



Probiodrug Closes Series B Financing Round exceeding EUR 36 Million (US\$54 Million)

Company wins BB Biotech and Edmond de Rothschild Investment Partners as co-lead investors, joined by LSP Life Science Partners, Biogen Idec New Ventures and existing investors

Halle/Saale, November 2nd, 2009 -- Probiodrug AG (Probiodrug), a biotech company developing novel concepts and products for the treatment of neurodegenerative and inflammatory diseases with a particular focus on Alzheimers disease, today announced the successful closing of a Series B financing round. The total round amounts to more than €36 million.

New shareholders include BB Biotech and Edmond de Rothschild Investment Partners (EdRIP) (acting as co-lead investors), LSP Life Science Partners (LSP) and Biogen Idec New Ventures. The round found strong support from all existing institutional shareholders - IBG Fonds (managed by Goodvent), TVM Capital, HBM BioVentures, CFH Group as well as private investors.

Elhan Kosar from BB Biotech and Olivier Litzka from EdRIP will join the Company's Supervisory Board, Joerg Neermann from LSP, Rossella Medori from Biogen Idec New Ventures and Dallas Webb from BB Biotech will take observer seats.

Elhan Kosar from BB Biotech stated: "We are very pleased to announce our significant investment in Probiodrug, and commitment to a long-term partnership with the Company. Following the earlier scientific and commercial success of Probiodrug in the DP4 area, we are impressed with the Company's innovation and expertise in drug discovery and development applied to a novel target, glutaminy cyclase (QC). The role of QC in Alzheimer's disease (AD) and other inflammatory diseases was discovered and comprehensively IP protected by Probiodrug. We believe that Probiodrug's pioneering scientific approach targeting QC in Alzheimer's disease has potential to bring a breakthrough treatment to this therapeutic area of great unmet need."

Olivier Litzka, Partner at EdRIP added: "Probiodrug has impressed us by its combination of extraordinary biological knowledge of protein processing pathways and a real chemistry approach and experience. The resulting QC inhibitors addressing Alzheimer's disease and inflammation could become disease changing drugs with significant medical and market potential."

"The funds will be used to further progress our innovative approaches, in particular of inhibiting the enzyme glutaminy cyclase, and thereby keeping and further expanding our headstart in this emerging therapeutic approach," stated Hendrik Liebers, CFO of Probiodrug. „This treatment concept had required significant efforts by Probiodrug to establish an integrated package consisting of advanced small-molecule drug candidates, new animal models reflecting the AD-hallmarks, neuronal loss and neuroinflammation, much better than existing models and a unique set of pharmacodynamic and biomarkers, which are needed to successfully develop into regulatory phases now," added Hans-Ulrich Demuth, CSO. "The novel concept has generated significant interest in academia and in the healthcare industry. Hence, we are glad to have assembled this blue chip consortium including our existing shareholders, which further underlines Probiodrug's unique positioning as a leading & promising Neurology & Immunology company," summarized Konrad Glund, CEO.

About Probiodrug AG

Probiodrug is a biopharmaceutical company focused on the development of innovative small molecule drugs for the treatment of neuronal and inflammatory diseases. In these areas, Probiodrug is validating new targets with the prospect of first and best in class therapeutics. The Company has a dominant position in the area of glutaminyl cyclase (QC) inhibition, an enzyme emerging with a crucial role in the pathogenesis of Alzheimer's disease (AD) and various additional inflammatory conditions. In addition, the Company is pursuing further novel approaches in the area of inflammatory diseases.

Probiodrug's core expertise is based on its long-standing, unique experience with the structure and function elucidation of enzymes which play a central role in the maturation of hormones. The Company has pioneered the field of DP4-inhibition for the treatment of type 2 diabetes. Compounds and technology patents of its DP4 (dipeptidyl peptidase 4) program in diabetes were licensed to various pharmaceutical companies. In 2004, all metabolic assets were sold to (OSI) Pharmaceuticals Ltd. The first drug based on Probiodrug's technologies reached the market in late 2006. Proceeds of the various transactions have been reinvested to fund the novel approach for the treatment of AD.

The Company was founded in 1997 by Dres Hans-Ulrich Demuth and Konrad Glund. It had previously raised a total of US\$52 million, excluding the current round, and achieved attractive financial returns to investors. In 2007, the company acquired Ingenium Pharmaceuticals AG; Hendrik Liebers joined the company as CFO the same year. Probiodrug is located in Halle (Saale), Germany, and operates a subsidiary in Martinsried/Munich, Germany. For more information, please visit www.probiodrug.de.

About BB Biotech

BB BIOTECH acquires holdings in companies in the biotechnology growth market and is currently one of the world's largest investors in the sector. BB BIOTECH is listed in Switzerland, in Germany and in Italy. The focus of the holdings is on quoted companies that are concentrating on the development and marketing of innovative medicines. BB BIOTECH can invest up to 10% of its portfolio in private companies. For the selection of holdings, BB BIOTECH relies on fundamental analysis by physicians, molecular biologists, biochemists, and economists. The Board of Directors has many years of industrial and scientific experience. For more information, visit <http://www.bbbiotech.com>.

About Edmond de Rothschild Investment Partners

Paris-based Edmond de Rothschild Investment Partners (EdRIP) is dedicated to minority investments into privately-owned companies. It has currently more than Euro 750 million under management which is being invested primarily as life sciences venture capital and growth capital. Its Life Science Team of seven professionals has over 90 years of cumulated experience in the life science industry and has a proven track record in biotechnology and medical technology investments. The team has approximately Euro 270 million under management, recently raised its Euro 155 million BioDiscovery 3 fund, which is to be invested during the next years. Edmond de Rothschild Investment Partners is part of the group La Compagnie Financière Edmond de Rothschild. For more information, visit <http://www.edrip.fr>

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