



PRESS RELEASE January 4th, 2005

Axxam Awarded Substantial Funding by the Regione Lombardia (Metadistretti) with €1.1 million grant to support one of the Company's innovative projects in the field of Cell-based Screening Assays

Milan, Italy - Axxam announced today that the Company has been awarded with a research grant of € 1.1 million by the Regione Lombardia. The funding will support a very innovative approach in the field of cell-based assays for High Throughput Screening (HTS).

This specific grant is intended to accelerate the development of innovative technologies and products in the local non-food biotechnology cluster (metadistretto). Funds are awarded on the basis of the scientific, technical and economic merit of each proposal. Axxam has applied for funding in order to finance an internal research program aimed at developing new approaches for the identification of drug candidates, based on the use of mouse stem cells in HTS. This program will be carried out in close collaboration with academic groups at the San Raffaele Scientific Institute (Dr. Ruggero Pardi and Dr. Larry Wrabetz) with large experience in the field of mammalian stem cell research.

The € 1.1 million non-refundable grant awarded to Axxam will be given over a two years period of time. This substantial financing from the Regione Lombardia provides important support to Axxam's internal research programmes and business strategy.