PRESS RELEASE

Clinical Update – Debio 025 in Hepatitis C

Debiopharm starts phase IIb triple therapy study, a promising therapeutic avenue

Lausanne, Switzerland, January 26, 2009 - Debiopharm Group (Debiopharm), a global biopharmaceutical development specialist that focuses on serious medical conditions and particularly oncology, announced today the randomisation of its first patient in a phase IIb clinical study with Debio 025, a selective cyclophilin (Cyp) inhibitor with a potent anti-hepatitis C (HCV) effect. This multinational, double-blind, placebo-controlled, parallel-group study will investigate the efficacy and safety of three different treatment regimens combining Debio 025 with Peg interferon alpha 2a (peg-IFNα2a) and ribavirin in treatment-naïve chronic HCV genotype 1 patients.

During this 72 week trial, on top of the Standard of Care (SOC) treatment consisting of peg-IFNα2a 180 µg once weekly and ribavirin 1000 or 1200 mg/day, patients will receive an oral dose of 600 mg of Debio 025. Three different triple combination regimens will be compared to the SOC treatment. The Company aims to evaluate whether there is an increase in the proportion of patients who achieve a sustained viral response (HCV RNA < 10 U/mL 24 weeks after treatment end) with Debio 025, compared to the SOC treatment. The trial will include 272 treatment-naïve chronic HCV genotype 1 patients. Results of the study are expected in Q1 2011.

"We believe that the future of chronic HCV treatment lies in the combination of drugs with different mechanisms of action and potential additive or synergistic antiviral effects. For this reason we are investigating the use of Debio 025 combined with the current peg-IFNα2a/ribavirin dual therapy. We are optimistic that this combination will reduce the risk of treatment failure for HCV patients and maximise their chances of sustained viral response," said Rolland-Yves Mauvernay, President and Founder of Debiopharm Group.

"With over 170 million people infected with HCV worldwide, there is a real medical need for a treatment which we hope to address," added Kamel Besseghir, CEO of Debiopharm S.A.

About Debio 025

Debio 025 is a synthetic first-in-class Cyp inhibitor, being tested in humans as a potential anti-HCV drug. Debio 025 binds strongly to Cyp, host cell proteins thought to confer a replication advantage to HCV. Its potent inhibitory activity on the HCV replication was shown in the following preclinical and clinical studies. Results of a phase Ib study demonstrate that Debio 025 monotherapy for 15 days induced a strong anti-HCV effect (3.6 $\log_{10}$ reduction) in HIV-1/HCV co-infected patients. *(Hepatology, 47:817-26).* Results of a phase IIa study with Debio 025 indicate that Debio 025 shows an important additive anti-HCV effect (4.6 $\log_{10}$ reduction) when co-administered with peg-IFNα2a to treatment-naïve HCV patients. *(J Hepatol, 48: S2)*

About HCV

HCV, in combination with hepatitis B, now accounts for 75% of all cases of liver disease around the world. HCV is considered by the World Health Organization as an epidemic. Because HCV can infect a patient for decades before being discovered, it is often called the "silent" epidemic. Studies suggest that in the US alone, nearly 4 million people are or have

been infected with HCV and of these, 2.7 million have an ongoing chronic infection, the majority being between 40 to 60 years old.

About Debiopharm Group
Debiopharm Group is a global biopharmaceutical development specialist that in-licenses promising biologics and small molecule drug candidates. It develops its products for global registration and maximum commercial potential for out-licensing 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 three products with global combined sales in excess of $2.65 billion in 2007.
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