

Interim Report – January to September 2008

Affibody Holding AB (publ) (“Affibody” or “the Company”), a Swedish biotech company focused on molecular imaging and targeted cancer treatments, today issued its Interim Report covering the nine-month period ended September 30, 2008.

Financial Highlights

- Revenue for the first nine months of 2008 was SEK 19.8 (17.2) million, a 15% increase
- Net loss for the period amounted to SEK -74.9 (-58.8) million
- Earnings per share was SEK -2.50 (-2.10)
- Cash flow from current operations was SEK -58.9 (-48.1) million for the nine-month period
- Cash and cash equivalents as of September 30, 2008 amounted to SEK 19.5 (100.7) million.
- Increased equity position by SEK 75 million as a result of a revaluation of a license agreement

Key Corporate Highlights

- Affibody is continuing to progress its lead second-generation product ABY-025, a HER2-binding molecular imaging agent. This product, which is being developed for the diagnosis of breast cancer, is being prepared for a Phase I clinical study.
- Affibody has produced the first GMP batch of ABY-025 that will be used in the Phase I study. The Company has also completed a toxicology study showing no adverse effects at doses significantly higher than the highest intended clinical dose.
- Further progress has been made with Affibody’s albumin-binding domain (ABD) technology, which could be of great value for improving the therapeutic properties of a broad range of biotherapeutics being developed by other pharmaceutical and biotechnology companies.
- The Company has also continued to progress the development of its other pipeline products including ABY-026, an EGFR imaging agent that will initially be developed for head and neck cancer.
- The Board of Directors has decided to revise the company’s near term strategy. This change will lead to an increased focus on collaborations and a subsequent reduction in the company’s financial requirements resulting in a high probability to generate a positive cash-flow during the coming three year period. In line with this revised strategy, Affibody signed two collaborations with yet undisclosed partners in the third quarter.

Erik Walldén, Affibody’s CEO, said: “*We continue to work towards the start of our first clinical trial with our novel imaging agent, ABY-025, for the improved diagnosis of an aggressive form of breast cancer. We have also made good progress in signing collaborative deals to support our new strategy. These deals provide funding for our business and demonstrate the broad applicability of our core Affibody® technology platform. During the next six months I expect to see Affibody deliver additional clinical and business development milestones as we capitalize on our unique approach to molecular imaging and create value from our underlying technology.*”

Enquiries

Affibody AB

Erik Walldén, CEO
Johan Stuart CFO

+46 702 252 270
+46 706 644 096

About Affibody

Affibody is a Swedish biotech company focused on improving the treatment of a wide range of diseases through the generation of the next generation molecular imaging and drug candidates based on the company's proprietary Affibody® Technology.

The Company's proprietary Affibody® molecules can be designed to bind specifically to a large number of target proteins that play an important role in the diagnosis or treatment of disease. These small and robust high affinity protein molecules are easily produced and are stable in a wide range of conditions.

Affibody® molecules are well suited for molecular imaging and as the same Affibody® molecule could be charged with a cytotoxic payload, it can potentially also be used for targeted therapy.

Affibody is also commercializing its unique albumin-binding technology designed to extend the half life of any biotherapeutic.

Affibody has developed biotechnological products that are commercialized by General Electric, Agilent and Finnzymes, and develops Affibody® molecules for further biotechnology applications in a number of commercial collaborations

Affibody's near term strategy for commercialization is through collaborations with leading Diagnostic and Pharmaceutical companies.

Affibody was founded in 1998 by researchers from the Royal Institute of Technology and the Karolinska Institute and is based in Bromma outside Stockholm, Sweden. Current shareholders in the Company include the investment companies HealthCap, Investor Growth Capital and SV Life Sciences.

Further information can be found at: www.affibody.com

Statements in this press release that are not strictly historical may be forward-looking and include risks and uncertainties. Therefore, though based on Affibody's current expectations, it should be duly noted that a variety of factors could cause actual results and experiences to differ materially from what is herein expressed. Risks and uncertainties include, but are not limited to, risks associated with the management of growth and international operations (including effects of currency fluctuations), variability of operating results, unforeseen changes in the diagnostic and pharmaceutical markets, market competition, rapid or unexpected changes in technologies, fluctuations in product demand, difficulties to successfully develop, adapt, produce or commercialize products, the ability to identify and develop new products and to differentiate products from those of competitors, future capital needs and the uncertainty of additional funding, as well as various legal hazards.