

NattoPharma acquires MGP Diagnostics and secures rights to important patent

(Lysaker, Norway, 14 October 2008) NattoPharma ASA has acquired all shares of MGP Diagnostics AS, securing ownership of a granted patent that is the key to the development of a new diagnostic test concept. This concept may determine the need for the natural vitamin K2 product Mena Q7TM, to which NattoPharma has exclusive rights.

NattoPharma has taken over 100 % of the shares of MGP Diagnostics at a price of NOK 131 per share, a total of NOK 131 000, from the previous owners Anacott Steel AS (22,5 %), Stein Westbye (22,5 %), Leon Schurgers (22,5 %), Cees Vermeer (22,5 %) and VitaK (10 %).

A wholly-owned subsidiary of the University of Maastricht, VitaK is ranked as the leading Vitamin K research group. VitaK conducts most of NattoPharma's research on vitamin K2. The agreement gives VitaK the right to 5 % royalty of revenues generated by MGP Diagnostics, limited upwardly to NOK 5 million per year and a total NOK 40 million throughout the lifespan of the patent.

VitaK has filed and invested more than 2 million Euro in the patent, which covers the development and application of monoclonal anti bodies against matrix Gla protein (MGP). This is a vitamin K-dependent protein that is important in preventing calcification of the arteries.

-The patent makes it possible for NattoPharma to develop tests that can identify activated and non-activated MGP in blood samples. Non-active MGP correlates with calcified arteries, activated MGP with non-calcified arteries. Studies show that NattoPharma's MenaQ7 can reduce non-activated MGP. This might allow for early-stage identification of persons possibly needing supplements of NattoPharma's product MenaQ7TM to prevent hardening of the arteries. If we succeed in developing such a diagnostic concept, it will have significant value for both MGP Diagnostics and NattoPharma, says Egil Greve, Chief Executive Officer of NattoPharma.

In addition, the patent may be used to identify calcification in relation to kidney failure, osteoarthritis, rheumatoid arthritis, diabetes mellitus and tumors. Evaluation and development of the various areas of application will take place in cooperation with VitaK.

- With this agreement we can put the recent conflict related to MGP Diagnostics behind us. We now look forward to concentrating on the commercialization of the patent, in addition to general business development, says Erik Langaker, Chairman of NattoPharma's Board of Directors. Langaker adds that the transaction has contributed to further strengthening NattoPharma's cooperation with VitaK and the research environment at the University of Maastricht.

Morten Sundstø, one of the largest shareholders of NattoPharma, comments:

- I am satisfied with the agreement, both for NattoPharma and myself, and look forward to follow NattoPharma's future development.

NattoPharma has also come to terms with Anacott Steel AS, which is former NattoPharma Board Chairman Morten Sundstø's company, regarding payment related to a consultancy agreement that was terminated earlier this fall. The relationship with Stein Westbye, former CEO of NattoPharma, also has been settled as Westbye has agreed to abstain from a part of his previously agreed financial compensation.

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About NattoPharma

NattoPharma, Norway, is a publically-traded company and the exclusive international supplier and brand owner of MenaQ7 natural Vitamin K2. NattoPharma has entered into a multi-year research and development program to substantiate and discover the health benefits of natural vitamin K2 for applications in the exciting marketplace for functional food and health food supplements. www.nattopharma.com

About MenaQ7TM

MenaQ7 provides Natural Vitamin K2 as an extract of natto, a fermented soy food from Japan. Natto is particularly rich in the highly bio-available form of vitamin K2 called menaquinone-7 (MK-7). MenaQ7 provides the only commercially available Natural Vitamin K2 with guaranteed actives and stability, clinical substantiation and international patents awarded and pending.

For more information on the health benefits of MenaQ7, please visit www.menaq7.com