

Press Release

Auxeris Therapeutics Acquires Oral Bone Forming Drug Candidate to Treat Osteoporosis

Beta blockers shown to increase bone mass

St. Louis, MO, January 14, 2004 – Auxeris Therapeutics Inc., a biopharmaceutical company focused on the development and commercialization of medicines to treat a broad range of bone diseases, today announced the acquisition of all technology assets from Ceros Pharmaceuticals. The company's promising oral bone forming therapy and other bone related technology were developed by world renowned bone researcher Dr. Gerard Karsenty of Baylor College of Medicine. Based on Dr. Karsenty's work, Auxeris is developing the first oral bone anabolic agent for the prevention and treatment of osteoporosis. Terms of the agreement were not disclosed.

"Dr. Karsenty is the world expert on osteoblasts, the cells that form new bone. He has pioneered the use of beta blockers to increase bone formation and mass," said Auxeris President and CEO, Laurent Fischer, M.D. "Dr. Karsenty's discovery that bone formation is regulated by the nervous system led to his demonstration that bone formation can be accelerated by beta blockers. This enables the development of our proprietary new approach to therapy that places Auxeris at the forefront of companies developing novel and more effective treatments for osteoporosis."

"Drugs are available to help stop the destruction of bone, but new patient-friendly therapies that reverse osteoporosis are greatly needed," said Gerard Karsenty M.D., Ph.D., Professor in the Department of Molecular and Human Genetics at Baylor College of Medicine. "Beta-blockers have already been used in millions of people with heart disease. Now we have shown that they help build bones in mice and have the potential to strengthen bones in people with osteoporosis. Building on our work, Auxeris has the opportunity to develop the first oral bone anabolic agent to treat and even prevent osteoporosis."

Recently, a retrospective study in over 1000 patients published in the January issue of The Journal of Bone and Mineral Research showed that patients who used beta-blockers had a 30% decrease in the risk of fracture. Additionally, bone mineral density was increased in patients treated with beta blockers.

About Osteoporosis

Osteoporosis is estimated to affect 10 million people, with an additional 18 million at risk because of lost bone mass. The disease affects 50 percent of women after menopause, 10 percent of older men and costs the U.S. health care system \$15-20 billion a year. The U.S. Preventive Services Task Force (USPSTF) recently recommended against the routine use of estrogen for the prevention of osteoporosis in postmenopausal women highlighting the need to develop safe and effective alternatives to prevent this debilitating condition. The current annual worldwide market for osteoporosis pharmaceuticals is \$7.5 billion and is expected to double to \$14 billion on 2011. There is no commercially available oral drug that stimulates bone formation, which will prevent fractures and skeletal deformations.

About Auxeris

Auxeris Therapeutics, Inc. ("Auxeris") is a privately-held biopharmaceutical company focused on the development and commercialization of proprietary breakthrough medicines to treat a broad range of bone diseases. The Company's first two products: a novel injectable anti-resorptive to prevent bone metastases and the first oral bone anabolic drug for the treatment of osteoporosis represent novel treatment approaches and are expected to enter clinical trials in the next eighteen months. Auxeris was founded in 2002 by Mark Mendel PhD of RiverVest Venture Partners, based on technology of Drs. Steven Teitelbaum and Patrick Ross of Washington University School of Medicine. For more information, visit the company website at www.auxeris.com.