



FOR IMMEDIATE RELEASE

Axxam and Polyphor Participate in a Research Partnership for the Treatment of Type-2 Diabetes Funded by the EU

The partnership between Axxam Spa and Polyphor Ltd receives a three-year EU grant under the Eurostars Program for the generation of innovative GLP-1R modulators.

Milano, Italy; Allschwil, Switzerland, July 27, 2011

Axxam Spa and Polyphor Ltd today announced a joint discovery research project for the generation of GLP-1R modulators. The partnership will receive funding from the EU as part of the Eurostars Program aimed at supporting innovation within the European Union.

The two companies will undertake a three-year research project with the objective of identifying and developing different classes of molecules as novel therapeutic agents to modulate the activity of the Glucagon-like-peptide 1 receptor (GLP-1R) for the treatment of Type-2 Diabetes.

Axxam has developed several innovative technologies for drug discovery research of GPCRs including new functional readout systems, like Photina[®] and chAMPion that set the ground to develop smart screening assays for the identification of GLP-1R modulators, said Dr. Chiara Liberati, Head of Discovery at Axxam.

Tailored functional assays will be developed to address the different mode of actions offered by the GLP-1R pharmacology like agonists, allosteric modulators as well as molecules reducing receptor desensitization and internalization.

Polyphor's innovative technology platforms, PEMfinder[®] and MacroFinder[®], have proven to generate promising PEMdrug candidates and highly potent and selective novel molecular entities, even on challenging biological targets such as protein-protein interactions, GPCRs, ion-channels and the like. This EU funded research partnership will provide the opportunity to apply

these technologies to a complex target addressing the potential treatment of diabetes. If this research program yields promising GLP-1R modulators, Axxam and Polyphor will aim to establish a research alliance with a Pharma partner for the further development and commercialization of such products," said Dr. Daniel Obrecht, Chief Scientific Officer at Polyphor.

With the advantages given by the combination of these assets, Axxam and Polyphor will probe the GLP-1R for molecules addressing different mechanisms of action, including allosteric modulators or inhibitors for receptor desensitization.

About Axxam

Axxam is a leading discovery company focused on research programs for applications in the life science industry. It is a privately owned biotech firm based at the San Raffaele Biomedical Science Park in Milan (Italy), with a team of about 50 highly qualified people. Axxam began operations as an independent and privately-owned company in November 2001, but its roots are built upon years of experience as part of the Bayer HealthCare Research and Development organization. The company performs a wide range of activities including assay development, high-throughput screening, compound profiling and hit-to-lead testing. In addition, Axxam conducts several discovery programs for selected targets which are carried out in partnership with other companies or non-profit organizations. For more information, please visit www.axxam.com.

About Polyphor

Polyphor Ltd is a Swiss research-driven pharmaceutical company developing innovative products with high therapeutic benefit to the patient and providing high quality support to its industry partners engaged in drug discovery. Polyphor's competitive edge is based on its two proprietary, innovative and complementary technology platforms, PEMfinder[®] and MacroFinder[®]. Both technologies are used in collaborative drug discovery projects with Pharma companies. In addition, Polyphor is developing and partnering a pre-clinical and clinical portfolio of own drug candidates (PEMdrugs) in important disease areas. Its product portfolio includes POL6326, a CXCR4 antagonist, currently in Phase II trials for stem cell transplant in multiple myeloma patients, POL7080, a highly specific antibiotic with a novel mechanism of action and several preclinical PEM drug candidates targeting lung and skin diseases as well as indications related to inflammation and cancer. For additional information, please visit www.polyphor.com.

About Type 2 Diabetes

Diabetes mellitus is one of the most costly chronic diseases with prevalence and incidence constantly increasing in developed countries. In the EU-27 alone, based on data from the European Union Public Health Information System (EUPHIX), the number of people with diabetes is expected to rise from 31 million in 2007 to 37 million in 2025. This marked increase in diabetes mellitus and its associated end organ damage is the result of a combination of various factors, including malnutrition and lack of exercise.

About Eurostars

The Eurostars Program is a European innovation program managed by EUREKA. Its purpose is to provide funding for market-oriented research and development with the active participation of research and development-performing small- and medium-sized enterprises (R&D-performing SMEs). Eurostars is a joint initiative between EUREKA and the EU Seventh Framework Program for Research and Technological Development (FP7). For additional information visit <http://www.eurostars-eureka.eu/>

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