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## News Release

Contact: Steven Damon  
Direct: 404.835.6429  
sdamon@alteatherapeutics.com

387 Technology Circle, NW  
Atlanta, GA 30313  
www.alteatherapeutics.com

### **Altea Therapeutics Announces Development and Commercialization Agreement with Amylin and Lilly for an Investigational Transdermal Exenatide**

#### ***Altea Therapeutics to Receive Upfront License Payment, R&D Funding, and Equity Investment, Eligible for Future Milestones and for Royalties***

ATLANTA, Ga., April 1, 2009. Altea Therapeutics announced today that it has entered into an agreement with Eli Lilly and Company and Amylin Pharmaceuticals, Inc. to develop and commercialize a novel daily transdermal patch delivering sustained levels of exenatide utilizing the Altea Therapeutics proprietary PassPort® Transdermal Delivery System. Altea Therapeutics, supported by Lilly and Amylin, recently completed an initial Phase 1 clinical study of the exenatide transdermal patch in people with type 2 diabetes.

The exenatide transdermal patch is an investigational product designed to be applied once per day to provide sustained levels of exenatide for people with type 2 diabetes. The potential benefits for patients from the exenatide transdermal patch include eliminating injections, which may increase therapy compliance.

Under the terms of the agreement, Altea Therapeutics has granted Lilly and Amylin exclusive worldwide rights to develop and commercialize transdermal exenatide utilizing the Altea Therapeutics proprietary PassPort® Transdermal Delivery System. Lilly and Amylin will fund all product development, manufacturing, and commercialization activities for the product. In addition, Altea Therapeutics will receive from Lilly and Amylin an upfront license payment and may receive clinical, regulatory and sales milestones of up to \$46 million, and royalties on future product sales. As part of the agreement, an equity investment in Altea Therapeutics is included.

"This agreement continues the validation of the Altea Therapeutics transdermal patch technology for medicines that currently can be administered only by needle injection or infusion, including water-soluble proteins, carbohydrates, and small molecules" said Dr. Eric Tomlinson, PhD, DSc, President and CEO of Altea Therapeutics. "We believe the diabetes care experience of Lilly and Amylin, combined with the transdermal expertise of Altea Therapeutics creates an excellent partnership for the potential development of the world's first transdermal GLP-1 receptor agonist, transdermal exenatide."

"At Lilly, we are fully committed to improving outcomes for patients with diabetes," commented David Vondle, Lilly's global brand development leader for exenatide. "Broader application of the exenatide molecule is a valuable part of that mission. We are excited to be partnering with Altea Therapeutics and Amylin on this innovative program."

"The agreement to develop a transdermal patch for exenatide is aimed at responding more broadly to the needs of the patients we serve by offering more treatment choices, such as the Altea Therapeutics non-injectable delivery option, for this important medicine," said Orville G. Kolterman, M.D., senior vice president of research and development at Amylin Pharmaceuticals.

## About Altea Therapeutics

Altea Therapeutics is privately held clinical-stage pharmaceutical company with a proprietary platform technology broadly applicable to the transdermal delivery of biological drugs (proteins and carbohydrates) that otherwise would be administered by needle injection or infusion.

The Company's PassPort® Transdermal Delivery System also is uniquely suited for delivering highly water-soluble low molecular weight drugs that otherwise could not be delivered transdermally. These include ionic salt forms of drugs that can be delivered more safely and effectively than by the existing transdermal product, and other low molecular weight drugs with potencies too low to be delivered using conventional transdermal patches.

The Company is conducting several clinical trials in the United States for its products, including for a Transdermal Basal Insulin Patch designed to provide continuous delivery of insulin for people with type 1 and type 2 diabetes, and for a Transdermal Fentanyl Citrate Patch that enables rapid and safe management of moderate to severe pain. The Company is in pre-clinical development with a number of product candidates, including a Parathyroid Hormone Transdermal Patch for the prevention and management of osteoporosis.

Altea Therapeutics has entered into several collaborations with pharmaceutical companies to assess the feasibility of transdermal delivery of certain drugs using its PassPort® Transdermal Delivery System. Altea Therapeutics announced in July 2008 that it entered into a partnership with Hospira, Inc., a global specialty pharmaceutical and medication delivery company, to develop and commercialize an undisclosed transdermal product utilizing the PassPort® Transdermal Delivery System.

Altea Therapeutics is the recipient of the Frost & Sullivan 2007 Technology Innovation Award for its development of the PassPort Transdermal Delivery System and was named one of the top 50 technology companies in the Southeast of the U.S. in 2008 by TechJournal South.

Additional information about Altea Therapeutics may be found at [www.alteatherapeutics.com](http://www.alteatherapeutics.com)

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The statements in this press release regarding the products of Altea Therapeutics in development, product development plans, and projected financial results, are forward-looking statements involving risks and uncertainties that can cause actual results to differ materially from those in such forward-looking statements. Potential risks and uncertainties include, but are not limited to, the ability of Altea Therapeutics to both complete the design, development, and manufacturing process development of its products, manufacture and commercialize its products, obtain product and manufacturing approvals from regulatory agencies, manage its growth and expenses, finance its activities and operations, as well as marketplace acceptance of its products.