

Press Release

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Phenex AG provides compound profiling services to Bayer-Schering Pharma AG

Phenex uses its SNuRM® platform to support Bayer Schering Pharma AG's drug discovery efforts at nuclear receptor targets

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Phenex Pharmaceuticals AG announced today that it provides services in compound and cofactor profiling at certain Nuclear Receptor drug targets for Bayer Schering Pharma AG. Nuclear Receptors, such as the steroid receptors, are important drug targets which are very relevant for the development of contraceptives, other women's or men's health medicines, and certain cancer or cardiovascular drugs. Phenex has built a special technology platform around Nuclear Receptors, called *SNuRM®*, that allows to analyze differences between novel drug candidates regarding their potential to elicit wanted or unwanted effects. Phenex and Bayer Schering Pharma AG have now entered into a fee-for-service collaboration to evaluate and use this *SNuRM®* technology from Phenex in their drug discovery research.

„We are very proud to have won Bayer Schering Pharma AG as a customer for our Nuclear Receptor technology platform,“ says Dr. Claus Kremoser, CEO of Phenex. He continues: “With this collaboration we not only expand our revenues and customer base in Europe. Moreover, working together with such experts in steroid receptor drug discovery validates our Nuclear Receptor platform and will help us to further improve the practical utility of this technology.”

About Phenex Pharmaceuticals AG:

Phenex Pharmaceuticals AG was founded in 2002 by six senior scientists and executives with profound professional experience in science and in the biopharmaceutical industry together with Prof. Dr. Günther Schütz from the German Cancer Research Center (DKFZ) in Heidelberg. The company focuses on the identification and analysis of novel selective drug candidates that target Nuclear Receptors using its *SNuRM*[®]-Technology (= **S**elective **N**uclear **R**eceptor **M**odulators = SNuRMs). Phenex generates revenues through research collaborations with international partners from the pharmaceutical and biotech industries. To date, Phenex has entered into 22 successful collaborations with pharmaceutical and biotechnology companies in Europe, the United States and in Japan, thereby making Phenex' Nuclear Receptor service business profitable since its inception in November 2002.

Furthermore, Phenex invests the proceeds from its first funding round which was closed in September 2005 into proprietary drug discovery programs targeting Type II Diabetes, Metabolic Syndrome and Atherosclerosis. Phenex aims in developing its own drug candidates for diseases with small patient numbers and high medical needs in the long term and, at the same time, intends to out-license drug candidates for major metabolic indications to the pharmaceutical industry for further development.

About Phenex' *SNuRM*[®] technology:

The *SNuRM*[®]-Technology combines automated protein interaction analysis with Nuclear Receptor specific gene expression analysis. Nuclear Receptors are generally known as excellent drug targets. With some Nuclear Receptors the striking phenomenon can be observed that the same ligand at the same receptor can be stimulatory as well as inhibitory, depending on the chemical nature of the ligand and the tissue environment. Classical Nuclear Receptor targeted drugs tend to yield a good efficacy for their main indication but can potentially lead to adverse effects (e.g. cortisol as an antiinflammatory glucocorticoid). Phenex' *SNuRM*[®]-Technology assesses the molecular effects of different compounds at the targeted Nuclear Receptor and thereby contributes important information to the design of novel selective drugs with much less adverse effects.

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