

Pressrelease February 14, 2003

Diabact licenses rights to Kyowa Hakko for a new cancer pain product

The Swedish pharmaceutical company Diabact AB and Kyowa Hakko Kogyo Co. Ltd, a leading Japanese pharmaceutical company, today announced that they reached an agreement on January 14, 2003 under which Kyowa Hakko received exclusive license to the Japanese marketing and distribution rights for Diabact's patented product Rapinyl® for treatment of acute pain in cancer.

In return for these rights, Diabact will receive an undisclosed upfront payment and additional milestones contingent on achieved milestones in Japan. Diabact will also receive royalties on net sales.

Rapinyl® is a novel pharmaceutical preparation of fentanyl for the treatment of acute pain. The product is based on Diabact's patented drug delivery platform for sublingual administration resulting in rapid absorption and onset of action. Rapinyl® is in clinical trials phase II. Diabact has filed patent applications for this preparation in all major countries, including Japan.

"We are delighted to announce this agreement with Kyowa Hakko", said Björn Forsman, CEO of Diabact. "The fact that a Japanese pharmaceutical company of this size licenses our product certifies Rapinyl and our technology internationally. Kyowa Hakko has a strong presence in the cancer area in Japan. The agreement also adds resources for us to continue to develop new products that are based on our unique technologies".

"We expect this license of Rapinyl to contribute significantly to the expansion of our existing portfolio in the oncology-related field, one of our target therapeutic fields." said Toru Doiuchi, Senior Managing Director of Kyowa Hakko Kogyo.

"In the area of cancer pain, last year we successfully launched Durotep®Patch, a sustained-release preparation of fentanyl for the treatment of persistent cancer pain in Japan. We anticipate that having those two products with the same active ingredient of fentanyl and different drug characteristics will bring high synergy effects in the market."

"We believe that it will offer physicians or oncologists a valuable option for the management of cancer pain and help improve QOL and maintain ADL of patients suffering from severe cancer pain."



For more information, please contact

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Diabact AB (publ) is a Swedish pharmaceutical company based in Uppsala and was established in 1995.

Diabact develops, documents and registers pharmaceutical products based on new, in-house patented drug delivery technologies. This is achieved through in-house development, licensing or co-development with partners.

www.diabact.se

Kyowa Hakko, a leading Japanese research-based pharmaceutical and biotechnology company, is devoted to discovering, developing, manufacturing, and marketing quality pharmaceutical products and bio-products such as amino acids. Pharmaceutical central research is focused on two therapeutic fields and drug discovery using antibody-based technologies. Those therapeutic fields are cancer and allergies, where Kyowa Hakko has a strong background worldwide with products such as Mitomycin and Olopatadine. Kyowa Hakko is currently developing four compounds for cancer and allergies overseas. In addition, the Company is also moving forward with the development of KW-6002, an agent for the treatment of Parkinson's disease, and KW-7158, an agent for treating urinary incontinence.

www.kyowa.co.jp