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Alnara Pharmaceuticals Licenses Worldwide Rights to Liprotamase from Cystic Fibrosis Foundation

Novel, Oral, Pancreatic Enzyme Replacement Therapy with Phase 3 Data Offers Potential Advantages

Cambridge, Mass., March 25, 2009 – Alnara Pharmaceuticals, a pharmaceutical company developing novel, non-systemic orally-delivered protein therapeutics for the treatment of metabolic diseases, today announced a licensing agreement with the Cystic Fibrosis Foundation Therapeutics, Inc. (CFFT), the nonprofit affiliate of the Cystic Fibrosis Foundation, for the worldwide rights to liprotamase, a novel, oral, porcine-free pancreatic enzyme replacement therapy (PERT) that has already completed a Phase 3 efficacy trial. Under the terms of the agreement Alnara will obtain exclusive worldwide rights to develop and market liprotamase.

Liprotamase (formerly known as ALTU-135 and Trizytek) is designed to treat malabsorption that is the result of pancreatic insufficiency associated with conditions like cystic fibrosis (CF) and chronic pancreatitis (CP), in which patients require a significant amount of pancreatic enzyme supplements with each meal. Patients with pancreatic insufficiency cannot properly absorb and digest food due to their disease. Pancreatic enzyme replacement therapy is a life-saving treatment involving the administration of pancreatic enzymes, and liprotamase, a novel, oral, porcine-free treatment, offers potential advantages over the existing standard of care. Currently, patients are treated with porcine-derived pancreatic enzymes, which vary in potency and stability and have a high pill burden. Alnara believes liprotamase has the potential to overcome these challenges by providing a first-in-class and best-in-class PERT.

“Liprotamase has the potential to significantly advance the treatment of pancreatic insufficiency, and Alnara plans to complete development, seek FDA approval and make it available to patients,” stated Alexey Margolin, Ph.D., president and chief executive officer of Alnara. “Based on the data we have seen in approximately 500 patients with both CF and CP, including data from the ongoing long-term study, which has provided insights into the nutritional benefits of liprotamase based on measures of patient growth, height, body mass index, and fat soluble vitamin absorption, we believe liprotamase has the potential to become the first pancreatic enzyme replacement therapy using modern recombinant technology.”

Presented at the North American Cystic Fibrosis Conference in 2008, data from a Phase 3 efficacy trial found a statistically significant improvement in fat and protein absorption in CF patients who took liprotamase. In addition, liprotamase has shown promising results in improving overall nutritional status in CF and CP patients, an important clinical measure that physicians, nurses and dieticians use to determine how well patients are doing. Approximately 500 patients have participated in trials for liprotamase to date, which showed that the therapy is well tolerated in patients with CF and CP.

“The Cystic Fibrosis Foundation is excited to enter into a licensing agreement with Alnara for the development of liprotamase, which has the potential to be the first porcine-free pancreatic enzyme therapy for CF patients with pancreatic insufficiency,” said Robert J. Beall, Ph.D., president and CEO of the Cystic Fibrosis Foundation. “We look forward to working with Alnara to quickly finish the development of liprotamase and bring this promising new treatment option to patients with cystic fibrosis.”

Robert Gallotto, senior vice president of operations and corporate development of Alnara, added, “Liprotamase is a late-stage drug that represents a significant advance for patients and is perfectly aligned with Alnara’s R&D and business strategy. We look forward to continuing to work closely with CFFT and the CF community to complete the final stages of the long-term study of liprotamase, filing the New Drug Application and bringing this novel product to people with pancreatic insufficiency. We hope to present the data highlighting the long-term nutritional benefits of liprotamase at the North American Cystic Fibrosis Conference later this year.”

Alnara was launched in October 2008 with \$20 million in Series A venture capital financing. Both Dr. Margolin and Mr. Gallotto have extensive experience in the pancreatic enzyme replacement therapy market and specifically with liprotamase. Both executives worked together previously at Altus Pharmaceuticals where they developed the science and technology platform, advancing the initial clinical phases for the program, as well the initial commercial and partnering strategy for liprotamase. Dr. Margolin spearheaded the discovery program for liprotamase while at Altus.

About Pancreatic Insufficiency

Pancreatic insufficiency results in malabsorption of nutrients which can cause malnutrition, poor weight gain and impaired growth, even though patients may be eating large quantities of food. Pancreatic insufficiency is associated with conditions like cystic fibrosis (CF), chronic pancreatitis (CP), pancreatic cancer and Shwachman-Diamond syndrome. In addition, enhanced nutritional status in people living with pancreatic insufficiency is directly related to an improvement in overall health. In people living with cystic fibrosis, nutritional status is important in terms of respiratory health and has been directly tied to better lung function.

About Pancreatic Enzyme Replacement Therapy (PERT) & Liprotamase

PERT is intended to improve nutritional status and bowel-related symptoms, as well as relieving abdominal pain in people with pancreatic insufficiency. Unlike liprotamase, currently available PERT regimens were developed by extracting enzymes from the pancreas of the pig. At present, PERT products are generally enteric-coated, a process that is supposed to keep them from being broken down and degraded until they reach the low-acid environment of the small intestine. Importantly, polymer or enteric coatings may hinder the enzymes' ability to be effective in the important areas of the GI tract. Additionally, there is a high pill burden with porcine-derived PERTS, and they have been documented to have substantial variations in formulation, dosage and manufacture of pancreatic enzyme products in addition to poor stability and wide variety in treatment effect. Based on the available data, Alnara believes liprotamase may have the potential to overcome these challenges and issues, providing a first-in-class and best-in-class non-porcine produced PERT.

The FDA has issued guidelines on currently available PERTS for manufacturers to submit NDAs due to substantial variations in formulation, dosage and manufacture of current pancreatic enzyme products.

About Cystic Fibrosis

Cystic fibrosis (CF) is a life-threatening genetic disease that affects approximately 30,000 children and adults in the United States and nearly 70,000 people worldwide. It causes life-threatening lung infections and serious digestive complications. A mutation in the CFTR gene is one of the key factors that ultimately leads to the symptoms, complications and premature mortality in people with CF.

About the Cystic Fibrosis Foundation

The Cystic Fibrosis Foundation, the leading organization focused on curing and controlling cystic fibrosis, has invested more than \$300 million in drug research with biotech companies since 1998 to develop therapies to fight CF. As a result, the Foundation has built a drug pipeline with more than 30 promising therapies in development. Virtually all the approved CF therapies

available today were made possible because of the support of the Foundation. For more information visit www.cff.org.

About Alnara

Alnara Pharmaceuticals, Inc. is dedicated to developing novel protein therapeutics for the treatment of metabolic diseases. The company's innovative approach focuses on designing effective protein therapies that can be orally delivered directly to the gastrointestinal tract without being absorbed into the bloodstream. The company is committed to bringing breakthrough new treatments to patients with unmet medical needs. Based in Cambridge, Massachusetts, Alnara is backed by top-tier venture investors, including Frazier Healthcare Ventures, Third Rock Ventures and Bessemer Venture Partners. For more information, please visit the company's website at www.alnara.com.

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