



FOR IMMEDIATE RELEASE

Yissum, Pontifax, Clal Biotechnology Industries, TRDF and Other Investors Complete Additional Investment Round of \$3 Million in Avraham Pharmaceuticals

Yissum will now maintain 30% holding share in Avraham Pharmaceuticals, which will be transferred to its forthcoming biotech holdings company

The capital is intended for two Phase II- clinical trials of ladostigil, a novel molecule for treatment of Alzheimer's disease, mild cognitive impairment and other neurodegenerative diseases

Jerusalem, Israel, November 14, 2011 –Yissum Research Development Company Ltd., the technology transfer arm of the Hebrew University of Jerusalem, today announced that it has participated in a U.S. \$3 million financing round of Avraham Pharmaceuticals Ltd. together with Pontifax, Clal Biotechnology Industries (CBI), Technion Research and Development Foundation Ltd. (TRDF), Professor Marta Weinstock-Rosin and others. This investment round follows a U.S. \$9 million financing led by Yissum, Pontifax and CBI, which was completed and announced in April, 2010. Following the current investment round Yissum will maintain a 30% holding share in Avraham Pharmaceuticals, which it intends to transfer to its forthcoming biotech holdings company, as one of its main assets.

Avraham Pharmaceuticals will use the newly invested capital to pursue two advanced product development programs for ladostigil, a novel molecule designed for the treatment of various neurodegenerative diseases. The Company will continue to advance its on-going double-blind, placebo-controlled, Phase II, proof-of-concept trial in patients with Alzheimer's disease, at 20 sites in five countries across Europe. In addition, Avraham intends to begin a 36-month, multi-centre, randomized double-blind placebo-controlled study to evaluate the safety and efficacy of ladostigil in patients diagnosed with mild cognitive impairment (MCI). The later study is expected to commence in the first quarter of 2012.

Yaacov Michlin, Yissum CEO, said, "We strongly believe in ladostigil and are very pleased to continue our fruitful collaboration with Pontifax, CBI and TRDF in this investment. Based on researches of Prof. Weinstock-Rosin, ladostigil may be suitable also for the treatment of MCI. This new investment makes it possible for Avraham to pursue two advanced Phase II- clinical trials in parallel, for two different indications."

Dr. Vincent R. Zurawski, CEO of Avraham Pharmaceuticals, added, "Avraham greatly appreciates the continued support of all its investors, which has enabled the

company to advance development of both its Alzheimer's disease- and MCI-directed drug products. Ultimately, all of us at the company believe that patients suffering from neurodegenerative diseases can be the biggest beneficiaries of this investment in a drug candidate that has proven time and again to exhibit a unique potential to transform treatment paradigms for these most challenging disorders.”

About Ladostigil

Ladostigil is a novel cholinesterase and brain-selective monoamine oxidase inhibitor, and neuroprotective agent for treatment of Alzheimer's disease, mild cognitive impairment and other neurodegenerative diseases. The drug, which was exclusively licensed to Avraham Pharmaceuticals by Yissum and by the Technion Research and Development Foundation Ltd. (TRDF), has proven to be safe and well tolerated in Phase I and Phase II- clinical trials. Like other cholinesterase inhibitors currently on the market, ladostigil targets symptomatic relief in Alzheimer's patients. But unlike these drugs, ladostigil, which also causes brain selective inhibition of monoamine oxidase (MAO) provides the potential to improve the behavioral and psychological symptoms of dementia such as depression and anxiety. Moreover, ladostigil has the potential to slow progression of clinical symptoms of Alzheimer's disease for sustained periods of time and to modify the pathology associated with the disease. In addition, the neuroprotective activity of ladostigil provides a drug candidate that may have the potential to slow progression to Alzheimer's disease in patients diagnosed with MCI. This potential has been amply demonstrated in animal models, especially in studies of ageing rats.

About Alzheimer's Disease

Alzheimer's disease is the most common cause of dementia worldwide, affecting about one in 20 people 65 years of age or older, accounting for 60-80% of dementia cases. In 2009, 5.3 million people were affected by Alzheimer's disease in the United States, where it is the 6th leading cause of death. In Europe, more than 6 million are living with the disease. Approximately half of Alzheimer's patients also suffer from depression, and up to 40% also exhibit Parkinson-like symptoms.

About Mild Cognitive Impairment

Mild cognitive impairment (MCI) is a syndrome defined as an intermediate stage between the expected cognitive decline of normal aging and the more pronounced decline of dementia. It involves problems with memory, language, thinking and judgment that are greater than typical age-related changes. Although MCI can present with a variety of symptoms, when memory loss is the predominant symptom it is termed "amnestic MCI" and is frequently seen as a prodromal stage of Alzheimer's disease. Prevalence in population-based epidemiological studies ranges from 3% to 19% in adults older than 65 years. There is no proven treatment or therapy for MCI.

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About Yissum

Yissum Research Development Company of the Hebrew University of Jerusalem Ltd. was founded in 1964 to protect and commercialize the Hebrew University's intellectual property. Ranked among the top technology transfer companies in the world, Yissum has registered over 7,000 patents covering 2000 inventions; has licensed out 530 technologies and has spun-off 72 companies. Yissum's business

partners span the globe and include companies such as Novartis, Johnson & Johnson, Roche, Merck, Teva, Intel, IBM, Phillips, Syngenta, Vilmorin, Monsanto and many more. For further information please visit www.yisum.co.il.

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