

PRESS RELEASE

CELLERIX GRANTS AXCAN RIGHTS TO Cx401 IN NORTH AMERICA

Reaching up to \$40 million in upfront and milestones, this is the first and largest ever licensing deal involving a stem cell product in late stage clinical development

Madrid, 2nd October 2007.– Cellerix, a biopharmaceutical company leader in the clinical development and production of medicines based on adult stem cells, has entered into an exclusive license and development agreement with Axcán Pharma Inc. (“Axcán”) for the North American (United States, Canada and Mexico) rights to Cx401. Axcán is a leading multinational specialty pharmaceutical company focused on gastroenterology. It is listed on the NASDAQ Global Market and on the Toronto Stock Exchange. The deal, which could reach up to \$40 million in upfront and milestones, is the first and largest ever licensing deal involving a stem cell product in late stage clinical development.

Cx401 is an innovative biological product in development for the treatment of perianal fistulas that uses adult autologous stem cells from adipose tissue. A Phase II clinical trial has demonstrated the efficacy and confirmed the safety of Cx401 in the treatment of perianal fistulas in Crohn’s and non-Crohn’s Disease patients.

“We are very excited to establish a business relationship with Axcán and thus maximize the potential of Cx401, as Axcán is recognized as a leader in the field of gastroenterology and is a partner of choice to develop Cx401 in North America. We look forward to assisting the Axcán team in the development of this product candidate. We believe that the use of adult stem cells derived from adipose tissue of the same patient has substantial therapeutic and commercial potential and we are committed to making these therapies available to patients. This partnership gives recognition to the quality of the development done so far and represents another important milestone accomplished by Cellerix,” commented Eduardo Bravo, Cellerix’s Chief Executive Officer.

“We are pleased with the signing of this agreement, which is clearly in line with our growth strategy and demonstrates our commitment to improve the quality of care and health of patients suffering from gastrointestinal diseases and disorders by making novel and innovative therapies available to these patients. Results of the Cx401 Phase II study have shown great promise in the treatment of perianal fistulas in Crohn’s and non-Crohn’s Disease patients. This product is of particular interest to Axcán, as it will complement our existing line of products in development, thus positioning us for solid continued future growth. Based on our current understanding of the market, we believe that peak sales for this product could exceed US \$250 million in the United States alone,” commented Frank Verwiél, M.D., President and Chief Executive Officer of Axcán.

Under the terms of the agreement, Axcán will make a US \$10 million upfront payment to Cellerix, plus regulatory milestone payments that could total up to US \$30 million. Furthermore, Axcán will pay scaled royalties based on the net sales of Cx401. Axcán has also agreed to make an equity investment of up to US \$5 million in Cellerix, should the company complete its initial public offering within 3 years of the effective date of the agreement.

PERIANAL FISTULAS

Fistulas are abnormal connections or passageways between organs or vessels that should not connect with one another. Perianal fistulas (abnormal connections between the anus and rectum with other epithelia, such as skin or the vagina) represent a very debilitating condition, since they can generate anal incontinence or infections. There is a considerable unmet need in the treatment of fistulas, as current treatments mainly rely upon surgery, which is highly invasive, costly and has a relatively low success rate.

Perianal fistulas occur in approximately 12% of patients with Crohn's Disease, and there are estimated to be more than 500,000 patients with Crohn's Disease in the United States alone. Patients with fistulas from another origin amount to approximately 10,000. Current treatments for fistulas in Crohn's Disease patients include anti TNF-alpha treatment, which has a response rate of approximately 36%. Surgery is also used to treat perianal fistulas in both Crohn's and non-Crohn's Disease patients, but has a poor long-term success rate and a high risk of anal incontinence.

PRODUCT AND TECHNOLOGY

The human body is made up of cells that have been differentiated into specialised tissues (such as the skin, the heart or other organs) and cells that have not been completely differentiated. The latter are stem cells, which are capable of producing more stem cells and are also capable of producing cells with specific functions. This discovery opened the way for enormous possibilities in modern medicine.

