

Roche starts acquisition process of ARIUS to gain access to new screening platform for antibody therapeutics

Roche and ARIUS Research Inc. today announced that the two companies have signed a definitive agreement for Roche to acquire ARIUS in an all-cash transaction at a price of approximately C\$191 million. ARIUS is the developer of a proprietary antibody platform called FunctionFIRST, which rapidly identifies and selects antibodies based on their functional ability to affect disease before progressing into clinical development. The FunctionFIRST platform will allow Roche to further strengthen its developmental portfolio, initially within the areas of oncology and inflammatory diseases where this new technique offers potentially broad therapeutic applications.

“ARIUS’ promising platform and early pipeline of new antibody candidates represent an excellent fit with our own progressing research in the fields of cancer and immunology,” said Lee Babiss, Head of Global Research at Roche. “The FunctionFIRST approach provides us with a large library of antibodies from which we can identify the best new drug candidates for the development of clinically differentiated medicines.”

Commenting on the transaction, David S. Young, President and Chief Executive Officer of ARIUS said: “Since founding ARIUS in 1999, we have focused on developing a truly powerful platform for the development of new antibodies for innovative cancer and immunological targets so that we can contribute to revolutionising the prognosis for such diseases. Roche’s capabilities in biopharmaceutical research, development, manufacturing and commercialisation offer us the ideal opportunity to realise the full potential of our approach and pipeline of candidate drugs.”

Deal Structure Roche will pay C\$2.44 for each common share of ARIUS Research Inc. This price represents a 15% premium to the closing price on 22 July 2008 and a 44% premium to the 20-day volume-weighted average closing price ending 15 May 2008 (the last trading day prior to ARIUS' announcement that third parties have shown interest in the company and its technologies). Roche will also acquire all of the issued and outstanding warrants of ARIUS. Roche will pay C\$1.44 for each Class F Warrant and C\$1.78 for each Class G Warrant. Additional information regarding the deal structure will be set out in the management information circular to be provided to shareholders and warrant holders.

The acquisition of ARIUS will be completed by way of a statutory plan of arrangement under Canadian law. In addition to the approval of ARIUS’ shareholders and warrant holders, the transaction will also require court approval. As part of the transaction, shareholders, warrant holders and management representing 54.3% of outstanding shares and 72.3% of outstanding warrants have entered into an agreement to support the transaction at the shareholder meeting. The acquisition, which is also subject to customary closing conditions including regulatory approvals, is expected to close in the third quarter of 2008. It is the intention that the ARIUS site will remain open and serve as a centre for the discovery of innovative biotherapeutics, initially focusing on the areas of Oncology and Inflammation.

About ARIUS

ARIUS is a biotechnology company discovering and developing the next wave of antibody

therapeutics to treat cancer and other diseases. At the core of the Company is a unique, proprietary FunctionFIRST technology platform that generates and selects therapeutic antibodies based on their activity. This antibody generation engine has enabled ARIUS to develop a pipeline of more than 400 antibody drug candidates. The company was founded in 1999 by current President and Chief Executive, David S. Young.
For further information, please visit www.ariusresearch.com.

About Roche

Headquartered in Basel, Switzerland, Roche is one of the world's leading research-focused healthcare groups in the fields of pharmaceuticals and diagnostics. As the world's biggest biotech company and an innovator of products and services for the early detection, prevention, diagnosis and treatment of diseases, the Group contributes on a broad range of fronts to improving people's health and quality of life. Roche is the world leader in in-vitro diagnostics and drugs for cancer and transplantation, and is a market leader in virology. It is also active in other major therapeutic areas such as autoimmune diseases, inflammatory and metabolic disorders and diseases of the central nervous system. In 2007 sales by the Pharmaceuticals Division totalled 36.8 billion Swiss francs, and the Diagnostics Division posted sales of 9.3 billion francs. Roche has R&D agreements and strategic alliances with numerous partners, including majority ownership interests in Genentech and Chugai, and invested over 8 billion Swiss francs in R&D in 2007. Worldwide, the Group employs about 80,000 people. Additional information is available on the Internet at www.roche.com.

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