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APR Applied Pharma Research s.a. ("APR") has successfully completed the development of Veloderm, an innovative Biotechnology device for wound healing, from an original idea formulated in a Scientific Research Community in Brazil and transferred the worldwide marketing rights to Medestea Internazionale S.p.A. ("Medestea").

"To bring innovation to the market need specific capabilities. APR focuses its core Research and Development competences in creating value to pharmaceutical and healthcare products transforming them from good ideas into market success, and Veloderm® is a good example of this strategy" said Paolo Galfetti, CEO of APR, the company that managed the Veloderm® development project since early 2004, after partnering with Natek Ltda, the brazilian company founded and dedicated to manufacture Veloderm®

"I immediately understood it was a good idea", said Spartaco Bolognini, consultant of Natek Ltda, "when I found Veloderm® in the Scientific Community where the concept of this fully natural based, biotech wound dressing was originally formulated and I had many confirmation from all the doctors in the wound care that tested the product. However I soon realized I needed help from a professional company like APR to develop Veloderm® to a fully finished product ready to be marketed worldwide".

Veloderm® is biotechnology device: it is a natural biological film of vegetal origin with a polymeric structure based on cellulose microfibres obtained through a natural but controlled fermentation process. It is now registered in the European Union as a sterile Medical Device Class IIa (notified body CE0476).

"The task was not so easy as it could seem. Although the concept was clearly unique and innovative, many steps were needed in order to prove the efficacy and safety of the product and to scientifically show and clarify all the advantages of Veloderm® to the professional wound care community worldwide over the currently available treatments. The original product development lacked of some key information about its characteristics and we had to make some step back in the development in order to complete the picture of the physical and chemical features of the product. Another challenge, probably the bigger, was to correctly position the product in such a complex market as that of the wound dressing, identify the key advantages of the product and develop the pre-clinical and clinical studies to give full and proven evidence of such advantages". said Giorgio Reiner, Head of R&D of APR"



The main clinical study on Veloderm has been published by Burns, Volume 32, Number 8, December 2006 with the title "Use of a new cellulose dressing (Veloderm®) for the treatment of split-thickness skin graft donor sites. A within-patient controlled study".

In the second half of 2006, APR transferred all the worldwide distribution and marketing richts of Veloderm to the company Medestea Internazionale S.p.A.

Medestea is a company with an impressive track of record of successful launch, marketing and distribution of Medical Devices and other products, founded by Dr. Gianfranco Merizzi. Before founding Medestea, Gianfranco Merizzi created and promoted the brand Sant'Angelica, sold afterward to Omega Pharma; this has been one of the most successful new brands launched in Europe in the recent years.

"I immediately recognized that Veloderm with its unique natural features and the clinical documentation developed by APR was not just "another dressing" but was instead an election product for the last stage of any wound healing, therefore with a great market potential. We plan to have Veloderm® in all the European markets and most of the extra-european markets within 2007" concluded Gianfranco Merizzi.

About APR Applied Pharma Research s.a.

APR is a Swiss drug delivery and drug development company focused on oral and topical drug delivery systems. Founded in 1990, the privately held company, focuses its efforts on the development of its own selected drug candidates (developed using APR proprietary technologies) as well as on the development under contract of third party pharmaceutical products and medical devices. For more information, please visit the APR web site at: www.apr.ch or contact Paolo Galfetti, CEO of APR at paolo.galfetti@apr.ch

About Natek

Natek Ltda is a Brazilian company located in the North-East and well fitting one of the cleanest environment of the country. Natek is totally devoted to Veloderm, of which is the sole manufacturer. All the bio-technologies applied by Natek are proprietary and developed internally. Natek is actually studying further possible products based on the same intermediate material used for Veloderm. For more information, contact Spartaco Bolognini, Business Consultant of Natek at <u>spartaco.bolognini@yahoo.it</u>

About Medestea

Medestea was founded in 1990.

It became a leading Company in the Italian mass market with the "CLINIANS" line and in Italy and other countries with Sant'Angelica and CELLULASE in the pharmacy Channel.

Since 2001 Medestea is involved in the development of 15 major pharmaceutical and biotechnological projects characterized by a high level of innovation.

For more information please contact Gianfranco Merizzi, President at gianfranco.merizzi@medestea.it