DEBIO PHARM S.A.

PRESS RELEASE

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FOR IMMEDIATE RELEASE

DEBIOPHARM S.A. INAUGURATES A NEW STATE-OF-THE-ART GALENIC UNIT IN GLAND, SWITZERLAND

Gland, Switzerland, June 27, 2002 – Swiss pharmaceutical drug development company Debiopharm S.A. today inaugurated its new state-of-the-art galenic unit in Gland, Switzerland. The unit will specialise in the development of new galenic formulations adapted to the new molecules which Debiopharm will develop for clinical use, particularly in the field of oncology.

The galenic unit will focus on making soluble active pharmaceutical ingredients that were previously insoluble, for parenteral or oral administration in patients. Given the complexity of the molecules currently under development, particularly new molecules identified through genomic and proteomic studies, more and more active pharmaceutical ingredients are difficult to formulate as they insoluble in water. These molecules cannot be administered orally as they are not absorbed through the intestinal route; it is thus necessary to find other ways to formulate the active pharmaceutical ingredient in such a manner as to deliver it to the patient while ensuring maximum efficacy, safety, compliance and comfort.

The facility, located in Gland, between Lausanne and Geneva, will employ some twenty highly qualified scientists. A uniquely expert team at the forefront of analytical chemistry will be focusing its efforts on different technologies, including microencapsulation, micronisation, complexation, microemulsions, liposomes, micelles and nanodispersed systems. Debiopharm Galenic Unit has a clean room dedicated to conducting formulation work on anti-cancer molecules, as well as facilities for drugs to treat conditions other than cancer. Debio is strengthening its franchise in oncology, already the leading therapeutic field in the company's drug development efforts. The team intends to generate new advanced drug delivery systems that are patentable, to augment the already strong patent portfolio of Debiopharm S.A.

To date, Debiopharm Galenic Unit has succeeded in the formulation of ZT-1, a potent acetylcholine esterase inhibitor for the indication of Alzheimer's Disease. ZT-1 is a molecule that is highly insoluble and difficult to administer and has now entered Phase I studies. 4-hydroxy tamoxifen is another molecule that has been formulated with the proprietary injectable sustained-release polylactic glycolic acid (PLGA) technology of the Debiopharm Galenic Unit. This formulation demonstrated pharmacokinetically acceptable release profiles and reduced tumour size in animal models.

"The galenic unit will be developing cutting edge technologies, pushing back the limits of drug delivery with each discovery. Efficacy, safety, patient comfort and ease of delivery will be the key focus for our teams. This unit will complement and work closely with our already established development and FDA inspected manufacturing site at Debio RP in Martigny", commented Dr Rolland-Yves Mauvernay, CEO of Debiopharm.

Debiopharm, Debio R.P. and Debioclinic are an established and proven group of three synergistic and complementary companies, that has a successful track record in developing, registering and bringing to the market new chemical entities both in Europe and in the United States. Products successfully registered and launched include oxaliplatin for advanced colorectal cancer and triptorelin pamoate for prostate cancer, both market leaders in their therapeutic areas. Specialized in oncology, hormonal and niche products for serious medical conditions, Debiopharm is a partner of research institutions, pharmaceutical and biotechnology companies who seek to develop and register their drugs. Debio R.P., Debiopharm's sister company, is a leading world player in the research, development and manufacturing of polymer-based controlled release injectable formulations for peptides and proteins, including proprietary technologies suitable for other therapeutic modalities such as soluble polymer cytotoxic-drug conjugates for parenteral administration. Debio R.P. also carries out scale-up under current good manufacturing practice (cGMP) and has an FDA-inspected plant. Debioclinic, the third Debio company, is fully dedicated to clinical development.

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