



Press Release

Zurich-Schlieren, Switzerland, January 15, 2008

Molecular Partners AG collaborates with Centocor Research & Development, Inc.

Zurich, Switzerland, January 15, 2008 -- Molecular Partners AG today announced a collaborative research and license agreement with Centocor Research & Development, Inc. The collaboration will focus on the development of DARPins (Designed Ankyrin Repeat Proteins), a novel class of therapeutic proteins to treat inflammatory diseases. Under the collaboration, Molecular Partners will apply its proprietary DARPIn technology for the identification of DARPins to two undisclosed targets. Centocor will perform the preclinical and clinical development as well as commercialization of resulting products.

Molecular Partners will receive an upfront payment of \$5 million, additional research funding and license fees. Further, Molecular Partners will receive FTE payments for research done under the agreement. Centocor will have exclusive worldwide rights to develop and commercialize products discovered during the research term in exchange for future milestones. In addition, Molecular Partners is entitled to receive royalty payments on net sales of any product from this collaboration. The milestone and royalty payments compare to those of recent agreements in the field. Further details of the agreement have not been disclosed.

“This collaboration with Centocor is an important step to position our DARPIn technology as a potential source of innovative drugs”, commented Christian Zahnd, CEO of Molecular Partners. “It also shows the continued execution of our corporate strategy which comprises building a broad portfolio of DARPIn-based drugs, from external partnerships as well as from our own internal pipeline.”

“Centocor is a leader in the field of antibody therapeutics and has impressive biopharmaceutical capabilities,” added Patrick Amstutz, CBO of Molecular Partners, “Partners like Centocor will help us maximize the therapeutic potential of DARPins. We are delighted that Centocor has chosen DARPins as an addition to their biopharmaceutical pipeline. The dimension of this deal opens new possibilities for Molecular Partners and positions our company as highly attractive partner for the development of protein therapeutics.”

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Notes to editors:**About Molecular Partners:**

Molecular Partners is a privately held biotech company focusing on the commercialization of a novel class of biological drugs known as DARPins. Molecular Partners holds the exclusive patent rights for full freedom to operate with DARPins for all applications. Molecular Partners has engineered and developed a novel class of therapeutic proteins known as DARPins, with the potential to replace antibodies in many different applications. DARPins are derived from ankyrin repeat proteins, an abundant and versatile class of naturally occurring binding proteins. DARPins can be easily produced in bacterial expression systems at very high yields and belong to the most stable proteins known. Highly specific, high-affinity DARPins to a broad range of target proteins, including receptors, cytokines, kinases, proteases, viruses and integral membrane proteins have been selected. DARPins show high efficacy in preclinical models, including tumor targeting, viral and bacterial growth inhibition and in anti-inflammatory applications. Molecular Partners was incorporated in 2004 as a spin-off company of the University of Zurich. The technology was developed in the laboratories of Prof. Andreas Plückthun, a renowned antibody specialist. In August 2007, Molecular Partners closed a Series A equity investment round raising 18.5 million CHF (€11.28 million, \$15.56 million). The round was led by Index Ventures and was further supported by an international syndicate of investors, representing the US and Europe, including BB Biotech Ventures, Johnson & Johnson Development Corporation and Endeavour. In 2005, the DRP technology was awarded the "Swiss Technology Award 2005", the most prestigious technology award of Switzerland.

For more information, please visit www.molecularpartners.com