



Press Release
August 4th, 2009

Mercury Therapeutics, Inc.

- *Debiopharm Group and Mercury Therapeutics, Inc. sign an exclusive license agreement for the development and commercialisation of Debio 0930 - A first-in-class, small molecule activator of AMPK for treatment of type 2 diabetes*

Lausanne, Switzerland and Woburn, Massachusetts, August 4, 2009 - Debiopharm Group (Debiopharm), a Swiss-based global biopharmaceutical group of companies with a focus on the development of prescription drugs that target unmet medical needs, and Mercury Therapeutics, Inc. (Mercury), a privately held biotech company based in Woburn, Massachusetts focusing on the development of novel therapeutics for type 2 diabetes, cancer, and cardiovascular disease, announce the signature of an exclusive license agreement for the development and commercialisation of Debio 0930, a small molecule activator of AMPK (adenosine monophosphate activated protein kinase) for the treatment of diabetes and metabolic diseases. Activation of AMPK has been shown to lower fasting blood glucose levels and improve glucose disposal following a glucose challenge, two key goals in the management of type 2 diabetes.

Under the terms of the agreement, Debiopharm shall pay Mercury for continued research and development support, predefined advanced milestone payments during the development of the compound and a royalty based on net sales of commercialised product. First entry into man is expected for 2012.

"We are very enthusiastic about our collaboration with an experienced innovative biotech company like Mercury. Diabetes is a major cause of morbidity and mortality by disease globally and we are determined to improve the quality of patient's lives by developing a new therapy," said Rolland-Yves Mauvernay, President and Founder of Debiopharm Group."

"This alliance with Debiopharm represents important validation of Mercury's technology and of the growing appreciation of AMPK as a novel drug target for metabolic diseases. The development of an orally available direct

activator of AMPK has the potential to be a first-in-class therapeutic for type 2 diabetes, hyperlipidemia, and a number of indications in oncology," added Dr. Neal Birnberg, CEO of Mercury, who was advised on this transaction by Katan Associates.

About Diabetes

Diabetes is a disease in which the body does not produce or properly use insulin. Insulin is a hormone that is needed to convert sugar, starches and other food into energy needed for daily life. The cause of diabetes continues to be a mystery, although both genetics and environmental factors such as obesity and lack of exercise appear to play roles.

Prevalence of diabetes worldwide is estimated at 180 million people, WHO predicts this number will rise to 366 million by 2030.

Type 2 diabetes (formerly called non-insulin-dependent or adult-onset) results from the body's ineffective use of insulin. Type 2 diabetes comprises 90% of people with diabetes around the world, and is largely the result of excess body weight and physical inactivity.

About Debiopharm Group

Debiopharm Group is a Swiss-based global biopharmaceutical group of companies with a focus on the development of prescription drugs that target unmet medical needs. The group in-licenses promising biological and small molecule drug candidates. It develops its products for global registration and maximum commercial potential. Once registered, the products are out-licensed to pharmaceutical partners for sales and marketing.

Debiopharm independently funds the worldwide development of all of its products while providing expertise in pre-clinical and clinical trials, manufacturing, drug delivery and formulation, and regulatory affairs.

Founded in 1979 and headquartered in Lausanne, Switzerland, Debiopharm has developed four products with global combined sales of \$2.6 billion in 2008.

For more information on Debiopharm Group, please visit: www.debiopharm.com

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About Mercury Therapeutics, Inc. (www.mtipharm.com)

MTI is an early stage drug discovery company focusing on the development of small molecule candidates against selected protein kinase drug targets in metabolic diseases and oncology. MTI's main focus is on the discovery and development of orally active small molecule activators of AMPK, a well-validated though largely unexploited, protein kinase drug target in metabolic disease. While a number of anti-diabetic drugs currently on the market, including metformin (Glucophage®) and pioglitazone (Actos®), act indirectly to activate AMPK, MTI is seeking to develop the first orally available direct AMPK activator. The potential indications of a successful AMPK targeted drug include Type-2 diabetes, hyperlipidemia, obesity, metabolic syndrome and endocrine cancers.

MTI was launched in 2001, and has an exclusive license to a patent from Dartmouth College and St. Vincent's Institute for Biomedical Research in Melbourne, Australia for AMP activated protein kinase (AMPK). In June 2001, MTI launched its R&D operations following execution of a collaboration agreement with Aventis, AG to develop AMPK activators to treat Type-2 diabetes and obesity. In June 2004, Aventis was acquired by Sanofi, and MTI re-acquired all of its intellectual property rights to AMP kinase as well as the rights to develop compounds identified during the collaboration. In October, 2004: MTI secured external financing from XL TechGroup, Inc. In Q4 2005, MTI demonstrated its first preclinical proof-of-principle of active compounds in a glucose tolerance test in mice.