

PRESS RELEASE

Chronic Lung Disease – Axentis Pharma Attracts Investment Interest

Zurich, 2. February 2009. Axentis Pharma AG is to present its recent successes in developing and financing a new therapeutic formulation for treating severe pulmonary infection in cystic fibrosis patients at the 2nd Annual European Life Science CEO Forum in Zurich, Switzerland. This invited talk comes just three weeks after the company was asked to present its recent achievements at the Biotech Showcase 2009 in San Francisco, USA. Part of the company's ongoing success story is a recent capital increase that was exceptionally well subscribed by existing private investors.

SIX Swiss Exchange AG is Europe's leading stock exchange for life science companies. Its sponsorship of the European Life Science CEO Forum for Partnering & Investing helps to make this one of Europe's most exclusive and highly transactional partnering events.

At this year's forum (Feb. 3. - 4.) Dr. Susanne Acklin, COO of Axentis Pharma AG, will be presenting the company's recent successes in developing and financing a new therapeutic formulation for treating severe pulmonary infection in cystic fibrosis patients. "2008 was extremely successful for Axentis," explains Acklin. "Our lead product ARB-CF0223 – a liposomal formulation of tobramycin, delivered directly to the site of infection via standard nebulisers – produced very satisfying data from a phase I clinical trial; we initiated a clinical phase II trial and a subsequent capital increase was well received – and subscribed – by our existing private investors. We are very happy with the current position of Axentis and consider it the right time to present the company to experienced institutional investors. That's why we are participating here in Zurich."

Dr. Acklin also serves as Vice President Life Sciences at Venture Valuation AG, a leading independent Swiss company specializing in assessing, valuing and monitoring start-up companies. In this position Acklin has valued well over 100 life science companies and recently decided to join Axentis.

The increasing interest in Axentis and its lead product also resulted in a presentation at the Biotech Showcase 2009 in San Francisco by the company's CEO Dr. Helmut Brunar. Amongst the well over 225 companies present at the event, he had the privilege of presenting the company's success. "Our financial position is sufficiently strong that we decided to wait with a major round of financing until early 2010. Now is therefore the right time to present ourselves

in the best light to powerful investors. Our lead product ARB-CF0223 – also known as Fluidosome® tobramycin – is expected to generate peak annual turnovers of approx. 100 million EUR within five years of market launch. The investment that we will be seeking in early 2010 will see us through until this entry onto the market. I consider Axentis an extremely attractive investment option. The feedback I received in San Francisco certainly confirmed this personal judgment."

The next opportunity to meet representatives of Axentis Pharma at European conferences will be at the BioSquare in Lyon, France, on March 9 to 11, 2009.

About Axentis Pharma AG (www.axentispharma.com)

Axentis Pharma is a respiratory specialty pharmaceutical company which core competence is the application of a fully patented, encapsulating drug delivery system to already established and well-characterized therapeutic agents. Currently, the company is using this technology, named Fluidosome™ technology, for the development of its lead product, a clinical stage treatment against cystic fibrosis (CF).

About Fluidosome™ technology

Axentis Pharma's Fluidosome™ technology uses biocompatible lipids endogenous to the lung that are formulated into small liposomes. This nanocapsule platform offers wide-ranging potential for unmet medical needs, including other respiratory diseases. In the case of Fluidosome™-tobramycin, the interaction between tobramycin and the microbial cell is triggered when the liposomes attach to the outer cell membrane. Tobramycin then leaches into the inner cell compartment, which leads to rapid cell death.

About cystic fibrosis

Cystic fibrosis is the most common life-threatening hereditary disease amongst Caucasian populations. The disease is caused by a mutation in the cystic fibrosis transmembrane conductance regulator (CFTR) gene found on chromosome 7. This mutation causes increased secretion deposits on mucous membranes. Lung complications represent the most serious manifestation of the disease – and the reason for the high mortality rate amongst patients. Such complications often involve infection of the bronchi by the bacteria *Pseudomonas aeruginosa*. Chronic inflammations then cause lung functions to become blocked. As well as the breakdown of lung tissue, this also leads to bronchiectasis and lung failure.

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