



March 1, 2007 – News Release

Dalton Pharma Services and Affectis Pharmaceuticals of Germany enter into a Contract Services Agreement

Toronto, Ontario, – Dalton Pharma Services, a privately owned Canadian pharmaceutical services provider to leading pharmaceutical companies, today announced the company has entered into a Contract Services Agreement with Affectis Pharmaceuticals AG, of Munich, Germany.

Affectis has contracted Dalton for the manufacturing of preclinical tox material with potential for cGMP production. Affectis is an exciting addition to Dalton's portfolio of world wide clients. Dalton has first hand experience advancing compounds from a range of therapeutic areas including Alzheimer's, cardiovascular diseases, HIV, anti-aging and now also affective disorders.

"Our relationship with Affectis was solidified upon the successful completion of Health Canada's audit of our manufacturing facilities," said Peter Pecos, President and CEO of Dalton Pharma Services. "We have recently attained an Establishment License from Health Canada, a milestone which will allow Dalton Pharma Services to manufacture sterile products, test and ship commercial products for our existing clients in Canada and also the European Union. We are confident the Establishment License will attract and fulfill other commercial pharmaceutical manufacturing relationships within the EU. We look forward to a successful collaboration with Affectis," continued Peter Pecos.

"With this agreement, Affectis reaches an important milestone of advancing its P2X7 agonist program into pre-clinical development" said Herbert Stadler, CEO of Affectis. "Dalton's manufacturing know-how will help Affectis bring a novel antidepressant candidate into the clinic."

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About Dalton Pharma Services

Dalton Chemical Laboratories Inc. o/a Dalton Pharma Services is a contract pharmaceutical manufacturer that supplies chemistry and analytical services to the biotechnology and pharmaceutical industries in the areas of medicinal chemistry, fine chemical manufacture, custom peptides and antisense oligo production. Dalton provides cGMP manufacturing and sterile filling services to its customers at any stage of the regulatory process (Phase I, II, III or commercial). In its state of the art cGMP facilities, Dalton can produce active pharmaceutical ingredients (API), at the gram or kilogram scale. Dalton can carry out sterile fills to produce batches of finished drug product in vials or syringes, either aseptically filled or terminally sterilized, under fully validated conditions. In addition to drug testing, Dalton's analytical chemistry laboratory offers method development, validation, ICH stability programs and HPLC-MS services to its clients.

About Affectis Pharmaceuticals AG

Affectis is a biopharmaceutical company implementing novel concepts for the treatment of mental disorders, especially depression and schizophrenia. The Company has unique capabilities to discover and develop drugs based on pioneering findings in the field of mental disorders. These drugs address the increasing need for more comprehensive and faster-acting antidepressants with fewer side effects. Affectis started operations in November 2003 as a spin-off from the renowned Max-Planck-Institute of Psychiatry, a world leader in the field of psychiatric research. A strong team of executives and scientists with long-term industry experience contribute to Affectis' progress. The Company raised its third round of venture financing in October 2006, led by AESCAP Venture. Affectis is based in Munich, Germany.

www.affectis.com