

Basel, 22 July 2003

Roche expands the strength of its product franchise in Rheumatoid Arthritis and Transplantation

Roche acquires Cardion's promising IL-15 antagonist

Roche and Cardion announced today that Roche will acquire Cardion's human Interleukin IL-15 Cytokine Receptor Blocker (CRB-15). CRB-15 is currently at pre-clinical stage as a treatment for Rheumatoid Arthritis (RA) and Transplantation. Under the terms of the agreement, Roche will be responsible for development and worldwide commercialisation of CRB-15 and will receive Cardion's intellectual property rights to CRB-15.

"Roche is a leader in transplantation and through this acquisition, Roche will be able to build on its existing transplantation portfolio as well as on its exciting pipeline of drugs in development to treat RA. These substances represent innovative therapies to treat these diseases and will consolidate Roche's position in these key medical areas," stated William M. Burns, Head of Roche's Pharmaceuticals Division.

"Roche is a perfect fit for CRB-15 and its successful future development. We are enthusiastic about this deal and convinced that the huge potential of CRB-15 in RA and in Transplantation, as well as in other potential disease indications, will be optimally realized by Roche" says Dr. Manfred Rüdiger, Chief Scientific Officer of Cardion.

Terms of the agreement

Under the terms of the agreement, Cardion will receive an initial payment as well as additional milestone based payments which could reach up to \$ 90 million if all development event milestones are met. In addition, Roche will pay Cardion royalties based upon future product sales.

About Rheumatoid Arthritis

RA, a chronic autoimmune disease affects almost 6 million people around the world, is a debilitating disease that hinders the daily activities of sufferers. In Europe, RA affects up to 2 million people. It is characterised by inflammation of multiple joints, cartilage loss and bone erosion, which leads to joint destruction and ultimately reduced joint function. Additionally, since RA is a systemic disease, it can have effects in other tissues, such as lungs, eyes and bone marrow. Fewer than 50% of patients diagnosed with RA can continue to work or function normally on a day to day basis after ten years.

Research suggests that an imbalance between cytokines that promote inflammation and those that perform healthy functions within the immune system play a key role in the development of many autoimmune diseases. In RA, several cytokines, including interleukin 15 appear to contribute to the ongoing destruction of cartilage, bone, and other joint related tissues.

Roche in RA

Roche is developing MabThera (rituximab) for the treatment of RA. MabThera is Roche's number one drug, and currently indicated for use in the treatment of the most common form of blood cancer, non-Hodgkin's lymphoma (NHL). In addition, Roche in-licensed Chugai's

promising new Rheumatoid Arthritis product MRA (Phase II) which it will jointly develop and promote with Chugai.

About Transplantation

Organ transplantation is a well-established and often life-saving treatment for patients with organ failure. The most commonly transplanted solid organs are the kidney, heart, liver, pancreas, lungs and intestines. Double transplants may be carried out in which a patient receives two organs simultaneously, such as heart and lung or kidney and pancreas. Surgeons also transplant tissues including corneas, bone marrow, cartilage, skin, bone and heart valves.

Roche in Transplantation

Roche is strongly committed to improving the long-term outcomes of transplantation and enhancing the quality of life of transplant recipients. Roche has developed three innovative therapies that improve graft and post-transplant health: CellCept, the largest selling branded immunosuppressive in North America, offers both physicians and patients the possibility of an effective long term immunosuppressive regimen with low toxicity. Zenapax prevents the acute rejection of the newly transplanted organ, and Cymevene/Cytovene/Valcyte, developed for the prevention and treatment of cytomegalovirus, a dangerous viral infection associated with transplantation. ISA247, a novel calcineurin inhibitor is in Phase II clinical development as an immunosuppressive therapy in organ transplantation and in the treatment of autoimmune diseases. This compound may offer the potential of better efficacy with lower toxicities for transplant recipients. In addition, Roche supports basic research in transplantation with its funding of the independent Roche Organ Transplantation Research Fund (ROTRF), which directly supports innovative research projects attracting new researchers with innovative and novel scientific ideas to meet unmet medical needs in solid organ transplantation.

Roche's transplantation portfolio generated total sales of 1.5 billion Swiss Francs in 2002, which represents a 16% increase over the previous year.

About CRB-15

CRB-15 is Cardion's proprietary, patent-protected therapeutic protein targeted against the interleukin-15 receptor with potential therapeutic application in inflammatory/autoimmune disorders and transplant rejection. CRB-15 targets the receptor for interleukin-15 (IL-15), the most upstream growth and survival factor for many immune cells. By virtue of its novel mechanism of action CRB-15 is very well positioned to combine high selectivity with high potency. CRB-15 was invented in the laboratory of Dr. Terry Strom at Beth Israel Deaconess Medical Centre, Boston. Cardion acquired CRB-15 through the acquisition of Tolerance Pharmaceuticals Inc. in 2001. Since then, and in close collaboration with Dr. Strom's laboratory, a comprehensive preclinical data package has been obtained both in vitro and in a variety of animal models, validating the immunomodulatory potential of CRB-15.

About Roche

Headquartered in Basel, Switzerland, Roche is one of the world's leading innovation-driven healthcare groups. Its core businesses are pharmaceuticals and diagnostics. Roche is number one in the global diagnostics market, the leading supplier of pharmaceuticals for cancer and a leader in virology and transplantation. As a supplier of products and services for the prevention, diagnosis and treatment of disease, the Group contributes on a broad range of fronts to improving people's health and quality of life. Roche employs roughly 62,000 people in 150 countries. The Group has alliances and research and development agreements with numerous partners, including majority ownership interests in Genentech and Chugai.

About Cardion

CARDION AG, headquartered in Erkrath, Germany, with a subsidiary in Boston, is a therapeutic product discovery and development company with biological drug expertise. The company is involved in the development of novel, potential first-in-class therapeutics for broad applications in the treatment of inflammatory/autoimmune disorders and related disease conditions including rheumatoid arthritis, Crohn's disease, diabetes and transplant rejection as well as targeted therapies of immune system cell cancers such as multiple myeloma. Cardion was founded in 1996 and completed its first equity financing in late 1997. Since then, the company has raised more than € 60 million through its most recent financing round completed in September 2002.