

PRESS RELEASE

**Debiopharm Group™ grants an exclusive licence for
the development, manufacture and commercialisation of Debio 025
- A potent, first-in-class antiviral agent for the treatment of Hepatitis C -**

Lausanne, Switzerland – February 9, 2010 - 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, today announced the signature of an exclusive licence agreement with Novartis for the development, manufacture and commercialisation of Debio 025 (alisorivir), a selective, first-in-class cyclophilin (Cyp) inhibitor with a potent anti-hepatitis C virus (HCV) effect. The product is currently in phase 2b clinical development for the treatment of hepatitis C. Debiopharm granted Novartis worldwide commercialisation rights to Debio 025 except for Japan.

Under the terms of the agreement, Novartis will pay Debiopharm an upfront, development and sales milestones as well as royalties. This transaction is subject to customary regulatory approvals.

According to the World Health Organization 170 million people suffer from HCV in the world. “Sadly only 20% of those patients are treated adequately,” said Rolland-Yves Mauvernay, President and Founder of Debiopharm Group™. “At Debiopharm, we have a strong commitment to providing HCV sufferers with an efficacious cure and are confident about the potential of an innovative, first-in-class compound such as Debio 025, which may represent a breakthrough in the treatment of Hepatitis C. We are very happy to be working alongside Novartis, a partner with a strong dedication to HCV.”

About Debio 025

Debio 025 is an oligopeptide that has some chemical features in common with cyclosporine A, but is devoid of its immunosuppressive pharmacological effects. It has a very potent inhibitory effect on HCV replication both *in vitro* and *in vivo*. Debio 025 has excellent antiviral activity against a broad range of genotypes (1, 2, 3 and 4); a high barrier to the development of resistance; and the possibility for once daily dosing. It is expected to have a superior safety and efficacy profile to standard of care, and to be efficacious in patients not responding to the standard treatment.

Its potent inhibitory activity on the HCV replication was shown in the following clinical studies. Results of a phase Ib study demonstrate that Debio 025 monotherapy for 15 days induced a strong anti-HCV effect (3.6 log₁₀ 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 log₁₀ reduction) when co-administered with peg-IFNα2a for four weeks to treatment-naïve HCV patients (Hepatology, 2009 May;49(5):1460-8).

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 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 and co-develops promising biological and small molecule drug candidates having reached clinical development phases I, II or III. It develops its products for global registration and maximum commercial potential. 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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