



Neurotune expands its portfolio by acquiring neuropathic pain projects

Schlieren, 18th September 2008. Neurotune AG, a Swiss biopharmaceutical company, announces that the shareholders meeting, held on August 29th 2008, approved of the expansion of its portfolio with two programs in neuropathic pain. The company has reached an agreement with the Italy-based company Brane Discovery Srl. to acquire rights for two programs in neuropathic pain in a combined cash and share transaction.

In a recent financing round, which was lead by CC Private Equity Partners Ltd., Neurotune has increased its capital. The company will allocate existing and new funds to the development of the company's own sarcomenia program including the diagnostic methods and to the acquired projects in neuropathic pain. The newly added projects shall be driven towards the most important sub-indications in the neuropathic pain market, such as osteoarthritis pain or diabetic neuropathy. The projects are in preclinical and clinical Phase 1 stage, respectively.

The therapeutic focus of Neurotune lies on disorders of the nervous system. Andreas J. Schulze, CEO of Neurotune, said that the acquisition is part of the implementation of Neurotune's strategic decision to broaden its pipeline with attractive indications in the CNS area. 170 to 270 million individuals worldwide are affected by neuropathic pain. So far only few drugs have been approved for treatment. The large patient potential in combination with a huge need for effective therapies offers a considerable commercial opportunity. The world market is currently valued at \$31.1bn and is forecasted to grow just under \$40bn in 2012.

Mario Trotti, the speaker of the shareholders of Brane Discovery Srl., said that the agreement with Neurotune is both, satisfactory to the Brane shareholder and rewarding for all the scientists who initiated and contributed to the development of these neuropathic pain projects. Both projects have been properly perceived for their value potential.

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ABOUT NEUROTUNE AG

Neurotune was incorporated in January 2005 and has its domicile in Schlieren, Switzerland. Neurotune develops small-molecular drugs to treat disorders of the human nervous system.

ABOUT SARCOPENIA

With age, progressive muscle degeneration leads to reduced strength ensuing problems such as frequent falls. The age-related muscle atrophy – Sarcopenia – is defined as the loss of muscle mass and strength with aging, and plays a major role in the pathogenesis of frailty and functional impairment that occurs with the elderly. It correlates with the loss of muscular strength, decreased metabolic rate, gradual reduction of bone density, and decreased aerobic capacity. The treatment of Sarcopenia is a growing market with no available causal treatment.

ABOUT NEUROPATHIC PAIN

Neuropathic pain is a type of chronic pain. It is a result of damage to the nervous system following infection, disease, injury, and certain medications. Neuropathic pain serves no protective function. Instead of functioning properly to warn-of tissue injury, the nervous system mal-functions and becomes the cause of the pain. Neuropathic pain can continue for months or years and is often described as "burning," "electric," "tingling," or "shooting."

This press release contains forward-looking statements. Neurotune disclaims any intent or obligation to update these forward-looking statements. Examples of such statements include, but are not limited to, statements relating to the expected size and timing of closing of the registered direct offering. Such statements are based on management's current expectations, but actual results may differ materially due to various factors. Such statements involve risks and uncertainties, including, but not limited to, those risks and uncertainties relating to difficulties or delays in meeting closing conditions, and actions of regulatory authorities relating to the Neurotunes' shelf registration statement and the registered direct offering. For further information regarding these and other risks related to Neurotunes' business, investors should consult Neurotune.