



PRESS RELEASE December 29th, 2004

**Axxam Awarded Substantial Funding by the Italian Ministry of Research (MIUR) with €6.7 million grant to support the Company's projects in Drug Discovery Technologies**

Milan, Italy - Axxam announced today that the Company has been awarded with a research grant of € 6.7 million by the Italian Research Ministry (Ministero dell'Istruzione dell'Università e della Ricerca - MIUR). The funding will support new research projects in the field of early stage drug discovery. These specific MIUR grants are intended to accelerate the development of innovative technologies and products for start-ups or newly established research-driven companies. Funds are awarded on the basis of the scientific, technical and economic merit of each proposal. Axxam has applied for funding for the development of new technologies for the identification of new drug candidates. This substantial financing from the Italian Research Ministry (MIUR) provides support for Axxam's internal research programmes by strengthening internal investments in cutting-edge research to develop innovative approaches in target biology, advanced screening assays and new screening technologies. The very nature of this grant is a further confirmation for the scientific relevance of Axxam's projects in drug discovery process and supports the Company's business strategy.