



**FOR IMMEDIATE RELEASE**

**BIOVITRUM AB AND PHARMACOPEIA FORM STRATEGIC RESEARCH ALLIANCE**

**Stockholm, Sweden and Princeton, New Jersey – October 26, 2004** – Biovitrum AB and Pharmacopeia Drug Discovery, Inc. (Nasdaq: PCOP) today announced that they have entered into a multi-year drug discovery and development alliance. Biovitrum and Pharmacopeia will work together to identify and optimise small molecule lead compounds suitable for advancing into pre-clinical development for multiple targets within the metabolic disease area.

Under the terms of this agreement, Biovitrum will access Pharmacopeia's unique drug discovery assets, including its multi-million compound collection of proprietary drug-like small molecules and its drug discovery expertise to identify and optimise leads. The alliance is structured to leverage Biovitrum's biology expertise and considerable domain experience in metabolic diseases. In the true spirit of a strategic alliance, Pharmacopeia will receive some initial funding to offset its research investment but will secure greater part of the return on its investment upon the successful achievement of pre-clinical and clinical milestones. Pharmacopeia will also receive royalties upon the commercialisation of any drugs resulting from the collaboration. Biovitrum will be responsible for development and will retain all marketing rights to collaboration products.

"We are delighted to have concluded what we view as a strategic research alliance in the field of metabolic disease with Biovitrum," said Les Browne, Ph.D., President and Chief Executive Officer of Pharmacopeia. "Biovitrum is a clear leader in a field that is characterized by diseases with huge unmet medical need. As well as being severely disabling for an increasingly large segment of the population, obesity and diseases related to obesity are rapidly becoming leading causes of death. We have structured this collaboration to leverage the complementary strengths of both companies to address a blockbuster commercial opportunity, and to provide new and better cures to metabolic diseases."

"We are impressed with Pharmacopeia's drug discovery assets. Their proprietary compound collection is unsurpassed in terms of size, quality and track record of delivering drug-like chemistry programs" said Mats Pettersson, Chief Executive Officer of Biovitrum. "This alliance fits with our strategic direction, where early discovery efforts will be safeguarded and enhanced through external collaborations, while our internal resources to a larger extent can be allocated to advance drug candidates into the clinic."

**Pharmacopeia Drug Discovery, Inc.** ([www.pharmacopeia.com](http://www.pharmacopeia.com)) is a research driven drug discovery company, focused on the creation of new small molecule therapeutics. Using proprietary technologies and processes, Pharmacopeia's scientists identify and optimize novel drug candidates through research collaborations with major pharmaceutical and biotechnology companies, and, increasingly, through internally-funded drug discovery programs. Pharmacopeia's later stage portfolio currently comprises multiple programs that have been advanced into human clinical trials with further programs in late-stage pre-clinical development. Additionally, Pharmacopeia has approximately forty partnered and internal programs in discovery, which will sustain the company's clinical pipeline in the future. Pharmacopeia is headquartered in Princeton, New Jersey.

**Biovitrum** is a privately held Swedish biotech company dedicated to discovery and development of drugs to treat metabolic diseases, such as type 2 diabetes and obesity. Biovitrum is also a recognized provider in process development and contract manufacturing of protein therapeutics. The company has strong intellectual property and technology platforms, with a number of compounds in pre-clinical and clinical development. Annual revenues, including royalties and contract service fees, finance a major part of the annual research budget. For more information, please visit Biovitrum's website at <http://www.biovitrum.com>.

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*When used anywhere in this document, the words "expects", "believes", "anticipates", "estimates" and similar expressions are intended to identify forward-looking statements. Forward-looking statements herein may include statements addressing future financial and operating results of Pharmacopeia. Pharmacopeia has based these forward-looking statements on its current expectations about future events. Such statements are subject to risks and uncertainties known and unknown, which could cause actual results and developments to differ materially from those expressed or implied in such statements. These forward-looking statements include, but are not limited to, statements about the successful implementation of Pharmacopeia's strategic plans, the development by Pharmacopeia and regulatory and market acceptance of new products, the establishment and continuation by Pharmacopeia of drug discovery collaborations and the results of Pharmacopeia's internal proprietary drug discovery programs, Pharmacopeia's ability to raise additional capital, the obsolescence of existing products, the resolution of existing and potential future patent issues, additional competition, changes in economic conditions, and other risks described in documents Pharmacopeia has filed with the Securities and Exchange Commission, including its registration statement on Form 10, Reports on Form 10-Q filed on June 2, 2004 and August 6, 2004 and subsequent filings under the Securities and Exchange Act of 1934. All forward-looking statements in this document are qualified entirely by the cautionary statements included in this document and such filings. These risks and uncertainties could cause actual results to differ materially from results expressed or implied by forward-looking statements contained in this document. These forward-looking statements speak only as of the date of this document. Pharmacopeia disclaims any undertaking to publicly update or revise any forward-looking statements contained herein to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.*

**Contacts:**

Johan K rdel  
Senior Vice President,  
Business Development  
Biovitrum AB  
+46 (8) 6972781  
[business.development@biovitrum.com](mailto:business.development@biovitrum.com)

Simon Tomlinson  
Senior Vice President,  
Business Development  
Pharmacopeia Drug Discovery, Inc.  
(609) 452-3600  
[irreq@pharmacop.com](mailto:irreq@pharmacop.com)