

Statement regarding the counter-proposal by the shareholder Omega Fund II, L.P., regarding item No. 4 of the agenda

1. The supervisory board rejects the proposal by the shareholder Omega Fund II, L.P. to elect Mr. Otello Stampacchia as a new member of the supervisory board of Epigenomics AG. The supervisory board is convinced that the candidates it has proposed for election as members of the supervisory board have all the qualifications required for the fulfillment of their tasks in the supervisory board of Epigenomics AG and also fulfill the requirements under German corporate law and the German Corporate Governance Code without any restrictions.

2. The German Corporate Governance Code recommends in this respect (Section 5.4.1) that the supervisory board shall consist of members that have the knowledge, competence and experience required for a due fulfillment of their tasks. In particular, the international activities of the company and potential conflicts of interests shall be taken into account.

The candidates proposed by the supervisory board fully comply with the described profile. A listed biotechnological company like Epigenomics AG not only requires expertise in the core areas biotechnology and pharmaceuticals, but also in the areas capital markets, business strategy and finance. The existence of the required skills in these areas is already sufficiently demonstrated by the former and current professional positions of the proposed candidates:

- a) Prof. Dr. Dr. Rolf Krebs was a member of the management board of Boehringer Ingelheim GmbH from 1989 until 2003 and was previously employed in different positions within the pharmaceuticals branch of Bayer AG. Between 1996 and 1998 he was President of the European Federation of Pharmaceutical Industries and Associations (EFPIA) and between 2000 and 2002 he was President of the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA). Regarding Prof. Krebs' further board seats with focus on Pharma, reference is made to the invitation to this year's general annual meeting.

- b) Mr. Bruce Carter, PhD, is President and CEO of ZymoGenetics Inc., U.S., since 1999. ZymoGenetics Inc. is one of the largest biotechnological companies in the U.S. and listed at the NASDAQ in New York. Already between 1988 and 1994 he was President of ZymoGenetics Inc. From 1994 until 2000, Mr. Carter was Executive Vice President and Chief Scientific Officer of Novo Nordisk A/S, the holding company of ZymoGenetics Inc. Bruce Carter has several board seats in companies with focus on life science. The details are listed in the invitation to this year's general annual meeting, to which reference is made .
- c) Ann Clare Kessler (with degrees in biology (PhD) and biochemistry) has worked for more than 30 years with Hoffmann-La Roche Inc. in the U.S., among others as Vice President of the Research Department as well as in the Departments Pharmacology and Chemotherapy. Afterwards she was in charge of the International Project Management Group at Hoffmann-La Roche in Basle. She is currently a member of the management board of Spectrum Pharmaceuticals Inc.
- d) Prof. Dr. Günther Reiter earned degrees in business administration, economics and mathematics. He has worked in the Department of Research for Industry Business at Tübingen University and in a number of management positions at different companies, among others at *Maschinenfabrik Trumpf GmbH und Co.* in Ditzingen (as President of Business and Controlling) and as a member of the directive board at *Hofkammer des Hauses Württemberg*. In the nineties, Prof. Reiter assumed the position of dean and deputy dean at the newly founded European Business School in Reutlingen (EBS) and significantly influenced and guided the build up of this School. Since 2001 he is, again, teaching at EBS.
- e) Prof. Dr. Dr. Uwe Bicker has earned degrees in chemistry (PhD) and medicine. At the beginning of his career he worked in different positions at Boehringer Mannheim (now Roche), among others as member of the management board. Afterwards he was a member of the management boards of Behringwerke AG and HoechstMarionsRoussell AG. As Executive Chairman of Dade Behring Inc., U.S., he was in charge of the pharmaceuticals business and the diagnostics business. Regarding his board seats in companies with focus on bio venture capital funds and clinical diagnostics, reference is made to the invitation to this year's general annual meeting.

- f) From the start of his professional career in 1968 at Sandoz AG, Mr. Günter Frankenne has been active in the pharmaceuticals industry. Until his retirement from the Novartis Group by the end of 1998 (upon reaching the age of 60), he was, among others, a member of the management boards of Wander Pharma GmbH and Sandoz AG (responsible for marketing, sales, business development and health policy). He was CEO of Sandoz AG since 1994 and deputy chairman of Novartis Pharma GmbH since 1997. Regarding his board seats in companies with focus on marketing and sales consultancy for life science, biotechnology and drug development, reference is made to this year's general annual meeting.

All of the proposed candidates are members of supervisory and comparable boards of other listed and non-listed companies (primarily biotechnology companies) and of high-ranking national and international pharmaceuticals companies. The details are listed in the invitation to this year's general annual meeting, to which reference is made.

3. As can be seen from the above, the supervisory board as proposed by us not only has an extensive experience and know-how in the areas of biotechnology and pharmaceuticals, but also with respect to capital markets and communication with the capital and financial markets, mainly due to the candidates' membership in the management and supervisory boards of companies active on the capital markets.
4. Overall, we are convinced that our proposal is well-balanced and that the candidates provide all the knowledge, expertise and experience required by Epigenomics AG. The candidates also fulfill all requirements set out in the German Corporate Governance Code and corporate law. None of the candidates has a conflict of interests.

In view of this, the supervisory board rejects the counter-proposal and asks the shareholders to participate in the general meeting either personally or through a representative and to exercise their voting right in the general meeting in order to prevent that a minority of the shareholders influences and determines the composition of the supervisory board.

The supervisory board fully adheres to the proposals it has made regarding item No. 4 of the agenda, namely to elect Prof. Dr. Dr. Krebs, Mr. Carter (PhD), Prof. Dr. Dr. Bicker, Prof. Dr. Reiter, Ms. Kessler (PhD) and Mr. Frankenne as members of the supervisory board.

Berlin, June 2006

The Supervisory Board