

PRESS RELEASE
2006-06-13



DeveloGen AG and its CEO, Dr. Guenther Karmann, part by mutual agreement; Dr. Cord Dohrmann, CSO, appointed to the Management Board

Goettingen, Germany - June 13th, 2006: DeveloGen AG, a biopharmaceutical company active in the discovery and development of novel therapeutic drugs for the treatment of metabolic disorders, today announced that the Company and its CEO, Dr. Guenther Karmann, have parted by mutual agreement.

Carsten Dehning, Chief Financial Officer and member of the Management Board, and Dr. Cord Dohrmann, Chief Scientific Officer, have been designated in the interim to share the day-to-day management of the Company, while the Supervisory Board seeks a new CEO. In addition, Dr Dohrmann has been appointed to the Management Board of DeveloGen with immediate effect. "I am delighted to welcome Dr. Dohrmann as a member of the Management Board in recognition of the valuable contributions he has made over the past seven years", commented DeveloGen's Chairman Dr. Klaus Brandau, adding: "He has helped build a leading organization with talented employees and a number of excellent product opportunities, including DiaPep277®, which is currently in a phase III clinical trial for the treatment of type 1 diabetes in newly diagnosed adults."

Dr. Karmann joined DeveloGen as CEO in 2002 and has been part of the transition of DeveloGen into a clinical-stage company developing innovative therapies for metabolic disorders, such as type 1 and type 2 diabetes. "We thank Dr. Karmann for his contributions and wish him all the best for his future career", said Dr. Klaus Brandau.

For further information please contact:

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The Management Board of DeveloGen AG

Dr. Cord Dohrmann - Chief Scientific Officer

Dr. Dohrmann joined DeveloGen in January 1999 and serves as Chief Scientific Officer and Member of the Management Board. Dr. Dohrmann began his academic career at the University of Tuebingen, Germany and conducted research as a DAAD (German academic exchange service) scholar at Duke University, Durham,



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United States. Dr. Dohrmann completed his MA in the department of Christiane Nusslein-Volhard at the Max Planck Institute in Tuebingen, Germany, and subsequently earned his Ph.D. in Doug Melton's laboratory at Harvard Medical School, Boston, United States. Dr. Dohrmann continued his academic career as a Shiseido Research Fellow at the Massachusetts General Hospital, Boston, United States, before joining DeveloGen.

Carsten Dehning - Chief Financial Officer

Mr. Dehning joined the Company in November 2000 and serves as Chief Financial Officer and Member of the Management Board. Prior to joining DeveloGen, Mr. Dehning held various positions in Finance and Controlling within the Preussag Group for over a decade. After receiving his diploma in business administration from the University of Goettingen, Mr. Dehning spent two years attending the Preussag Management Trainee Program in Germany and the United Kingdom. Following the trainee program, Mr. Dehning returned to London to head the finance function for a group of companies in the U.K. and Ireland, before joining DeveloGen.

DeveloGen

DeveloGen AG is a biopharmaceutical company engaged in the discovery and development of novel therapeutics for the treatment of metabolic disorders. The Company's most advanced drug candidate DiaPep277® is currently in phase III clinical trials and targets type 1 diabetes in adult and juvenile patients. Further Diapep277 is being explored in a phase II clinical trial for Latent Autoimmune Diabetes in Adults (LADA) patients. Additionally, DeveloGen has a deep and highly complimentary discovery pipeline focused on small molecule inhibitors acting as a novel class of insulin sensitizers targeting type 2 diabetes as well as beta-cell regeneration growth factors for the potential treatment of type 1 and type 2 diabetes. DeveloGen is headquartered in Goettingen, Germany with manufacturing operations in Rehovot, Israel. For more information on DeveloGen, please visit our website at www.develogen.com.