Polyphor successfully completes Phase I clinical trials of POL6326

Novel CXCR4 inhibitor for hematopoietic stem cell mobilization

Allschwil, Switzerland, July 9, 2008 - Polyphor Ltd today announced that it has successfully completed a Phase I clinical trial demonstrating the safety of POL6326, a CXCR4 inhibitor for potential use in hematopoietic stem cell (HSC) transplantation and also in the therapy of cancers affecting the bone marrow, such as certain leukemias.

The trial was conducted by Covance, and involved 74 healthy volunteers enrolled in the UK. The primary objective of this Phase I clinical trial was to demonstrate that POL6326 was safe and well tolerated. Additional tests also confirmed the efficacy of POL6326 in the mobilization of HSCs and supported the hypothesis that it might also have applications in other indications such as tissue repair.

POL6326 is a potent, selective and reversible CXCR4 inhibitor belonging to a novel drug class based on Polyphor's proprietary Protein Epitope Mimetics (PEM) Technology. This product is the most advanced candidate in a family of CXCR4 inhibitors being developed for intravenous and subcutaneous administration. Blockade of the CXCR4 receptor mobilizes HSCs from the bone marrow into the blood stream where they can be harvested for transplant supporting the treatment of blood or bone marrow diseases.

***Dr. Jean-Pierre Obrecht, CEO of Polyphor**,* commented:

"This confirmation of the safety and tolerability of POL6326 is of the utmost importance, since it lays the basis for the exploration of many other potential therapeutic applications of this CXCR4 inhibitor. At the same time, this study further confirmed the initial efficacy of POL6326 in humans and demonstrated the rapid, predictable onset of HSC mobilization over several hours. We are delighted with these results which give us confidence that POL6326 could enable the mobilization, collection and processing of HSCs within one day - a clear potential benefit for patients, donors and the clinical staff."

***Dr. Daniel Obrecht, CSO of Polyphor**,* added:

"This first clinical study is a milestone for the application of the PEM Technology, marking the first time a PEM drug has demonstrated safety and efficacy in humans. As well as being very powerful research tools, these fully synthetic PEM molecules represent a new class of drugs."

About Polyphor

Polyphor provides innovative, high quality products and services to pharmaceutical and biotech industry. The Company has developed clinically enabled Protein Epitope Mimetics (PEM) derived from its proprietary PEM Technology. Polyphor focuses internal R&D efforts on Protein Epitope Mimetics as novel clinical drug candidates and has established a balanced portfolio of drug discovery projects by applying its PEM Technology. This portfolio includes POL6326, one pre-IND PEM antibiotic POL7080, several internal pre-clinical PEM drug candidates, and a unique patent position in the area of Protein Epitope Mimetics. Polyphor Ltd is a privately held biotech company headquartered in Allschwil (near Basle), Switzerland.

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