Stem cells are present in various tissues of our bodies. They can be isolated, processed and reinserted into the same patient in order to regenerate a specific tissue or provide a therapeutic effect with no risk of rejection.

Cx401 is a highly innovative, autologous (adult) stem cell product developed by Cellerix from human adipose tissue. This autologous source offers clear advantages over other alternatives such as bone-marrow, including easier access to the stem cells and higher yield (100 to 1,000 times). Using a minimal amount of fat drawn from the patient, it is possible to obtain stem cells that have an extraordinary capacity to facilitate the healing process of fistulas. The treatment consists of the extraction, expansion and re-administration of the patient's own cells into the fistulized area. The natural healing of the fistula tract is achieved through the anti-inflammatory properties of Cx401. This mechanism of action explains the excellent clinical results obtained to date with the product.

CLINICAL RESULTS

An open-label, Phase I study to evaluate feasibility and safety was conducted in Europe and confirmed that Cx401 has the potential to treat fistulas in Crohn's Disease patients. The primary endpoint consisted of clinically assessed complete closure and healing of the fistula and demonstrated a 75% response rate 8 weeks after treatment. This trial was the first clinical trial to be conducted anywhere in the world using, and showing the effectiveness of, adipose stem cells as a potential cell-based medicine (*García-Olmo, D, et al. "A Phase I Clinical Trial of the Treatment of Crohn's Fistula by Adipose Mesenchymal Stem Cell Transplantation". Dis. Colon Rectum 2005; 48: 1416–1423*).

An additional Phase II trial conducted in 50 patients in Europe demonstrated the efficacy and safety of Cx401. This randomized, open-label, parallel assignment study evaluated the safety and efficacy of Cx401 in the treatment of perianal fistulas in Crohn's and non-Crohn's Disease patients. The primary endpoint for this study was photographically assessed complete closure

and healing, and showed a 71% response rate in the acute phase, both in Crohn's and non-Crohn's Disease patients. Results of this study were presented at Digestive Disease Week in May 2007 and are pending publication.

"The Phase I clinical study conducted in Crohn's Disease patients further demonstrates the potential of Cx401 to be an effective treatment option for patients with perianal fistula," said Professor Dr. Garcia-Olmo, study principal investigator for the clinical program at the Department of Surgery at La Paz University Hospital, Madrid. *"In addition, the Phase II study supports the findings of the Phase I study and confirmed that this therapy is a promising option to treat patients with perianal fistula. We look forward to the successful outcome of this clinical program, currently in Phase III in Europe, as Cx401 seems to have the potential to be more effective than anti TNF-alpha treatment or surgery, without the associated side-effects."*

The companies will collaborate on the clinical development of Cx401. Axcan will be responsible for the development of this product in North America, while Cellerix will develop Cx401 in Europe. The Company expects to initiate a Phase IIb study in North America in fiscal 2008.

ABOUT AXCAN PHARMA

Axcan is a leading multinational specialty pharmaceutical company focused on gastroenterology. The Company develops and markets a broad line of prescription products to treat a range of gastrointestinal diseases and disorders such as inflammatory bowel disease, irritable bowel syndrome, cholestatic liver diseases and complications related to pancreatic insufficiency. Axcan's products are marketed by its own specialized sales forces in North America and Europe. Its common shares are listed on the NASDAQ Global Market under the symbol "AXCA" and on the Toronto Stock Exchange under the symbol "AXP".

ABOUT CELLERIX

Cellerix is a clinical biopharmaceutical company that actively develops and produces innovative medicines based on the use of adult stem cells. The company has a developing product pipeline which includes two products undergoing clinical trials: Cx401, currently in Phase III in Europe for the treatment of perianal fistulas, and Cx501, currently in Phase II for skin regeneration. Cx401 and Cx501 are the two first cellular products to obtain orphan status by the European Medicines Agency (EMA). Cellerix has recently closed a €27.2 million series B financing round led by international venture capital companies.