subsequent steps. Graffinity's rapid and scalable drug discovery method explores a rich chemical universe to find the compounds that will be needed to develop drugs against the wealth of targets already available or about to be discovered by genomics. The company has established collaborations with pharmaceutical and biotechnology partners including Eli Lilly, Serono, Genentech, and Novartis. Graffinity's unique fragment based discovery platform has been invented in 1998, and has been in routine industrial use since 2002 in screening more than 50 drug targets.

For more information, please visit www.graffinity.com.

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