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ABLYNX COMPLETES €40 MILLION (~US\$50 MILLION) SERIES C FINANCING – ONE OF THE TWO LARGEST PRIVATE PLACEMENTS IN EUROPEAN BIOTECH THIS YEAR

GHENT, Belgium, 23 August 2006 – Ablynx, the pioneer in the discovery and development of Nanobodies[®], a novel class of antibody-derived therapeutic proteins, has announced the successful closing of its series C financing round raising €40 million (~US\$50 million). The international syndicate of investors was led by new investor KBC (Belgium), Belgium's leading bank for private and public equities. SR One (USA and UK), the venture capital arm of GSK, one of the world's leading research-based pharmaceutical and healthcare companies was the second new investor. All existing financial investors participated in the round - Abingworth Management (UK), Alta Partners (USA), Biotech Fund Flanders (Belgium), Gilde Healthcare Partners (The Netherlands), GIMV (Belgium) and Sofinnova Partners (France). In addition, VIB (Belgium) also participated to a significant degree. This brings the total capital raised by Ablynx since its inception in 2002 to date to €70 million (~US\$87.5 million).

Combined with its existing cash, Ablynx will now be able to fund operations through to at least mid-2008, allowing the Company to further develop its product pipeline based on its proprietary Nanobody[®] technology and to rapidly increase its headcount which is currently just over seventy. Ablynx is developing a portfolio of Nanobody[®]-based therapeutic programs in a number of major disease areas, including inflammation, thrombosis, oncology and Alzheimer's disease. Three of these programs are in preclinical development, and Ablynx is on track to submit its first regulatory filing before the end of this year and anticipates to initiate phase I studies in early 2007.

Ablynx' strategy is to build a diverse and broad portfolio of therapeutic Nanobodies[®] based on strategic partnerships as well as on its own internal discovery pipeline. It has ongoing research collaborations and significant, multi-target partnerships with several major pharmaceutical companies, including Novartis, Centocor (J&J), Kirin Breweries and P&G Pharmaceuticals.

Commenting on the financing, Dr. Edwin Moses, Chairman and CEO said:

"We are delighted to have received such strong financial support from top class international investors with a broad range of capabilities and resources. The Company is now in an excellent financial position to rapidly expand its operations and aggressively develop its product pipeline."

Ruth Devenyns, Senior Investment Manager at KBC Private Equity joining the Ablynx Board, commented:

"Ablynx' Nanobody[®] technology has the opportunity to revolutionize the biologics landscape. We are excited to have led the investment and we are looking forward to working with Ablynx' existing premier investment syndicate and the strong and

experienced international management team to take the Company forward to its next stage of development. We believe that Ablynx' impressive development is another indicator of the growing strength and critical mass of biotech in the Benelux."

Denis Lucquin, Managing Partner at Sofinnova Partners, said:

"The existing investors were all extremely confident about the future of Ablynx and were cautious about allowing new investors to become involved. However, in KBC and SR One we have found organisations which provide a lot more than just cash and we are delighted that they are joining this exciting endeavour."

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About Ablynx

Ablynx is a biopharmaceutical company engaged in the discovery and development of Nanobodies[®], a novel class of therapeutic proteins based on single-domain antibody fragments, for a range of serious and life-threatening human diseases. Ablynx is developing a portfolio of Nanobody[®] based therapeutic programs in a number of major disease areas, including inflammation, thrombosis, oncology and Alzheimer's disease. Already Ablynx has generated Nanobodies[®] against more than twenty different disease targets. The company and its collaborators have obtained positive *in vivo* efficacy data from animal studies in five major therapeutic programs in four disease areas. Importantly, Ablynx has shown the absence of any detectable immunogenicity for its Nanobody[®] development candidates in advanced primate studies. Today, three of these programs are in advanced preclinical development, and Ablynx expects to have progressed two of those into clinical trials by 2007.

Ablynx has ongoing research collaborations and significant, multi-target partnerships with several major pharmaceutical companies, including Novartis, Centocor (J&J), Kirin Breweries and P&G Pharma. Ablynx is building a diverse and broad portfolio of therapeutic Nanobodies[®] based on these collaborative deals as well as on its own internal discovery pipeline.

Nanobody[®]-based therapeutics represent a major commercial opportunity as they combine the beneficial features of conventional antibodies, with desirable properties of small-molecule drugs. Because they are derived from naturally-occurring heavy-chain antibodies, Nanobodies[®] have unparalleled stability and can be administered in a variety of ways (injected, orally, in sprays or creams), thus overcoming the delivery issues associated with full-sized antibodies, that can only be delivered by injection. In addition, because of their unique structure they can also address therapeutic opportunities that are beyond the reach of conventional antibodies or their fragments, for example targeting epitopes such as receptor clefts, enzyme active sites and viral canyon sites. Nanobodies[®] are manufactured in micro-organisms which also presents a significant cost advantage in comparison to production methods for conventional antibodies.

Ablynx holds the dominant patent position in the field of Nanobodies[®]. It has exclusive and worldwide rights to more than forty families of granted patents and pending patent applications, including the patents covering the basic structure, composition, preparation and uses of Nanobodies[®] (the 'Hamers patents') which have been granted in major territories including the US, Europe and Japan. All products, including therapeutics, that contain Nanobodies[®] are covered by these patents.

