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TauRx enters collaborative R&D agreement with Bayer Schering Pharma

Paves the way for a new paradigm in the early diagnosis and management of Alzheimer's disease

June 4, 2010 (New York, NY) – WisTa Laboratories Ltd, a wholly owned subsidiary of TauRx Pharmaceuticals, announced today that they have entered a collaborative R&D agreement with Bayer Schering Pharma AG, Germany, which could redefine the way Alzheimer's disease (AD) and related disorders are currently being diagnosed and treated. Through this collaboration, the two companies will develop specific markers that will aid in the diagnostics and management of Tau-protein related AD using brain-imaging technology. The diagnostics they are jointly aiming to develop will have application in disease treatment and potentially disease prevention.

Professor Claude Wischik, Executive Chairman of TauRx Pharmaceuticals, will review the company's therapeutic program in AD and the collaboration at the Jefferies 2010 Global Life Sciences Conference Wednesday, June 9 at 4:30 p.m. ET.

Currently, AD is diagnosed on the basis of clinically visible symptoms – meaning that significant damage to nerve cells will have already occurred by the time the disease is detected. A non-invasive, sensitive and accurate diagnostic test is therefore needed to confirm diagnosis of symptomatic AD, detect disease variants and, identify patients with earlier non-symptomatic AD who could benefit from preventative therapy. Importantly, currently available therapies only treat the symptoms and they can neither modify the course of the disease nor prevent it. The combination of a sensitive and accurate diagnostic and a disease modifying or preventative therapy could bring hope to patients and their families and also potentially protect health care budgets.



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“I am delighted with this agreement with Bayer Schering Pharma who is a major force in the development of novel imaging technologies,” said Professor Claude Wischik, Executive Chairman of TauRx Pharmaceuticals. “By bringing together our scientific expertise in Tau protein and BSP’s R&D capability in brain imaging diagnostics, we stand the best possible chance of bringing the combination of Tau-based diagnostics and therapeutics to patients as soon as possible. This collaboration marks another stage in the gradually increasing recognition by the field of the importance of the Tau protein pathology for both diagnostics and therapeutics in AD.”

“Tau protein aggregation inside nerve cells has a strong correlation with the decline in brain function seen in AD patients. This process, which leads to the formation of Tau tangles originally discovered by Alzheimer, is very slow and takes some 20 years of accumulation before symptoms of dementia are seen. The memory critical brain regions are hit first. This means that there is a long window of opportunity during which a tangle prevention treatment could be used to stop the disease process in its tracks.”

As part of the collaboration, TauRx will utilize its proprietary technology platform of patented ligands, specialized Tau-directed assays and its animal models to optimise the development of ligands. Diagnostic products arising from the collaboration will be developed by Bayer Schering Pharma, whereas compounds with therapeutic potential will be developed by TauRx.

About Alzheimer’s disease

AD is an irreversible, neurodegenerative disorder characterized by the progressive loss of memory and thinking skills. In 2007 approximately 26 million people were diagnosed with AD worldwide, based on clinical symptoms, which represents 10% of the worldwide population over the age of 65 and as many as 50% of those over the age of 85. These figures are expected to quadruple by 2050 to about 106 million people – one in 85 of the worldwide population. These percentages would increase tremendously if those with early stages of dementia were included. The social and financial costs of this disease are enormous. In the U.S. alone, in 2008 AD cost the government’s healthcare program, Medicare, \$94 billion, and is expected to reach \$189 billion by 2015, \$294 billion by 2025 and more than \$1 trillion by 2050.

Tau protein pathology in AD

A close correlate of cognitive decline in AD is the aggregation of Tau protein, a normal component of healthy cells that can form neurofibrillary tangles, hallmark pathology found in the brains of AD patients. The process of Tau aggregation in brain cells follows a stereotypical pattern of spread throughout the cortex that begins well before the tangles appear. A system called Braak staging has been devised that correlates the pattern of spread of tau protein pathology with disease severity. It has been shown that about 20 years pass



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between the first appearance of tau tangles in memory critical brain regions and the onset of clinically detectable disease symptoms. These findings indicate the potential for Tau-directed diagnostics and for therapies that inhibit this process in the high unmet need and high value indications of AD prevention and disease modification.

About TauRx

TauRx is a clinical stage pharmaceutical company focused on the discovery and development of novel therapies and diagnostics for AD and other neurodegenerative disorders. TauRx is developing drugs to treat the underlying pathology of AD that modify or halt disease progression, or prevent it entirely. TauRx's pipeline includes clinical stage inhibitors directed against aggregates of Tau protein, a pathology that has one of the strongest correlations with cognitive decline. The promise of TauRx's "Tau Aggregation Inhibitors" (TAIs) has been shown by the striking results gathered in a large multinational phase 2 trial in AD with its first-generation TAI, rember™, in which the rate of disease progression was slowed by about 80%. Pivotal international phase 3 clinical trials in individuals with Alzheimer's disease and other related disorders are in preparation. To the company's knowledge, no other clinical stage pipelines include drugs that act against Tau aggregation pathology. The lead ligands upon which the initial phase of the collaboration with Bayer Schering Pharma will be based were developed by Dr. John Storey's chemistry group and Dr. Charles Harrington's biology group, TauRx's contracted staff at the University of Aberdeen. TauRx's pipeline results from its unique approach to the management of AD and its Tau protein-focused proprietary technology platform is one of the most extensive in the industry. TauRx is incorporated and headquartered in Singapore with primary research facilities at the University of Aberdeen in Scotland. WisTa Laboratories Ltd is a fully owned TauRx subsidiary.

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