

Kalexsyn to Build New Headquarters in Kalamazoo

*Medical Chemistry Company Founded by Former Pfizer Scientists
Graduates from Wet Lab Incubator with 23 Employees*

KALAMAZOO, Mich. (March 28, 2007) – Kalexsyn, a medical chemistry contract research firm founded by former Pfizer scientists, broke ground today on a new headquarters building to support its current operation and provide additional space for future growth as the company capitalizes on the pharmaceutical outsourcing trend.

To be located in Western Michigan University's Business Technology and Research Park (BTR Park), the new 20,000 square foot building will house state-of-the-art laboratories and technology systems to meet the specialized requirements of the industry. The new facility will allow the firm to increase its staff from 23 to 32 employees, most of whom are full-time chemists.

Kalexsyn has been operating in a 7,000 square foot space within the Southwest Michigan Innovation Center. This facility, also located in the BTR Park, is a 58,000 square foot business incubator with wet lab space for emerging life sciences and technology firms. Kalexsyn is the third company to graduate from the Innovation Center, which opened in 2003, and the first to reinvest in the BTR Park with a new facility.

Founded in 2003 by long-time Pharmacia/Pfizer executives David Zimmermann and Robert Gadwood when Pfizer decided to move some of its pharmaceutical research operations out of Kalamazoo, Kalexsyn recorded sales of \$2.8 million in 2006. About 25% of the company's revenue comes from international work.

"Kalexsyn's groundbreaking celebrates more than just the bricks and mortar of a new facility," said David Zimmermann, Kalexsyn Chief Executive Officer. "We are most certainly celebrating our company's strategic growth. But we are also celebrating reinvestment in Southwest Michigan. We are celebrating the success of public-private partnerships. And, we are celebrating the advancement of life sciences in the region."

"Southwest Michigan First has seen Kalexsyn develop from its start as two scientists with a great idea into this thriving company with 23 employees," said Ron Kitchens, Chief Executive Officer of Southwest Michigan First. "We are thrilled to watch this success story graduate from the Innovation Center into its own custom-built space in the BTR Park. They have come so far and we look forward to watching them grow."

Kalexsyn was among the first life science startups to take advantage of the wet lab space in the Southwest Michigan Innovation Center. Today, 14 companies are employing more than 200 people at the center, which is now 100% occupied. Former Pfizer scientists, who may otherwise have moved out of the community when their jobs were either cut or transferred, are at the helm of nearly all of the companies.

In addition to the low-cost space at the Innovation Center, Kalexsyn also benefited from \$225,000 in funding received through Western Michigan University's Biosciences Research and Commercialization Center (BRCC). The fledging company was also able to purchase, at a steep discount, scientific equipment that Pfizer had donated to the university.

The other two recent graduates of the Southwest Michigan Innovation Center are:

- PharmOptima (www.pharmoptima.com) – This pre-clinical research and discovery company, which provides consulting and laboratory services with a goal of discovering antibiotic treatments for infectious diseases, announced plans to move into its own 10,000 square foot facility in Portage Commerce Park in February 2007. Founded in 2003 with a staff of 10 people, the company recently hired its 25th employee and expects to expand to 35 employees by late 2007.
- AureoGen Biosciences (www.aureogen.com) – One of the Innovation Center's original tenants, AureoGen was founded in 2003 by Dr. Ake Elhammer and Dr. Jerry Slightom – both former employees of Upjohn and Pharmacia. The company focuses on the development of novel, genetic engineering technologies for the discovery and production of cyclic peptide-based drugs. The company relocated in October 2006 into larger space about five miles from the Innovation Center.