

Anaphore Enters R&D Partnership with Mitsubishi Tanabe Pharma To Develop and Commercialize Novel Protein Pharmaceuticals For Autoimmune Disorders

LA JOLLA, Calif., Dec. 13, 2010 -- Anaphore Inc. today announced that the company has entered into a partnership with Mitsubishi Tanabe Pharma Corporation (Osaka, Japan) for the research, development and commercialization of novel protein therapies for autoimmune disease.

The partnership will be based on Anaphore's proprietary platform technology, which generates novel trivalent proteins called Atrimers™ with binding domains that can be programmed to bind to and activate or inhibit nearly any target of interest. The agreement stipulates an initial target for the research program. Tanabe Research Laboratories U.S.A., Inc. (TRL), a San Diego-based subsidiary of Mitsubishi Tanabe Pharma, has the option to nominate two additional autoimmune targets against which Anaphore would develop potential protein therapeutics. Under the terms of the agreement, Mitsubishi Tanabe Pharma will make an upfront payment of \$5 million for an initial target and contribute research funds. In addition, Anaphore will receive milestone payments totaling \$110 million and tiered royalties on sales, provided the nominated molecule achieves full commercialization. Financial terms are substantially similar in the event TRL nominates two additional targets.

"Our work with Anaphore will further strengthen our initiative to bring next-generation biologics to physicians and their patients," said Minoru Muramatsu, Ph.D., Executive Officer, Research, Mitsubishi Tanabe Pharma. "We will initiate the research program immediately to expand on the promising work Anaphore has already done with *Atrimer* technology."

The partnership will focus on strategies to develop superior biologic therapies for autoimmune disorders, such as rheumatoid arthritis, inflammatory bowel disease and psoriasis. TRL and Anaphore will commence the research and development alliance immediately.

"This agreement exemplifies Anaphore's plan to form partnerships while exploring the potential of *Atrimers* to improve therapy in a wide range of diseases," said Katherine Bowdish, Ph.D., Anaphore's Chief Executive Officer. "In Mitsubishi Tanabe Pharma, we have a partner with a record of success in the biologics market and a commitment to advancing a new class of protein therapeutics for immune-system disorders."

Initial research activities will be conducted by TRL and Anaphore. Mitsubishi Tanabe Pharma will be responsible for late stage development and worldwide commercialization following the selection of lead candidates.

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About Mitsubishi Tanabe Pharma and Tanabe Research Laboratories U.S.A., Inc. (TRL)

Mitsubishi Tanabe Pharma Corporation is a research-driven pharmaceutical company based in Japan, specializing in research, development and marketing of globally competitive pharmaceutical products focused on the immune and inflammatory field, and the metabolism and cardiovascular field. Mitsubishi Tanabe Pharma contributes to the healthier lives of people around the world through the creation of pharmaceuticals.

<http://www.mt-pharma.co.jp/e>

TRL is an independent subsidiary of Mitsubishi Tanabe Pharma Corporation whose role is to discover and develop potential biological drug candidates for therapy in autoimmune diseases.

Currently, TRL's efforts will be directed towards antibody and antibody related research to target specific immune cells and soluble factors, as well as investigating new methods for modulating immune cell functions. TRL will establish collaborative relationships with other companies and academic research organizations to further its goals of identifying lead preclinical compounds for further development and to consolidate its presence in immunology.

<http://www.trlusa.com/>

About Anaphore

Anaphore is developing a new class of protein pharmaceuticals to address significant unmet medical needs for patients with serious diseases. The company's *Atrimer* technology platform originates in tetranectin, a human plasma protein of trivalent structure. Each of the three binding domains comprises five distinct amino-acid loops that can be programmed to bind potently and specifically to virtually any target of interest. *Atrimers* potentially offer biological, manufacturing, and commercial advantages over currently marketed therapies. *Atrimer* protein therapeutics are protected by intellectual property including multiple patent families.

Anaphore's initial therapeutic focus is immunology and oncology. In collaboration with select partners, Anaphore is committed to realizing the full promise of *Atrimers* against targets in a wide range of therapeutic areas, including rare diseases.

Since its founding in 2008, Anaphore has raised \$38 million in financing from top-tier biotechnology investors 5AM Ventures, Versant Ventures, Apposite Capital LLP, SR One, Merck Serono, and Aravis SA.

For more information please visit www.anaphore.com.

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