

Ad-hoc release

MOLOGEN AG announces results of first nine months 2006 and out-licensing agreement for Asia

- **EPS slightly improved versus last year**
- **License agreement for Asia major milestone in company history**

Berlin, November 9, 2006 – The Berlin-based biotechnology company MOLOGEN announced today that it has entered an agreement with “China Import-Marketing und Promotion GmbH”, Cologne (C.I.P.) for licensing and distributing its innovative cell-based gene therapy in Asia.

Based on the agreement, MOLOGEN will receive an upfront payment of EUR 2.1 million. Furthermore, the agreement foresees further milestone payments of up to EUR 1.7 million and additional license payments.

“The license agreement is an important step to provide cancer patients with our innovative gene therapy in the near future”, said Professor Burghardt Wittig, Chief Executive Officer of MOLOGEN AG. “With C.I.P. we have found an excellent partner for marketing our therapy in Asia, located in Germany and under Chinese management.”

The license agreement stipulates the licensing and marketing of MOLOGEN’s cell-based gene therapy for the treatment of renal cell carcinoma, colon, breast and lung cancer. For this purpose, MOLOGEN’s partner C.I.P. will contract further local license partners in Asia. First patients could be treated already in 2007 pending the

approval of local health authorities and the grant of importation licenses.

“China Import-Marketing und Promotion GmbH” has been a worldwide acting trader for licenses and brands for more than 15 years. With its established network in Asia, C.I.P. has the potential to execute the next steps in a timely and efficient manner.

Results of first nine months 2006

In the first nine months of 2006, MOLOGEN generated an EBIT of EUR -2.4 million in the Consolidated Financial Statements prepared in line with IFRS. In the same period of the previous year, EBIT was at EUR -2.8 million. The revenues were EUR 0.8 million, slightly above those of the same period of the previous year (EUR 0.6 million). The earnings per share amount to EUR -0.28 as compared to EUR -0.41 in the first nine months of 2005.

Against previous expectations of the company, the license agreement for Asia could not be finalized during the third quarter of 2006. In expectation of the one-time payment, the company had expected to report a balanced result for the third quarter.

Orphan Drug Status for cell-based gene therapy for the treatment of renal cell carcinoma

In September 2006, the European Agency for the Evaluation of Medical Products (EMA) had recommended granting orphan drug status for MOLOGEN's cell-based treatment for renal cancer. On October 25, 2006, the European Commission has finally granted the Orphan Drug Status for this therapy. The orphan drug status ensures a ten-year marketing exclusivity within the European Union. Moreover, the company is also guaranteed a simplified, accelerated and cost-effective approval procedure under the consultative guidance of the EMA.

Further additions to MOLOGEN's patent portfolio

MOLOGEN has been granted two further patents in the third quarter 2006. In August 2006, the European Patent Office has informed MOLOGEN that their patent for a new DNA technology on the basis of MIDGE principles will be granted. Corresponding applications outside the European Union are pending before national patent offices. The invention by the name of "Circle-MIDGE" relates to circular, minimalistic DNA-molecules, which, like MIDGE, only contain the medically relevant genetic information.

Furthermore, the European Patent Office has informed MOLOGEN in September that their patent for a new DNA technology on the basis of MIDGE principles will be granted. The invention concerns DNA constructs, which are called Multi-MIDGE. With Multi-MIDGE several functional genes can be arranged in a way that they perform their respective tasks independently. For this

purpose several MIDGE molecules are flexibly connected by a central DNA junction.

In addition, the basic patent for MIDGE®-TH1 technology has become legally binding in Europe. The patent is valid until 2020. After the patent was granted in December 2005, competitors were allowed to file formal objection within a period of nine month. This period has now expired, and an effective legal protection of the patent in Europe has come into force.

MOLOGEN's MIDGE vector wins "Frost & Sullivan's 2006 Technology Innovation of the Year Award"

One of MOLOGEN's core technologies, the MIDGE gene transfer vector, has been presented with the "Frost & Sullivan 2006 Technology Innovation of the Year Award". The international jury recognized that the use of MIDGE vector technology in DNA vaccination and gene therapy is both safe and efficacious. It will considerably improve the fight against diseases that have previously been difficult to treat.

Discussions about approval for cell-based gene therapy in UAE ongoing

MOLOGEN and its cooperation partner NMC Group are in discussions with local health authorities in the United Arab Emirates to obtain marketing approval for its cell-based gene therapy. In view of the complexity of the negotiations, the company is currently not able to provide guidance regarding the timing of the decision.

About cell-based gene therapy for cancer

MOLOGEN has developed an innovative cell-based gene therapy on the basis of injecting immunomodulated tumor cells. The tumor cells are transformed by gene modification and a combination of immunomodulated molecules into a very effective gene therapy. The patient is immunized using this drug. This type of activation of the immune system is a very promising approach towards overcoming the fatal tolerance of the patient's immune system against the cancer cells.

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MOLOGEN AG is a listed biopharmaceutical company with headquarters in Berlin (Frankfurt Stock Exchange, Regulated Market, ISIN DE0006637200). On the basis of patented technologies (MIDGE and dSLIM), MOLOGEN develops DNA-based vaccines and therapeutic agents for the prevention and treatment of a wide range of serious illnesses.

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