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BETAGENON AND ASTRAZENECA SIGN COLLABORATION AGREEMENT ON THERAPIES FOR TYPE 2 DIABETES

Stockholm, Sweden, October 24, 2003 – Betagenon AB a Swedish biotechnology company focused on the discovery and early stage development of drug therapies for treatment of type 2 diabetes announced today that it has entered into a collaboration agreement with AstraZeneca.

Type 2 diabetes is the most common metabolic disease with a high incidence in Western countries. Approximately 150 million people are currently affected by the disease and it is regarded to be epidemic in USA. Today's most widely used diabetes drugs were developed several decades ago, with little understanding of the underlying disease mechanism. Consequently, type 2 diabetes is a chronic, incurable disease and sufferers have a high risk of developing life-threatening cardiovascular complications as the disease progresses. The acute clinical need and the large expanding market for new drugs represent an extraordinary market opportunity

It is now established that type 2 is manifested when the insulin producing beta cells fail to meet an increasing demand of insulin due to insulin resistance and/or obesity. Betagenon is a young research intensive company with an in-depth and unique knowledge about novel mechanisms of beta cell defects that cause type 2 diabetes.

The long-term goal of the collaboration is to enable AstraZeneca to develop new drugs that restore ability of the beta cells to meet the increased demand of insulin in type 2 diabetics. Betagenon has access to unique in vivo models in which the beta cells fail to produce and/or secrete enough insulin in a regulate manner, and which develop diabetes that closely mimics type 2 diabetes in man. These models will be used in the collaboration to develop a superior drug discovery platform. The terms of the deal were not disclosed.

"Our strategy has been to find the ideal pharmaceutical partner to efficiently develop these assets into novel drugs that can make a real difference for this very large and expanding group of patients. We are therefore extremely pleased to have reached a collaboration agreement with AstraZeneca, a leader in the pharmaceutical industry. We believe this collaboration demonstrates the value of the Betagenon frontier knowledge, and with this agreement we have passed an important milestone in our strategy", says Olof Karlsson, President of Betagenon.

"Access to Betagenon's knowledge and models is important for AstraZeneca as part of our efforts to develop new effective treatments for impaired glucose tolerance and type 2 diabetes. We are looking forward to working with Betagenon and its founders in this exciting field" added Dr Ian Waddell Director of Bioscience, CV&GI, Alderly Park.

About AstraZeneca

AstraZeneca is a major international healthcare business engaged in the research, development, manufacture and marketing of prescription pharmaceuticals and the supply of healthcare services. It is one of the top five pharmaceutical companies in the world with healthcare sales of over \$17.8 billion and leading positions in sales of gastrointestinal, oncology, cardiovascular, neuroscience and respiratory products. AstraZeneca is listed in the Dow Jones Sustainability Index (Global and European) as well as the FTSE4Good Index.

About Betagenon AB

Betagenon is an early stage biotechnology company founded in September 2001. Its goal is to research, develop and commercialise new pharmaceutical products based upon the extensive research knowledge and expertise in type 2 diabetes built up by Dr Helena Edlund, Dr Thomas Edlund and Dr Bo Ahrén. Dr Helena Edlund is acknowledged as one of the leading experts on how insulin producing beta cells are generated, and the role of beta cell defects in type 2 diabetes. Betagenons research and development is based in modern laboratory facilities at Uminova Science Park in Umeå and the company has its main office in Stockholm.

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