



ERYtech Pharma raises €12 million to boost its development.

Lyon, (France), 22 December 2006 – ERYtech Pharma, the biotech company specialized in red blood cell encapsulation of drugs, is pleased to announce the successful completion of a €12 million fund-raising.

This round brings together AGF Private Equity (Thierry Laugel), Auriga Partners (Franck Lescure) and AXA Private Equity (Glenn Richard) along with its original investors, including CapDecisif (Jérôme Snollaerts) and Amorçage Rhône Alpes (Karine Lignel).

Co-founder and CEO Yann Godfrin is delighted at the boost that ERYtech Pharma can look forward to: “This round should allow us to reach the market with our product, GRASPA®, which is currently in a phase II clinical trials for acute lymphoblastic leukaemia (ALL). Other therapeutic indications, limited because of the toxicity of native L-asparaginase, are under investigation.”

ERYtech Pharma’s proprietary technology enables the industrial production of packed red blood cell encapsulated L-asparaginase bags. This therapeutic enzyme acts to starve tumour cells of asparagine, an amino acid required for proliferation. The therapeutic index of the L-asparaginase is greatly enhanced by encapsulation and intolerance is significantly reduced.

Pr Yves Bertrand, Head of the Pediatric Haematology Department of the Debrousse Hospital (Lyon), Chairman of the Childhood Leukaemia group within the European Organisation for Research and Treatment of Cancer (EORTC) and Principal Investigator in the phase II trials, says “If these results are confirmed, I think that GRASPA® could become one of the first-line treatments for acute lymphoblastic leukaemia.”

“We have also had very encouraging preliminary results with other therapeutic enzymes, on the same model as GRASPA®,” adds Dr Yann Godfrin.

Co-founder and COO Pierre-Olivier Goineau says, “With these funds, we are going to be able to build our own production facility while continuing to work closely with the Cell Therapy Unit of the Centre Léon Bérard, which has been our partner since our start-up under the Créalys business incubator. We also intend to strengthen the team very soon, recruiting a Medical Director and a Regulatory Affairs Officer.”

Investment round leader Thierry Laugel of AGF Private Equity notes, “The project being run by the two co-founders is innovative and very attractive, combining fast-track development and an extended range of applications. The technological foundations are sound. Preclinical results on other encapsulated molecules and enzymes have been very promising, especially in the field of enzyme deficiency and for targeting organs such as liver or spleen.”

About GRASPA®

Plasmatic asparagine is a non-essential amino acid which is necessary to lymphoblastic proliferation. L-asparaginase degrades plasmatic asparagine. Tumour cells are then starved of this element essential to their proliferation, and are thus destroyed. However, L-asparaginase has a 24-hour half-life in the human body and therefore requires repeated injections; moreover, the presence of anti-asparaginase antibodies neutralizes its action, making it totally ineffective. The interest of GRASPA® (encapsulating L-asparaginase in red blood cells) is twofold: its half-life is increased up to around 30 days, greatly reducing the dose administered, and efficacy is maintained in spite of the presence of any anti-asparaginase antibodies. The dosages of the enzyme may be reduced by up to 100 fold for the same efficacy.

About ERYtech Pharma

ERYtech Pharma, set up in Lyon (France) in 2004, specializes in the encapsulation of therapeutic molecules and enzymes in red blood cells. It has achieved a major breakthrough in the fields of cancer and enzyme therapy by significantly increasing the therapeutic index of the encapsulated molecule or enzyme.

ERYtech Pharma has developed and patented an innovative technology of red blood cell encapsulation of molecules and enzymes, which makes it possible to mass produce processed erythrocytes while ensuring stability, reproductibility and constant quality, whatever their initial characteristics and origin (autologous or homologous).

Exploiting the physiological properties of red blood cells, ERYtech Pharma has developed three main applications:

- Cleav'ERY System®, intra-erythrocyte enzyme cleaving,
- Deliv'ERY System®, specifically targeting all or part of reticulo-endothelial system organs,
- Oxygen'ERY System®, tissue and tumour oxygenation.

Protected by an international patent, this technological process is both safe and reproducible.

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About AGF Private Equity

AGF Private Equity, a subsidiary of the AGF Insurance Company, member of the Allianz Group, is specialized in non-listed investments. The company manages an investment portfolio close to €1,7Bn, is among the leaders in France in managing funds of funds, and is also one of the most active investors in Venture Capital. The Venture Capital team has invested in 50 high tech companies. AGF Private Equity invests €30 M each year in innovative firms. With close to €300 M under management in its Venture Capital activity, AGF Private Equity is an active partner of growth companies.

<http://www.agfpe.com>

About Auriga Partners

Auriga Partners is an independent venture capital firm. Based in Paris, it invests in information technologies and life sciences, in innovative high potential ventures, in seed or early development stages, in Europe, North America and Israel. Auriga Partners manages three funds for a total of more than 330 millions euros. Along with investing the necessary capital, Auriga Partners brings also its savoir-faire in developing and solidifying executive teams, organizing companies, broadening their networks and forming strategic and corporate partnerships.

<http://www.aurigapartners.com>

About AXA Private Equity

AXA Private Equity, an AXA Investment Managers company, with offices in Paris, Frankfurt, London, New York and Singapore, is a world leader in Private Equity players covering the whole range of activities (LBO, Expansion, Venture, Co-investment, Mezzanine, Primary, Early Secondary and Secondary Funds of Funds) with an exceptional expertise.

AXA Private Equity manages and/or advises Private Equity funds with assets in excess of €10 billion for some of the world's leading investors. With a constant focus on transparency, performance and sustainable profitability, AXA Private Equity is supported by the expertise of its staff and its international experience.

<http://www.axaprivateequity.fr>

About Capdecisif

CapDecisif is an early stage venture firm dedicated to investing in high potential, high innovation companies. CapDecisif was created in 2001, manages around €18 M and is supported among others by CDC Entreprises and Natexis Group as well as the Paris Ile-de-France Region. It has 17 portfolio companies in Information Technologies and Life Sciences.

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About Amorçage Rhône Alpes

Created in 2002, Amorçage Rhône Alpes is an early stage venture fund whose aim is to help young and innovative high technologies companies located in the Rhône Alpes region. With €5.6M managed and 15 investments already achieved, Amorçage Rhône Alpes is active in Information Technologies, Biotechnologies and other industries. Amorçage Rhône Alpes Shareholders include the Rhône Alpes Region, CDC entreprises as well as local banks and funds. Erytech is the forth of our investments concluding its second funding.

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