Headquartered in Ghent, Belgium, Ablynx has raised over €70 million (over US\$87,5 million) from a strong investor consortium including Abingworth Management (UK), Alta Partners (USA), Biotech Fund Flanders (Belgium), Gilde Investment Management (The Netherlands), GIMV (Belgium), KBC (Belgium), Sofinnova Partners (France), and SR

One (USA). Basic nanobody patents were contributed by its founding institutions VIB and VUB (Vrije Universiteit Brussel).

For further information please visit the website at www.ablynx.com

About Abingworth Management (UK and USA) - www.abingworth.com

A long-established venture capital firm, Abingworth specializes in unquoted and life science biomedical companies. With offices in London, Cambridge (UK), Menlo Park and Boston (USA), Abingworth is active on both sides of the Atlantic and, in the past fifteen years, has backed more than 80 developing life science/medical businesses. The majority of these have gone on to public offerings or have merged or been acquired by leading companies in the industry. Abingworth has funds under management of over US\$700 million.

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About Alta Partners (USA) – www.altapartners.com

Alta Partners is a San Francisco-based venture capital firm focused on life sciences investing. Founded in 1996, the firm currently manages US\$1.5 billion in committed capital through seven venture funds. Alta invests in biopharmaceutical and medical technology companies across the development continuum, from company formation to later-stage opportunities, and has funded more than 110 life sciences companies to date.

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About Gilde Healthcare Partners (The Netherlands) – www.gilde.nl

Gilde Investment Management is a leading global private equity investor with more than €2 billion under management. Since Gilde's inception in 1982 investments have been made in over 200 companies.

Gilde Healthcare Partners is managing two funds with a total capitalization exceeding €200 million (US\$250 million). The Funds focus on unquoted European start-ups across the healthcare sector including therapeutics, diagnostics, medical devices and enabling technologies. The healthcare funds are managed by experienced industry professionals with a balanced mix of operational and venture capital expertise. The team actively assists scientific entrepreneurs in the development of their ideas into successful companies. Gilde has the experience and resources to assist companies at any stage of development and take them beyond a public listing.

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About GIMV and Biotech Fund Flanders (Belgium) – www.gimv.com

GIMV is a Belgian investment company. It was established in 1980, and since 1997, it has been quoted on Euronext Brussels. Its purpose is to invest in the equity of unlisted companies (private equity).

GIMV operates in three areas. GIMV's venture capital is invested primarily in ICT and Life Sciences. In more traditional industries it also undertakes management buy-outs (MBOs) and it provides growth capital (Corporate Investment). The portfolio maintains a balance among start-up companies, fast growth companies and major enterprises. In this way, GIMV positions itself as a player on the international market.

Biotech Fund Flanders is a venture fund focused on investments in life science projects in Flanders. The fund, which is sponsored by the Flemish government and managed by GIMV, has €25 million to make commitments in both Flemish companies and foreign companies that intend to start activities in Flanders.

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About KBC Private Equity (Belgium) and KBC Private Equity Fund Biotech (Belgium) – www.kbcpe.be and www.kbcam.be/biotech

KBC Private Equity, the private equity company of the KBC Group, provides development capital to and finances buy-outs of medium-sized companies for amounts between €2 million and €50 million. KBC Private Equity operates primarily in Belgium and in Central Europe, KBC Group's home markets.

KBC Private Equity can take both majority and minority stakes in companies and contributes financial resources in the form of equity finance and/or mezzanine finance. Boasting an experienced team of 25 people, KBC Private Equity has more than 60 active direct investments in portfolio with a market value in excess of €400 million.

As an active shareholder with a long-term perspective, it is involved in taking strategic decisions and providing support to management in the further development of their company. As part of KBC Group, KBC Private Equity can rely on the Group's extensive network and knowledge.

KBC Private Equity Fund Biotech NV ('Biotech NV') is a Privak, i.e. a closed-end Belgian investment company. Biotech invests both in listed and private biotech companies around the world. It is listed on Euronext Brussels and jointly managed by KBC Private Equity and KBC Asset Management.

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About Sofinnova Partners (France) – www.sofinnova.fr

Founded in Paris in 1972, Sofinnova Partners is one of Europe's leading independent venture capital firms. With €900 million under management, Sofinnova Partners invests in start-ups and early-stage companies in information technology and life sciences. Its investment strategy consists of investing early in teams and projects with high potential, most often acting as lead or co-lead investor. Sofinnova Partners also benefits from a long-established relationship with its sister company in San Francisco, Sofinnova Ventures. Sofinnova Partners' teams consist of 10 professionals who bring valuable market insight and technical expertise to portfolio companies.

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About SR One (USA) – www.srone.com

SR One is GlaxoSmithKline's independent corporate healthcare venture capital fund. Based in West Conshohocken, PA, and London, U.K., SR One invests globally in emerging biotechnology companies that are engaged in drug discovery, development and delivery with the potential to yield dramatic patient benefits. Since its founding in 1985, SR One has invested over \$400 million in more than 120 emerging biotechnology companies. For more information on SR One, its staff and portfolio companies, please visit www.srone.com.

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About VIB (Belgium) - www.vib.be

VIB (the Flanders Interuniversity Institute for Biotechnology) is a research institution performing cutting edge research in the fields of molecular medicine, plant system biology and structural biology. VIB implements technology transfer to translate its research results into products for the benefit of society. VIB currently manages a portfolio exceeding 150 patent families, collaborates with dozens of companies worldwide and establishes start-up companies such as Devgen, CropDesign, Ablynx, Peakadilly and Solucel. VIB also exploits multiple bio-incubators and was catalyst in the establishment of the biotech cluster FlandersBio. VIB is also actively involved in science communication.

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