



Press release

mtm laboratories raises €22 million in Series C financing

Heidelberg, Germany; October 9, 2006. mtm laboratories today announced that it has raised €22 million in a Series C financing from a consortium of existing and new investors. Proceeds from this financing will enable the Company to fund the clinical development and commercialization of its proprietary diagnostic and screening devices in the field of cervical cancer.

The funding round was led by HBM BioVentures and HBM BioCapital, with a consortium which includes Heidelberg Innovation and Wellington Partners together with the new investors Nexus Medical Partners (Boston) and SwissFirst Bank (Zurich).

"We are pleased to have closed this round with both existing and new investors, demonstrating a strong commitment to our future success," said Peter Pack, Chief Executive Officer of mtm laboratories. "The clinical development and commercialization of our in vitro diagnostic products is now securely funded going forward."

Dr. Erich Platzer, founding partner and investment advisor of HBM Partners, commented: "mtm laboratories is taking a unique biomarker approach to the screening and diagnosis of cervical cancer, the largest existing screening market in oncology. We feel that the strength of the science combined with the development and commercialization experience of the team makes mtm a very attractive investment. We are delighted to be supporting mtm as it now enters into key clinical and commercialization stages."

mtm plans to use the proceeds of this financing to fund the clinical and commercial development of its p16INK4a based CINtec® and Cervatec™ IVD products. mtm's proprietary p16INK4a biomarker is strongly over-expressed in pre-cancerous and cancerous cells of the cervix. It is the scientifically most accepted marker for cervical cancer. Screening and diagnostic tools based on this biomarker will be developed to meet the need for accurate and efficient testing to facilitate screening and early diagnosis of cervical cancer. mtm's CINtec® in vitro diagnostic products focus on the detection of p16INK4a over-expression in biopsies (CINtec® Histology) and cervical cytology specimens (CINtec® Cytology). In parallel, the company is developing the biochemical Cervatec™ ELISA, a screening device which does not rely on the integrity of cells.

mtm laboratories AG is a privately held company based in Heidelberg, Germany with a wholly owned subsidiary in Westborough near Boston (MA), USA. The ISO 9001 and ISO 13485 certified company develops in vitro diagnostic (IVD) test systems for the early detection and diagnosis of cancer with a focus on cervical cancer screening. The Company is in the process of developing and clinically validating the cell-based CINtec® Assays as well as the biochemical Cervatec™ Assay.

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