



**PRESS RELEASE**

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**GRAFFINITY AND ELAN LAUNCH FRAGMENT-BASED**

**DRUG DISCOVERY COLLABORATION**

HEIDELBERG, Germany — January 26, 2009 — Graffinity Pharmaceuticals GmbH announced today that it has entered into a research collaboration with Elan Pharmaceuticals, Inc., a subsidiary of Elan Corporation, plc (NYSE:ELN). Under the terms of the agreement, Graffinity will receive technology access fees and success payments for the generation of novel small molecule hits against a number of drug targets. Elan will gain access to Graffinity's proprietary fragment-based drug discovery technology which uses chemical microarrays and surface plasmon resonance to screen for small molecule fragments that bind to a variety of drug targets. The identification of novel modes of action and chemistry is a major focus of the collaboration. Financial details of the transaction were not disclosed.

Mathias Woker, Chief Business Officer of Graffinity, stated, "We are very pleased that Elan has decided to work with us. With this transaction we are launching our third drug discovery collaboration with a major life science company within the past nine months. This collaboration marks our transition to becoming the leading fragment-based drug discovery company."

Kristina Schmidt, CEO of Graffinity, remarked, "The reason for the heightened attention that our fragment screening approach currently receives, lies in three key advantages that only Graffinity offers in combination: First, Graffinity's technology provides the broadest and deepest primary screen for fragment hits ever developed, second, the platform delivers readily usable novel chemistry within only four months, and thirdly, the Graffinity team possesses unparalleled know-how based on having screened more drug targets than any other team in the fragment space."

## **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. During the past three years Graffinity has established collaborations with pharmaceutical and biotechnology partners including Amgen, AstraZeneca, Boehringer-Ingelheim, 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 80 drug targets.

For more information, please visit [www.graffinity.com](http://www.graffinity.com).

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