

## **DeveloGen and Andromeda, a newly formed wholly-owned subsidiary of Clal Biotechnology Industries, Complete Asset Purchase Agreement for the DiaPep277® Program**

Goettingen, Germany / Tel-Aviv, Israel – June 14<sup>th</sup>, 2007: DeveloGen Israel Limited (“DeveloGen”), a wholly owned subsidiary of DeveloGen AG, and Andromeda Biotech Ltd. (“Andromeda”), a newly formed wholly owned subsidiary of Clal Biotechnology Industries Ltd. (“CBI”), today announced that DeveloGen and Andromeda have completed the final agreement for an asset purchase agreement for DeveloGen’s DiaPep277® program for the treatment of type 1 diabetes.

Under the terms of the agreement and as previously announced on April 17<sup>th</sup>, 2007, DeveloGen will transfer the rights in DiaPep277 to Andromeda in return for royalties upon commercialisation of DiaPep277 products and further monetary considerations.

“We are particularly impressed with the Andromeda management and its commitment to seeing this program through clinical development,” said Carsten Dehning, Chief Financial Officer of DeveloGen. Shlomo Dagan (PhD), Chief Executive Officer of Andromeda added: “We are very much looking forward to working closely together with all parties involved in the ongoing clinical studies including the investigators and key leaders in the field. We are confident that the experienced clinical team with high worldwide reputation established by Andromeda, will lead this program to a successful completion and to marketing approval, thus making the drug available to the many patients suffering from type 1 diabetes.”

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### **About DiaPep277 and Type 1 Diabetes**

DiaPep277, is a synthetic peptide immunomodulator, which is being developed exclusively by Andromeda for the treatment of type 1 diabetes. The product is currently in phase III clinical development in a global study being carried out in

Europe, South Africa and Israel. In patients with type 1 diabetes the immune system destroys the insulin-producing beta-cells of the pancreas, resulting in diminished and eventually non-existent insulin production and a life-long dependence on exogenous insulin therapy. To date there is no safe and effective way of stopping the immune destruction and curing the disease.

### **DeveloGen**

DeveloGen AG is a biopharmaceutical company engaged in the discovery and development of novel therapeutics for the treatment of metabolic and endocrine disorders. The Company's most advanced drug candidate Somatoprim, a potentially best-in-class somatostatin analogue for the treatment of acromegaly and diabetic retinopathy, is in preparations for phase I clinical studies. In addition, DeveloGen has a deep and highly complementary discovery pipeline including a small molecule program based on a novel and proprietary target to address insulin resistance (type 2 diabetes) and a growth factor targeting beta-cell regeneration (type 1 and type 2 diabetes). DeveloGen is based in Goettingen, Germany. For more information on DeveloGen, please visit [www.develogen.com](http://www.develogen.com).

### **Clal Biotechnology Industries**

Clal Biotechnology Industries Ltd. ([www.cbi.co.il](http://www.cbi.co.il)) ("CBI") is a publicly traded investment company (TASE:CBI) mainly held by Clal Industries and Investments Ltd and Teva Pharmaceuticals Industries Ltd.. Founded in 1993, CBI is the leading Israeli investor in the area of life science and is focused on identifying and building biotechnology companies with proprietary biopharmaceutical solutions for unmet clinical needs, a clinical proof of concept and large potential markets. Portfolio companies include: D-Pharm, Mediwound, CureTech, Compugen (Nasdaq:CGEN), NST, Polyheal, IDM (Nasdaq:IDMI), Andromeda, BioCancel (TASE:BICL) and Biokine.