

Press Release

Targeted Growth and Crop Design Conclude Research Collaboration and License Agreement

Results Expected to have Broad Application for Crop Improvement

SEATTLE, WASHINGTON, USA and GENT, BELGIUM, May 9, 2001 — Targeted Growth, Inc. (TGI) and CropDesign N.V. (CropDesign) announced today that they have entered into a research collaboration and technology cross-licensing agreement. Under the terms of the agreement, financial details of which were not disclosed, TGI will make several of its yield-enhancing genes exclusively available to CropDesign for use in its high-throughput TraitMill system and for commercial development in cereal crops. Targeted Growth's portfolio of growth- and health-enhancing genes has been developed from primary research at the University of Washington, the Sloan Kettering Institute for Cancer Research, and the Fred Hutchinson Cancer Research Center.

TGI holds exclusive rights to several key genes involved in the control of cell division and growth in plants and animals. Using these genes, TGI has developed plants which produce seeds that are as much as double the standard dry weight. TGI is using this technology to develop plants that grow faster and larger and which, as a result, have higher yields and quicker harvest cycles. Increasing yield while reducing the time to maturity is a key goal in plant breeding. According to Jon Green, President of Targeted Growth, "This agreement with CropDesign allows us to bring our technology closer to market and is an important endorsement for our technology. We fully expect that our technology for enhanced plant growth will prove to be of considerable value to CropDesign's cereals product development programs. At the same time, Targeted Growth will leverage the value of its technology in non-cereals with the results from CropDesign's TraitMill."

CropDesign's TraitMill is a highly versatile tool for regulating the expression and testing the effect of genes and gene combinations on plant phenotypes. TraitMill comprises a high-throughput system for gene cloning, plant transformation and digital plant evaluation. With this platform, CropDesign can rapidly determine the value for crop improvement of plant growth and development genes. Additionally, the *in planta* results of TraitMill meet the USPTO's (United



Targeted Growth, Inc
2815 Eastlake Ave E, Suite 300
Seattle, WA 980102
Email: Main@targetedgrowth.com



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States Patent and Trademark Office) patent requirements for specific, credible and substantial utility. The TGI genes will be tested directly in CropDesign's rice TraitMill. According to Dr. Johan Cardoen, CropDesign Vice-President of Business Alliances, "Accessing the US cereals market is one of our key business goals. This US research collaboration will strengthen our efforts to understand the function of plant genes and to use that understanding to develop improved products for cereal farmers in the US Midwest and elsewhere."

CropDesign has extensive research collaborations across Europe and in Australia. The company will use TGI genes to develop higher-yielding and hardier varieties of rice, corn, wheat and other cereals. Dr. Cardoen added: "The expression and regulation of genes linked to growth can improve yields, maturity and stress tolerance – all important traits for farmers, seed companies, and the agrochemical companies who bundle their products with seed."

Targeted Growth, founded in 1999 and based in Seattle, Washington, was formed to commercialize the ability to increase cell division in animals and plants. Increasing cell division causes plants to grow larger, faster and is expected to improve productivity in agriculture, animal husbandry and forestry. Targeted Growth conducts research at laboratories at the Institute for Systems Biology, the University of Washington and the Fred Hutchinson Cancer Research Center.

CropDesign, based in Gent, Belgium, is an agbiotech company focused on the application of functional genomics for improved crop performance, including higher yield, heightened tolerance to stress and diseases and better quality. CropDesign applies its technology in rice, wheat and other cereals. Founded in 1998, CropDesign employs over 60 people at its research facilities in Gent.

For further information, please contact:

George Todaro, M.D., CEO
Targeted Growth, Inc
Tel: +1 206 336 5570
Fax: +1 206 336 5573
Email: gtodaro@targetedgrowth.com

Johan Cardoen, VP Business Alliances
CropDesign N.V.
Tel: +32 9 241 50 80
Fax: +32 9 241 50 89
E-mail: ilse.vandevelde@cropdesign.com

