



Press Release

Cellzome Receives First Milestone Payment for Alzheimer's Program from Ortho-McNeil Pharmaceutical, Inc.

Boston, 13th March 2007 – Cellzome Inc. announced today that it has received the first milestone payment for its Gamma Secretase Modulator (GSM) program in connection with the selection of a lead compound by Ortho-McNeil Pharmaceutical, Inc. under its agreement with Cellzome. Ortho-McNeil entered into a collaboration and license agreement with Cellzome in May 2005 and the collaboration was extended for a further year in January 2007.

Tim Edwards, Cellzome's CEO, said: "I am delighted with the progress we have made in our collaboration. This milestone payment is a reflection of the continued productivity of Cellzome's drug discovery group in working with our collaborator to advance toward preclinical development a potential oral therapeutic for patients with Alzheimer's disease, and further demonstrates the utility of our leading chemical proteomics technology."

About Cellzome Inc.

Cellzome is a privately owned drug discovery company applying its world-class technology to the discovery of novel small molecule therapeutics. Cellzome is commercializing its assets and technology by developing its own pipeline of small molecule kinase inhibitors for inflammatory disease, and by collaborating with leading pharmaceutical companies.

Cellzome's emerging pipeline includes a small molecule Histamine H4 receptor antagonist, initially for asthma and allergic rhinitis, which is scheduled to begin clinical studies early 2008. In addition, Cellzome is applying its distinctive *Kinobeads™* technology to the discovery and development of novel, selective, kinase inhibitors targeting key inflammatory mediators in immune receptor signaling and chemotaxis, including ITK, ZAP70 and PI3K γ .

The Company also has a large non-exclusive research collaboration with Novartis Institutes for Biomedical Research Inc. (NIBRI), using Cellzome's leading proteomics capability to discover new drug targets and leads in a variety of disease areas; this was recently extended to June 2008.

Cellzome is intent on developing both organically and through merger or acquisition. Cellzome's holding company is domiciled in the USA and it employs about 80 people in total at its facilities in Cambridge, UK and Heidelberg, Germany. To learn more about Cellzome, please visit our website: www.cellzome.com

About Alzheimer's disease

Alzheimer's disease is an irreversible, progressive brain disease that slowly destroys memory and thinking skills. It is the most common cause of dementia in older people. About 20 million people are affected worldwide and at the current rate the number is expected to double by 2025. In the United States alone, more than 4.5 million people are currently afflicted with the disorder, resulting in healthcare costs of close to \$ 100 billion annually. According to Cellzome estimates, this therapeutic market is currently valued at about \$4.7 billion in the major markets (US, UK, Germany, France, Italy, Spain and Japan) and is expected to increase to \$7.8 billion by the year 2010.

The first symptoms of Alzheimer's disease usually set in after the age of 60. With the degeneration of healthy brain tissue, intellectual and social abilities are lost and patients eventually are left with little comprehension or awareness.

Amyloid plaques are the pathological hallmark of Alzheimer's disease and form as the disease develops in the brains of Alzheimer's patients. Genetic studies in recent years have shown that the protein in these plaques, called amyloid-beta or simply A β , is a central part of the mechanism that causes the disease. A β peptide is generated from a large transmembrane precursor protein, called APP, by two subsequent proteolytic cleavages that occur close to, or within the membrane. The first cleavage is carried out by an aspartic protease called β -secretase (BACE) and the second cleavage is carried out by a multi-protein complex called γ -secretase. Cellzome has mapped the protein interaction network around this process and identified several target candidates.

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