



PRESS RELEASE

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GRAFFINITY AND ASTRAZENECA ENTER INTO MULTI-TARGET DRUG DISCOVERY ALLIANCE

HEIDELBERG, Germany — October 28, 2008 — Graffinity Pharmaceuticals GmbH announced today that it has entered into a global drug discovery collaboration with AstraZeneca.

Under the terms of the agreement, Graffinity will receive technology access fees, success dependent milestone payments and optional payments for follow-on projects. The focus of the collaboration will be the generation of multiple novel small molecule hit series against a variety of drug targets from diverse 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.

Mathias Woker, Chief Business Officer of Graffinity, said today, "Graffinity's global collaboration with AstraZeneca represents a significant milestone for us. AstraZeneca is the third global pharma company to partner with us. Such partnering activity can be seen as evidence that small molecule fragment screening is now firmly established as a crucial standard in drug discovery. More importantly for Graffinity, it is our powerful assay/label-free primary screen of 23,000 fragments that has attracted more partnering attention than any other fragment screening approach over the past 30 months."

Kristina Schmidt, CEO of Graffinity, stated, "We are delighted that AstraZeneca has chosen to work with Graffinity involving AstraZeneca scientists across a number of research areas. This collaboration provides further validation of Graffinity's significant capabilities in fragment-based drug discovery, and underscores the potential of our technology in developing truly novel drugs."

About Graffinity Pharmaceuticals GmbH

Heidelberg, Germany based Graffinity Pharmaceuticals is a leader in the field of small molecule fragment based drug discovery. The company pursues high-profile drug discovery

collaborations with leading pharmaceutical and biotechnology companies worldwide. Graffinity 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 fragment screening platform combines chemical microarrays with a proprietary method for the standardized, label-free detection of compound-protein interactions via SPR imaging. The company's rapid and scalable drug discovery technology explores a rich chemical universe to identify drug fragments which address challenging drug targets. With its 110,000-compound library that contains 23,000 true fragments, Graffinity possesses one of the most diverse fragment libraries. Graffinity has established collaborations with pharmaceutical and biotechnology partners including Amgen, Boehringer-Ingelheim, Genentech, Merck-Serono, Pfizer and Rigel.

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 70 drug targets.

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

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