



Press Release

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Activaero and PARI combine technologies to create high-efficient nebulizer

Gemünden and Munich, Germany (April 07, 2006) – Aerosol drug delivery specialists Activaero and PARI have combined Activaero's AKITA with PARI's vibrating membrane nebulizer technology to create the AKITA 2 inhalation system with AP nebulizer. This device allows enhanced inhalation therapy by controlled breathing, and therefore provides targeted delivery needed for dose-critical and expensive drug treatments.

AKITA 2 is individually adjusted to a patient's respiratory condition. Aerosolized drug is delivered at distinct intervals within the inspiratory cycle for deposition at specific sites within the lungs. This system enhances inhaled treatments in patients where the treatment safety and efficacy profile may be improved by topical drug targeting.

"PARI's AP nebulizer with the AKITA 2 system combines the virtues of both systems, high nebulization efficiency and enhanced lung deposition via controlled breathing, presenting a valuable option for expensive therapies, such as gene therapy, or therapies requiring very precise dosing of aerosolized medications. This combination device will also fit the need of patients who could not be treated effectively before due to severely compromised lung function", said Dr. Martin Knoch, Managing Director at PARI.

"By integrating the vibrating membrane technology from PARI we are able to offer a higher level of pulmonary drug delivery than we previously could achieve. We are excited about the further increase in efficiency this technology provides to the AKITA," said Dr. Gerhard Scheuch, CEO of Activaero. "We have already started the first feasibility projects with the AKITA 2. The results indicate a lung deposition of more than 75% of the filled dose when using the AP nebulizer handset."

Dr. Scheuch added: "We are happy to have PARI on board with their technology, while we are still flexible to adapt other types of nebulizers to the AKITA 2 if required." The potential choice of nebulizer technologies gives a high level of flexibility to our clients who are in need of an optimal delivery device for their compound. Pharmaceutical customers will be open to take their choice for the specific nebulizer at any stage of their project once the drug profile has been investigated.

"The addition of the AP nebulizer broadens our portfolio beyond what we currently offer to pharmaceutical companies under the eFlow Product Platform including our pharma development capabilities for inhaled drug products. We are committed to continuing the trustful cooperation with Activaero and its Clinical Research Organization Inamed Research while pursuing licensing opportunities with our own customizable eFlow[®] electronic nebulizer platform," stated Dr. Knoch.

PARI and Activaero have integrated certain elements of TouchSpray[®] technology into the AP nebulizer. The AP nebulizer will be manufactured by PARI and marketed as an exclusive product of Activaero for the AKITA 2 drug delivery system. The AKITA 2 system and AP nebulizer will be licensed and marketed for use with specific drug compounds and formulations only. Under the terms of this agreement, both partners may approach the pharmaceutical community offering this highly efficient, controlled breathing combination product.

About the AKITA Technology

The AKITA is a world-wide protected intelligent nebulizer control unit that controls the breathing pattern of the patient. With AKITA, the inhalation treatment can be tailored individually to each patient through smart card technology to achieve a reproducible dosage in the human lungs.

About PARI's electronic nebulizer technology

PARI's electronic nebulizers enable extremely efficient aerosolization of liquid medications via a vibrating perforated membrane. Compared to other nebulizer systems, it can produce aerosols with a very high

density of active drug, a precisely defined droplet size, and a high proportion of respirable droplets delivered in the shortest possible amount of time. Combined with its silent mode of operation, small size and light weight, it helps reduce the burden of taking daily inhaled treatments.

PARI has already successfully implemented TouchSpray® aerosol generation technology in its eFlow® electronic nebulizer platform that is currently marketed to pharmaceutical companies for use with specific drug compounds. eFlow enables fast and efficient treatments by its valved aerosol chamber design that provides medication during a patient's natural, spontaneous breathing. PARI will continue to offer eFlow to pharmaceutical companies exclusively. PARI licenses TouchSpray technology from The Technology Partnership, plc., Cambridge, UK.

About Activaero

Activaero GmbH is a Germany-based drug delivery company, specializing in highly efficient aerosol technology and inhalation systems. Activaero partners globally with leading pharmaceutical and biotechnology companies to apply its inhalation platforms to pharmaceuticals that require critical dosage control. Activaero is privately held and has facilities in Munich (R&D) and Gemuenden/Wohra (Headquarters & Logistics).

About PARI

PARI is a leading worldwide developer and manufacturer of fast and efficient aerosol delivery systems for patients with asthma, chronic lung disease, and cystic fibrosis. PARI's primary focus is to provide patients with innovative products and services that help control disease. PARI also develops inhalable drug products in the area of chronic lung diseases and already has several drug candidates in clinical development. PARI is headquartered in Starnberg, Germany with a major presence in the United States and offices in Japan, United Kingdom, and China.

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