

Cytos Biotechnology announces alignment of resources following setback in the development of its hypertension vaccine CYT006-AngQb

Schlieren (Zurich), Switzerland, March 17, 2009 – Cytos Biotechnology Ltd (SIX:CYTN) today announced results from a phase IIa study with CYT006-AngQb, a vaccine candidate for the treatment of hypertension. The study was a double-blind, placebo-controlled clinical trial in 69 patients with mild to moderate hypertension designed to explore the safety, tolerability and exploratory efficacy of a modified treatment regimen. The study results show that the vaccine was safe and well tolerated, but the new treatment regimen failed to induce a significant reduction of the ambulatory blood pressure. The company is analyzing the data in detail to understand the reasons for this negative outcome, particularly in the light of an earlier phase IIa trial which showed a clinically relevant and significant reduction of the blood pressure. It has decided to suspend all process development activities with CYT006-AngQb and preparations towards the previously planned phase IIb study until availability of results of a third study in Q3, 2009 and detailed data from the biochemical analyses of the effect of the new regimen on the renin-angiotensin system.

In order to align its financial resources on the key development programs and its collaborations with Novartis and Pfizer, the company plans to reduce its workforce of presently 135 full time employees by up to 57. As a result of the planned workforce reduction and the concentration on the most advanced research and development programs, the gross cash burn rate of the company should be reduced in 2009 to approximately CHF 36 million and in 2010 to approximately CHF 25 million, which aims at extending the available financing of the company's research and development expenditures into the year 2012.

Conference call today at 3.00 pm (CET)

Cytos Biotechnology will host a conference call and Q&A session today, Tuesday, March 17, 2009 at 3.00 pm (CET) to discuss the study results and realignment activities.

To access the conference call, please dial the following numbers:

Europe +41 91 610 56 00
U.S. +1 866 291 41 66
U.K. +44 207 107 06 11

The conference call will also be accessible by webcast on the internet. You may follow the call live or have it replayed later on demand. To access the webcast and the presentation, please follow the link provided on the company's home page www.cytos.com. The conference will be held in English and the presentation slides will be available for download 30 minutes prior to the conference.

For further information please contact:

Jakob Schlapbach, MBA
Chief Financial Officer, Cytos Biotechnology Ltd
Phone: +41 44 733 46 46
Fax: +41 44 733 47 02
e-Mail: jakob.schlapbach@cytos.com
Website: www.cytos.com

About Cytos Biotechnology

Cytos Biotechnology Ltd is a public Swiss biotechnology company that specializes in the discovery, development and commercialization of a new class of biopharmaceutical products – the Immunodrugs™. Immunodrugs™ are intended for use in the treatment and prevention of common chronic diseases, which afflict millions of people worldwide. Immunodrugs™ are designed to instruct the patient's immune system to produce desired therapeutic antibody or T cell responses that modulate chronic disease processes. Taking advantage of the high flexibility of its Immunodrug™ platform, Cytos Biotechnology has built a diversified pipeline of different Immunodrug™ candidates in various disease areas, of which five are currently in clinical development. The Immunodrug™ candidates are developed both in-house and together with Novartis, Pfizer and Pfizer Animal Health. Founded in 1995 as a spin-off from the Swiss Federal Institute of Technology (ETH) in Zurich, the company is located in Schlieren (Zurich). Currently, the company has 135 employees. Cytos Biotechnology Ltd is listed on the SIX Swiss Exchange (SIX:CYTN).

This foregoing press release may contain forward-looking statements that include words or phrases such as “plan/planned”, “should”, “approximately”, “aim at”, “will”, “intended”, “designed” or other similar expressions. These forward-looking statements are subject to a variety of significant uncertainties, including scientific, business, economic and financial factors, and therefore actual results may differ significantly from those presented. There can be no assurance that any further therapeutic entities will enter clinical trials, that clinical trial results will be predictive for future results, that therapeutic entities will be the subject of filings for regulatory approval, that any drug candidates will receive marketing approval from the U.S. Food and Drug Administration or equivalent regulatory authorities, or that drugs will be marketed successfully. Against the background of these uncertainties readers should not rely on forward-looking statements. The company assumes no responsibility to update forward-looking statements or adapt them to future events or developments. This document does not constitute an offer or invitation to subscribe or purchase any securities of Cytos Biotechnology Ltd.