

News Release

For immediate release

**Yissum and Eucalyptus Sign Licensing Agreement for the
Development of a Small Molecule for the Treatment of Neurodegenerative
Diseases**

Jerusalem, Israel, Jan. 8, 2008 – Yissum Ltd., the technology transfer company of the Hebrew University of Jerusalem, today announced that it has licensed an orally– available small molecule for several biological indications including the treatment of neurodegenerative diseases to Eucalyptus Ltd. The molecule is an antioxidant that overcomes the blood-brain barrier.

"This invention, by Professor Daphne Atlas, jointly developed with Dr. Daniel Offen and Professor Eldad Melamed, is a breakthrough in the treatment of oxidative stress, which plays a major role in CNS disorders," stated Nava Swersky Sofer, CEO of Yissum. "We are delighted to collaborate with Professor Ashley Bush, CSO, Eucalyptus, a leading expert in Alzheimer's research to take our invention into the clinic for the benefit of patients."

Under the terms of the agreement, Eucalyptus has acquired worldwide exclusive rights to develop and commercialize the molecule and Yissum together with Ramot, the technology transfer company of Tel Aviv University, and Mor Research Applications, the technology transfer company of Clalit Health Services, will receive upfront payments, milestone payments in accordance with development progress and royalties from sales of final products.

The molecule, N-acetylcysteine amide (AD4), is an antioxidant for the prevention and treatment of Parkinson's, Alzheimer's, multiple sclerosis and other neurodegenerative diseases that are linked to oxidative stress, and also has broader applications in biology. Oxidative stress, induced by free radicals, plays an important role in the progression of neurodegenerative and age-related diseases, causing damage to proteins, DNA, and lipids. For example, increasing evidence correlates Parkinson's disease with the accumulation of oxidative damage in specific neurons in the brain. AD4 is administered orally, and is able to cross the blood-brain barrier, thus overcoming a major obstacle of central nervous system (CNS) directed drugs.

Pre-clinical data showed the ability of AD4 to protect cells in culture from oxidative damage. Furthermore, the molecule was shown to protect neuronal cells from damage in rodent models of both Parkinson's disease and multiple sclerosis. The low toxicity of AD4, as evidenced in the lab, together with its neuroprotective function and high bioavailability make it highly suitable for the treatment of CNS disorders.

The molecule was invented by Daphne Atlas, Ph.D., Professor of Neurochemistry at the Hebrew University of Jerusalem, Israel. The work was performed in collaboration with Dr. Daniel Offen, Ph.D. from the Tel Aviv University, Israel and Eldad Melamed, MD, Professor and Chairman of the Department of Neurology at the Rabin Medical Center, Petah Tiqva, Israel.

"In our aging society, in which neurodegenerative diseases have become more common, there is a growing need for safe and effective drugs for age-related diseases. AD4 which overcomes the blood-brain barrier, is an excellent candidate for both the prevention and treatment of various neurodegenerative disorders," commented Prof. Daphne Atlas.

Professor Ashley Bush, CSO, Eucalyptus, added "We are excited to be able to progress the pioneering work of our Israeli collaborators towards commercialization. I am very confident that AD4 will be therapeutically useful for several major neurological disorders, certain major psychiatric conditions as well as several other biological applications. I expect this to be a rapid development project."

About Yissum

Yissum was founded in 1964 to protect the Hebrew University's intellectual property and commercialise it. \$1 Billion in annual sales are generated by products based on Hebrew University technologies licensed out by Yissum. Ranked among the top technology transfer companies in the world, Yissum has registered 5000 patents covering 1400 inventions; licensed out 400 technologies and spun out 60 companies. Yissum's business partners span the globe and include companies such as Novartis, Microsoft, Johnson & Johnson, Merck, Intel, Teva and many more. For further information please visit www.yissum.co.il

For more information, or for press contact with students, faculty or spokespersons from HU, please speak in the first instance to Mikki Saperia, on +44 (0)20 7691 1479 or email mikki.saperia@bfhu.org



About the Hebrew University

With 24,000 full-time students, the Hebrew University of Jerusalem is Israel's pre-eminent institute of higher education. Its faculty members pursue projects that are both essential to Israel's future and the benefit of humanity. It is a centre of international repute, with formal and informal ties extending to and from the worldwide scientific and academic community. Students come from all over Israel and across the Middle East to study in an atmosphere of academic and research excellence.

About the British Friends of the Hebrew University

Established in 1926, The British Friends of the Hebrew University is the oldest established Jewish charity in support of higher education. The charity works to promote and enhance the reputation of the Hebrew University, ensure that underprivileged students are given the opportunity to complete their studies, and help HU to maintain its standard of excellence and worldwide reputation for research.

BFHU acts as the UK's gateway to Hebrew University research, expertise and faculty, and provides financial and pastoral support for prospective and current students at HU, as well as supporting visiting and sabbatical Hebrew University lecturers during their time in the UK.