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Philogen
innovating targeting

Press Release

Siena, June 6th 2011 - Philogen S.p.A., an Italian-Swiss company active in the biotechnology industry and committed to the development of biopharmaceuticals for the treatment of cancer and other diseases associated with angiogenesis, informs that the relationship with Bayer Schering Pharma AG (Bayer) has been consensually resolved, following a notice from Bayer of February 10, 2011 to terminate the 12 year collaboration following a change in strategy.

Philogen announces that Bayer has agreed to return full ownership of the two products previously licensed, L19-I131 and L19-TNF, along with the clinical results obtained in the course of the collaboration. Both products have shown anti-tumor activity in early clinical trials. The current agreement supports Philogen in the completion of the ongoing phase Ib and II studies.

Results with L19-I131 and L19-TNF immunoconjugates have been published in peer-reviewed journals, for example L19-I131 in *Blood* 2009 (VOLUME 113, NUMBER 10, pp 2265-2274) where the journal cover was even dedicated to the L19-I131, acknowledging the therapeutic results obtained in a patient with Hodgkin's disease.

According to the current agreement, Bayer will receive royalties on any future net sales from the products L19-I131 and L19-TNF. Bayer has agreed to make a payment to Philogen, mainly for the completion of the ongoing studies which involve the products L19-I131 and L19-TNF.