

Press Release

Avontec and Activaero announce Collaboration Agreement on inhaled Treatment of Severe Asthma

Gemuenden and Martinsried, Germany (January 24, 2007) – Avontec GmbH and Germany-based aerosol specialist Activaero GmbH are pleased to announce that they signed an agreement to join forces for the development of Avontec's highly innovative development candidate AVT-01.

This candidate is being pursued in the indication asthma and is currently in phase II clinical development. It is a nucleic acid based compound which targets a so called transcription factor and has been demonstrated to control several pro-inflammatory genes. In early clinical phase IIa studies, AVT-01 has demonstrated that it is well tolerated and effective.

Avontec decided to deliver the compound via the AKITA²-APIXNEB® inhalation system. By controlled inhalation, Activaero's Akita² system combines an over 80% efficiency with a low variability in lung deposition. This unique feature improves the safety and efficacy of the delivered drug and significantly reduces its cost. Within the collaboration, Activaero is providing the inhalation devices as well as logistics services for the current phase II trials in Romania and the UK.

"We are certain that Avontec's innovative anti-asthma drug AVT-01 and Activaero's efficient AKITA delivery technology form a perfect match to develop a safe and efficient medication for the difficult to treat group of severe asthma patients", says Avontec's CEO Dr. Thomas Schulze.

Activaero's CEO Dr. Gerhard Scheuch said: "The collaboration with Avontec represents an important further milestone in our business concept to position our technology as a valuable tool for Biotechs working on pulmonary projects. Showing efficacy of new molecules in early clinical phases is crucial for our partners. Thus, reliable drug delivery to the lungs is key."

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 Avontec

Avontec is a Phase 2 biopharmaceutical company focused on the development and commercialization of novel therapeutic treatments for inflammatory disease. Avontec's clinical development programs include product candidates for multiple potential inflammatory indications. The two most advanced, AVT-01 in asthma and AVT-02 in psoriasis, have successfully advanced into Phase 2a clinical trials that are expected to be completed until the first half of 2008. In addition, there are several candidates in the pipeline based on Avontec's core decoy technology. Avontec operates based on a lean business model with a seasoned management team experienced in clinical development.

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