

ProBioGen announces exclusive licensing agreement for its proprietary avian cell line *AGE1.CR*

- Significant upfront and milestone payments plus royalties for four indications -

Berlin, December 6, 2007 – ProBioGen AG, a leading biotechnology company in vertebrate cell engineering and cell culture, today announced the closing of an exclusive licensing agreement for its avian cell line AGE1.CR. The agreement was signed with an undisclosed US vaccine development company and covers a total of four indications, including different forms of influenza and three additional disease areas.

Influenza is a major market with an expected market size of approximately USD 3.7 billion. ProBioGen will receive upfront payments plus potential milestone payments from its licensee. In addition, the licensing agreement provides significant upside for ProBioGen through potential revenue streams from royalties over the next years.

“This licensing agreement demonstrates the attractiveness of our unique cell line,” said Michael Schlenk, CEO of ProBioGen. “We have shown that AGE1.CR is superior as vaccine production system compared to classical approaches such as egg-based production methods and other cell lines. Moreover, this agreement is another landmark in our strategy to increasingly focus on proprietary products, which are key value drivers in the context of international development collaborations.”

About AGE1.CR

AGE1.CR has been developed by ProBioGen in cooperation with IDT Biologika GmbH to replace embryonated chicken eggs and chicken embryonic fibroblasts as substrates for production of human and animal vaccines. Primary chicken material has many disadvantages: It must be isolated freshly from specific pathogen free (SPF) flocks for each manufacturing run. Adventitious agents in the source material often are detected only after completion of the manufacturing process. The production process is complex and usually requires fetal calf serum. Pharmaceutical grade calf serum and SPF chicken are expensive and supply of the latter may become limited if a large production lot fails and needs to be repeated or if a pathogen does enter a SPF flock.

ProBioGen has developed AGE1.CR, a designed stable cell line derived from specific tissue of a single duck embryo. This established cell line fully supports the production of a wide spectrum of important wild-type and recombinant viruses, including highly attenuated poxviruses and members of the orthomyxoviridae, rhabdoviridae, togaviridae, herpesviridae, paramyxoviridae, adenoviridae, and parvoviridae. In contrast to chicken cells, the AGE1.CR cell line from muscovy duck has no retrovirus activity. Complete passage history, development in a dedicated GMP suite and exhaustive testing provide a strong background for application of AGE1.CR as a producer cell line for human and animal vaccines.

About Influenza

Influenza is a highly infectious disease, which affects 10-20% of the global population every year, causing up to 500,000 deaths per annum. Collective sales of influenza vaccines from Western manufacturers surpassed the \$1 billion level in 2004 with 10% growth over the previous year. It is estimated that up to 15% of future capacities for influenza vaccine production could originate from new manufacturing technologies like ProBioGen's novel cell line. According to *Datamonitor* forecasts, demand for influenza vaccines in major markets will expand to 370 million doses and a market value of \$3.7 billion by 2010.

About ProBioGen AG

ProBioGen is a specialist for vertebrate cell engineering and production. By combining deep molecular understanding of cells with state-of-the-art industry process engineering and production know-how, ProBioGen's technologies enable biopharmaceutical companies to develop more efficient, safe and cost-efficient products. Since its inception in 1994, the company has processed more than 300 cell lines and established a GMP unit based on disposable reactor technology, which supports all currently available manufacturing processes. The company is headquartered in Berlin.

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