

January 23, 2007 – News Release

Affectis Pharmaceuticals AG In-licenses Clinical Stage Compound for the Treatment of Psychiatric Disorders

Munich, Germany and Barcelona, Spain – Affectis Pharmaceuticals AG, a biopharmaceutical company developing novel drugs for the treatment of depression and schizophrenia, announced today that it has in-licensed a novel, selective Cox-2 inhibitor from Palau Pharma, the R&D subsidiary of Grupo Uriach. Affectis will develop the compound, named Cimicoxib, as a treatment for depression and schizophrenia. The company expects to start a Phase II trial in depression with Cimicoxib this year.

Cimicoxib has already finished Phase IIa trials in pain. At present, coxibs are approved for adult rheumatic conditions including osteoarthritis, rheumatoid arthritis and ankylosing spondylitis as well as for primary dysmenorrhoea, and for the treatment of acute pain in adults.

"We have acquired global rights for all CNS indications," said Dr Luc St-Onge, VP Patenting & Licensing of Affectis. "There is strong evidence that inflammation is related to the pathomechanism of psychiatric disorders. Already, the use of coxibs has successfully been tested for the treatments of depression and schizophrenia in double-blind, placebo controlled academic studies."

"Affectis has already obtained an exclusive license for the second medical use of coxibs for the treatment of psychiatric disorders. The in-licensing of Cimicoxib is a major step for Affectis," said Dr Herbert Stadler, CEO of Affectis, "because it will transform Affectis from being a preclinical to becoming a Phase II company in a very short time frame."

"Palau Pharma was spun out of Grupo Uriach only in November last year and is set out to become the leading biopharmaceutical company in Spain with a focus on inflammatory and autoimmune conditions," said Dr Ignacio Faus, CEO of Palau Pharma. "We are happy that our first transaction has been with Affectis, a very innovative CNS company."

Mr Enrique Uriach, President of Grupo Uriach and Chairman of the Board of Palau Pharma also commented on the transaction: "Palau Pharma seeks to become the partner of choice for companies looking to broaden their pipelines. We welcome our partnership with Affectis and look forward to the future development of Cimicoxib for the treatment of CNS related indications".

Dr Domenico (Dinko) Valerio, Co-Founder and General Partner of Aescap Venture and member of the Supervisory Board of Affectis added: "With a strong preclinical pipeline and a compound ready for Phase II trials Affectis has transformed itself into a mature company within three years only. It now has a strong potential to become a leader in the market of drugs against depression and schizophrenia."

Contact for Affectis Pharmaceuticals AG:

Sabina van den Brandt
Kraepelinstrasse 2
D-80804 Munich, Germany
Tel: +49 (0)89 - 306 22 - 591
Fax: +49 (0)89 - 306 22 - 370
Email: contact@affectis.com
www.affectis.com

Contact for Palau Pharma:

Heidi Sisniega
Head of Business Development & Licensing
Polígon Industrial Riera de Caldes
Avinguda Camí Reial, 51-57
E - 08184 Palau-solità i Plegamans (Barcelona)
Tel: +34 (0) 93 - 863 - 0483
Fax: +34 (0) 93 - 863 - 0223
Email: hsisniega@palaupharma.com
www.palaupharma.com

Notes to Editors

About Affectis Pharmaceuticals AG

Affectis is a biopharmaceutical company implementing novel concepts for the treatment of mental disorders, especially depression and schizophrenia. The Company has unique capabilities to discover and develop drugs based on pioneering findings in the field of mental disorders. These drugs address the increasing need for more comprehensive and faster-acting antidepressants with fewer side effects. Affectis started operations in November 2003 as a spin-off from the renowned Max-Planck-Institute of Psychiatry, a world leader in the field of psychiatric research. A strong team of executives and scientists with long-term industry experience contribute to Affectis' progress. The Company raised its third round of venture financing in October 2006, led by Aescap Venture. Affectis is based in Munich, Germany.

About Palau Pharma SA

Palau Pharma is a newly created Spanish biopharmaceutical company devoted to the discovery and development of drug candidates for the treatment of inflammatory and autoimmune conditions. The company, based in the Barcelona area, is the spin-out of Grupo Uriach's R&D Unit. Palau Pharma benefits from the advantage of belonging to a well-established Group that has been in the pharmaceutical business for over 160 years. The new company has inherited Grupo Uriach's former Management and Scientific teams. Palau Pharma was created on November 1, 2006. The company was capitalised through a private placement of approximately € 40m. The investors in Palau Pharma are Invercartera (Grupo Caixa Catalunya), Caja Duero, Harmish & Mytaros and Najeti Capital.