



## **SANOCHEMIA OUTLICENSES EXCLUSIVE RIGHTS FOR NORTH AMERICA**

**Cooperation partner Avigen to develop and commercialise tolperisone formulation for disabling neuromuscular conditions – Sanochemia receives three million dollar upfront payment**

*Vienna (Austria), 16 January 2006* – Sanochemia Pharmazeutika AG, a Vienna-based specialty pharmaceutical company whose shares are publicly traded in the Prime Standard segment of the Frankfurt Stock Exchange (FSE: SAC; ISIN: AT0000776307), today announced the signing of an exclusive licensing agreement with the U.S. company Avigen Inc. for the active pharmaceutical ingredient (API) tolperisone. The agreement provides for Avigen developing and marketing this compound in North America. Avigen, which is headquartered in Alameda (California), and Sanochemia are both specialty pharmaceutical companies which focus on the development of innovative drugs for the therapy of neurological disorders. Tolperisone is an API for treating disabling neuromuscular spasms. This condition affects around 30 million people in the seven largest pharmaceutical markets and represents a market valued at around USD 2.5bn per year.

### **About the Licensing Agreement**

Under the terms of the agreement, Sanochemia grants Avigen the rights to all current and future proprietary product variants of tolperisone developed by Sanochemia and exclusive marketing and sales rights in North America. In exchange, Sanochemia will receive a three million USD upfront payment immediately after signing, and will receive further payments which are contingent on the successful completion of certain clinical and regulatory milestones. In addition, Sanochemia will manufacture the product for Avigen under a long-term supply agreement for the duration of the contract.

Chief Executive Officer, Dr. Josef Böckmann regards the agreement as a further major success in the repositioning of Sanochemia as a specialty pharmaceutical company. This is the first phase of a long-term cooperation which, in the course of successfully developing and marketing tolperisone, will, over the coming years, lead to regular and significant contributions to Sanochemia's profitability and long-term growth.

Tolperisone, which acts on the peripheral as well as the spinal and brainstem levels of the nervous system, has a specific relaxant effect on disabling neuromuscular spasms and thereby significantly improves patients' mobility with any sedative side effects. It is only with Sanochemia's developments, now licensed to Avigen, that the potential of tolperisone can be fully utilised.

## **Tolperisone**

In Europe, tolperisone (SPH-3047 / AV-650) has been used for a considerable time as a drug to treat disabling neuromuscular spasm and spasticity. Sanochemia developed proprietary formulations to enhance the efficacy of the compound, and subsequently filed applications for regulatory approval in Germany and Switzerland in December 2004 and May 2005, respectively.

Tolperisone has not previously been clinically investigated or approved in the United States. Avigen intends to file an investigational new drug application (IND) with the U.S. FDA in early 2006, and to develop (SPH-3047 / AV-650) for the treatment of disabling neuromuscular spasm.

Based on existing clinical data, AV-650 is not sedating and does not interact with alcohol. Its affinity to the central nervous system is significant, with the highest concentrations reached in brain stem, spinal cord and peripheral nerves. Like conventional muscle relaxants, this compound does not act directly on the muscles, but acts primarily in the brain and spinal cord yet without causing disorientation.

## **Conference Call**

Sanochemia Pharmazeutika will host a conference call for analysts and investors on 16 January 2006 at 10:30. To participate in the conference call, please dial 00 49 (0) 69 589 990 509 (listen only). Conference language is English.

*-- ad hoc announcement ends --*

## **About Sanochemia**

Sanochemia Pharmazeutika AG is a specialty pharmaceutical company focused on the development of small molecule therapeutics for the treatment of neurological disorders, in vivo diagnostics such as medical imaging products for various purposes including cancer diagnosis, in vitro diagnostics for infectious diseases, and on complex syntheses of active pharmaceutical ingredients. Sanochemia has a long track record of marketing Fluorognost, a leading confirmatory assay for infection with the AIDS virus HIV-1, in the United States. The company has developed a patented industrial-scale synthesis for the active ingredient galantamine, used in a drug to treat Alzheimer's disease, which it manufactures on an exclusive basis for Janssen Pharmaceutica. A liposomal presentation of galantamine is in clinical trials for neuropathic pain. To learn more about Sanochemia, please visit [www.sanochemia.at](http://www.sanochemia.at).

## **About Avigen**

Avigen is a specialty biopharmaceutical company focused on small molecule therapeutics and biologics for the treatment of neurological disorders. The company currently has two preclinical candidates in development for neuropathic pain. The lead candidate, AV-411 is a glial cell modulator with anti-inflammatory properties. An oral drug, it is approved outside the U.S. in non-pain related illnesses. The active

ingredient in the second candidate for neuropathic pain, AV-333, which is delivered via intrathecal injection, is the potent anti-inflammatory protein, interleukin-10. In addition, Avigen is developing AV-513 for the potential therapy of haemophilia A and B. To learn more about Avigen, please visit [www.avigen.com](http://www.avigen.com).

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