

Press Release

Lipid Therapeutics and Dr. Falk Pharma to develop a new treatment approach to ulcerative colitis

Heidelberg and Freiburg, September 30, 2009 – Lipid Therapeutics GmbH and Dr. Falk Pharma GmbH today announced that they have entered into a co-development and licensing agreement under which Dr. Falk Pharma will receive exclusive access to the European rights to Lipid Therapeutics' lead product LT-02 for the treatment of ulcerative colitis. Ulcerative colitis is a disabling inflammation of the lower gut, affecting more than one million people worldwide.

Lipid Therapeutics' LT-02 is a specially formulated phospholipid that augments the natural protective mucosal barrier in the lower gut. With this treatment approach, Lipid Therapeutics has the first program worldwide that targets the pathological changes in the lower gut barrier function of colitis patients, which are thought to be one of the main underlying disease causes. This compelling mechanism of action, which has already demonstrated activity in clinical trials, thus holds great promise for the treatment of this disease.

Lipid Therapeutics and Dr. Falk Pharma will jointly develop LT-02 through a phase IIb clinical trial. After successful completion of this study Dr. Falk Pharma will have the right to perform pivotal studies as a basis for obtaining marketing approval in Europe. In exchange Lipid Therapeutics will receive development related payments as well as royalties on net sales.

"We are exceedingly pleased to have secured this cooperation with Lipid Therapeutics. Offering novel treatment options for patients with inflammatory bowel diseases is one of our major company targets. Lipid Therapeutics' LT-02 fits very well into our portfolio and we are convinced that it will fulfill the requirements of a safe and efficient drug for the treatment of ulcerative colitis with an exceptionally high level of acceptance by physicians and patients alike", said Ursula Falk, Managing Director of Dr. Falk Pharma GmbH.

"We are proud of the progress that we have made with our lead program with its novel mechanism of action and are very happy to enter into this agreement with Dr. Falk Pharma to

complete further development and commercialization," stated Dr. Gerhard Keilhauer, CEO of Lipid Therapeutics. "We are delighted to partner with Dr. Falk Pharma, a leading European specialist company in the field of chronic inflammatory diseases of the digestive tract and its high commitment to delivering novel and efficacious therapies to patients."

About Dr. Falk Pharma GmbH

Dr. Falk Pharma GmbH is one of the most recognized companies worldwide in gastroenterology. Dr. Falk Pharma products are sold in more than 60 countries. The Falk Foundation, which is associated with the company, provides medical information via international symposia, forums, postgraduate courses and literature services. Over the past 40 years the Falk Foundation has sponsored more than 200 international Falk Symposia and Workshops, in which over 100,000 researchers and physicians from 110 countries have come together to advance knowledge in gastroenterology and hepatology.

About Lipid Therapeutics GmbH

Lipid Therapeutics GmbH is a privately held company headquartered in Heidelberg, Germany. Based on a novel mechanism of action, the company develops innovative therapeutics for the treatment of ulcerative colitis. Lipid Therapeutics started operations in 2008, and is financed by the EMBL Technology Fund.

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