

CLINICAL UPDATE – DEBIO 9902 (ZT-1) FOR ALZHEIMER’S DISEASE

- Presentation of final phase I monthly implant and phase IIa daily oral results -

Lausanne, Switzerland, June 11, 2007 - Debiopharm Group (Debiopharm), a global independent biopharmaceutical development specialist in oncology and serious medical conditions, presented final results of two Debio 9902 (formerly ZT-1) studies for the treatment of Alzheimer’s disease (AD) at the Alzheimer's Association International Conference on the Prevention of Dementia, in Washington, DC:

- The phase I monthly sustained release implant study showed that Debio 9902 was well tolerated after repeated doses up to 15mg/per month and there were no safety concerns.
- The phase IIa once-daily oral study for a treatment period of 9 months showed that Debio 9902 was safe and effective in the treatment of moderate AD.

In a phase I study, healthy volunteers were administered once monthly subcutaneous injections of Debio 9902 SR implants up to 15mg. Sustained levels of Huperzine A (Hup A), the active metabolite of Debio 9902, were observed up to four weeks and Debio 9902 was well tolerated.

In a phase IIa study with the oral formulation of Debio 9902 in mild to moderate AD patients, improvements were observed on 3 efficacy scales, the assessment cognitive sub-scale (ADAS-cog), the Mini mental state examination (MMSE) and the Neuropsychiatric inventory questionnaire (NPI-Q). The study included a randomized part which lasted 3 months and which was followed by an additional 6 month open label part. The efficacy shown with the oral formulation, the good safety profile and the sustained release of Debio 9902 implants over one month have led to an ongoing phase II ‘**BRAINz**’ study in AD patients.

"The continuous release of Debio 9902 SR implants provides a new treatment alternative with the potential for better tolerance through a progressive, steady release of the active compound, therefore increasing patient compliance and efficacy," said David Wilkinson, MARC, Moorgreen Hospital, Southampton, England and Principal Investigator in the United Kingdom.

About ‘BRAINz’

‘**BRAINz**’ (Better Recollection for Alzheimer’s patients with ImplaNts of ZT-1) is a phase II, double blind, double dummy clinical trial with Debio 9902 SR. The study will measure the safety and efficacy of Debio 9902 SR implants, in comparison to oral donepezil. The ‘**BRAINz**’ study is registered on www.clinicaltrials.gov.

About Debio 9902

Debio 9902 is a novel acetylcholinesterase (AChE) inhibitor that is transformed non-enzymatically into its active compound: Hup A. Hup A has been used in China for centuries to treat distinct disorders such as memory loss, schizophrenia and hypertension, and is widely used in North America and Europe as a food additive to enhance cognition and neuroprotection. The dual mode of action of Debio 9902 as an N-methyl-D-aspartate receptor antagonist and an AChE inhibitor, positions it as a third generation anti-Alzheimer’s product

by improving the general condition and cognitive functions of affected patients as well as having the potential of being a neuroprotectant. A compound with neuroprotective properties to complement the cholinergic effect, could potentially reduce the progression of AD. Debiopharm is seeking a partner for further development and commercialisation of Debio 9902.

About Debiopharm Group

Debiopharm Group is a global biopharmaceutical development specialist that in-licenses promising biologics and small molecule drug candidates. Debiopharm 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 \$2.6 billion in 2006.

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

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