



Neovacs and BMD announce OSEO Innovation grant of EUR 7.9 million for theranostics project in rheumatoid arthritis

Paris, October 2, 2008 - Neovacs (www.neovacs.com), a leading biotechnology company in the development of anti-cytokine and anti-protein viral regulation therapeutic vaccines to treat certain cancers and inflammatory diseases, and Biomedical Diagnostics (www.bmd-net.com), a diagnostic company specializing in auto-immune diseases, today announced that they have received a €7.9 million grant from OSEO Innovation to support "Tracker", a theranostics project concerning rheumatoid arthritis. The project will be managed by Neovacs.

"We are delighted about this significant grant from OSEO Innovation for Neovacs and BMD. It will allow us to conduct a highly innovative major new research programme that could provide a solution for thousands of patients in whom the existing therapeutic arsenal has failed to treat what is an extremely disabling disease," commented Neovacs CEO Guy-Charles Fanneau de La Horie.

The aim of the Tracker project, carried out in conjunction with BMD, is to develop a global therapeutic strategy for patients presenting rheumatoid arthritis. This disease affects more than 5 million people in Europe and the USA, causing disability in some 30% of patients within ten years of the initial diagnosis. The most effective drugs currently available, anti-TNF monoclonal antibodies, rapidly induce antibodies that neutralise them increasingly over time. These antibodies lead to resistance and/or intolerance to the treatment, which subsequently becomes ineffective and/or toxic. A UK study showed that more than a quarter of patients abandon this type of medication within 15 months.

The main aim of the Tracker project is to validate the diagnostics tools developed by BMD to evaluate these neutralizing antibodies and to test a therapeutic solution developed by Neovacs involving active anti-TNF immunisation.

The OSEO Innovation funding totals €7.9 million, with €2.5 million as a grant and €5.4 million as a repayable advance. OSEO Innovation supports innovative projects in order to share the inherent risks of R&D programmes of SMEs, thereby facilitating access to private funding.

About Neovacs

Neovacs, a spin-off from the Pierre & Marie Curie University in Paris, was founded on 1993 by Professor Daniel Zagury, one of France's most eminent immunologists and AIDS experts. Neovacs holds a broad patent portfolio and is developing several therapeutic vaccines for the treatment of AIDS, cancer and auto-immune & allergic diseases. Neovacs is acknowledged as a pioneer in the development of novel therapeutic vaccines against human cytokines (kinoids) and immunosuppressive viral proteins (toxoids). At present, monoclonal antibodies are widely used to neutralize cytokines and treat patients suffering from cytokine-related diseases. In contrast to exogenous therapies with monoclonal antibodies, Neovacs' therapeutic vaccines induce a powerful, natural polyclonal antibody response in the patient. For further information on Neovacs, visit the website: www.neovacs.com

About Biomedical Diagnostics (BMD)

With more than twenty years' experience in the diagnostics market, BMD is a widely recognised company in the development, production and marketing of high-quality innovative IVD products. Thanks to its expertise in diagnostics, it is able to develop and offer concrete high-throughput solutions based on Luminex technology for the diagnosis of auto-immune diseases, infectious diseases and allergies. Day after day, working in close collaboration with its customers and providing a cornerstone for research, BMD is helping build the biology world of tomorrow.

BMD is currently aiming to become the leading French distributor of innovative IVD products. Moreover, recognised today as a specialist in the French diagnostics market for autoimmune diseases, bmd is seeking to make its mark as a major European player in the development of kits based on multiplex technology.

For further information on BMD, visit the website: www.bmd-net.com

About OSEO

The purpose of OSEO Innovation is to support innovation and company growth. In 2008, its aim is to assist innovative SMEs and companies with high potential for growth in order to create larger businesses. Its different areas of expertise are harmoniously mobilized to provide solutions tailored to the needs of such dynamic companies where the market provides only an imperfect response. The support provided by OSEO Innovation to Neovacs for its innovative Tracker project is part of the ISI (Strategic Industrial Innovation) programme.

Disclaimer: the development of new drug technologies is complex, random and unpredictable. The future economic performance of Neovacs and forecasts about the company are dependent on future research and on a number of other factors, as a result of which the company's results may differ significantly from current projections.

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