



Press Release

Capsulation and EBARA Expand Co-operation

Pre-Clinical Studies in the Focus of Product Development

Berlin, September 21th 2006 - EBARA Corp. of Japan and Capsulation NanoScience AG of Berlin recently finalised the expansion of their co-operation that began in 2005. As such, the two companies are now also collaborating to develop new products for the improved and goal-oriented delivery of pharmaceutical substances.

In order to achieve this goal, the two companies have selected concrete active agents whose delivery properties are to be improved using Capsulation's nanocapsules or complexes. At the foreground of development is the time-controlled release of the active agents. Such developments are of great benefit to customers, as they simplify the delivery of medications, reduce side effects and thus increase therapeutic success.

In particular, products are to be adapted especially to the needs of the Japanese pharmaceutical market. Presently the new active agent formulas are to undergo testing to determine their effects on living organisms in the context of pre-clinical experiments in Japan. The costs for further development are divided equally between the two companies.

"With the expansion of our co-operation we will achieve a new quality in our collaborative work with EBARA. Both partners are convinced that visible results can be achieved in as little as 12 months on the basis of our shared know-how and the increased mutual trust.", says Alexander Herrmann, chief financial officer.

The decision to expand co-operation represents an important step for both partners in the successful marketing of Capsulation's LBL Technology® and the manufacturing equipment developed especially for EBARA (LBL-Units). The first prototype of the LBL-Unit already began operation late last year.

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About Capsulation NanoScience AG

Capsulation NanoScience AG is a leading nanotechnology company focusing on the development of tailor-made drug delivery systems and other innovative life science products based on tunable nano-sized capsules. The company implements its worldwide-patented LBL Technology®. Based on their minute size, their functionality and their highly reproducible production process, the tunable capsules can be used in a multitude of different applications. Accordingly, the precision-sized capsules can be made to function in a manner suited to the intended application, and can be given biochemical, electrical, optical and magnetic properties tailored to the individual customer. In order to meet customers' needs for complete product solutions, Capsulation designated EBARA Corp. as the preferred developer, manufacturer and distributor for automated LBL units. In 2005, the renowned growth consultants Frost & Sullivan awarded the year's "Product Differentiation Innovation Award" in the global nanobiotechnology market to Capsulation NanoScience AG, Berlin. The company received the award for the innovative and diverse use of their proprietary nanobiotechnology product platform, which can be implemented in various life sciences applications.

About EBARA

With 15,000 employees and a \$4.8-billion turnover in 2004 Ebara is one of the leading Japanese process engineers. Already back in 1920 the company started off with the production of centrifugal pumps. Since then Ebara has been producing in its international joint ventures and foreign production sites in the US, Brasil or Italy pumps for water treatment, compressors and turbines. Expertise gained in vacuum technology was later successfully applied in the construction of facilities for semi-conductor production. The company is advising its clients on the construction of facilities for environmental protection and carries out environmental surveys. Alongside its current business divisions Environmental Technology, Water Treatment and Processing Plants, and Precision Instruments for Semi-Conductor Production, Ebara will open up new markets in the field of Life Science with the help of nanotechnology "Made in Germany".

Press Release and Press Box online:

<http://www.pressebox.de/pressefach/capsulation-nanoscience-ag>