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METABOLIC SOLUTIONS DEVELOPMENT COMPANY SECURES MORE THAN $10 MILLION FOR FURTHER DEVELOPMENT OF ITS DIABETES DRUG PORTFOLIO

West Michigan-based company closes latest funding round, earns grant from the National Institutes of Health.

KALAMAZOO, MICH. (April 30, 2009) – Metabolic Solutions Development Company (MSDC) has secured more than $10 million to support its drug development efforts through a recent funding round and a federal grant. Funding includes $9.25 million from investors and $1.36 million from the National Institutes of Health.

MSDC is nearing completion of a Phase IIa clinical trial for MSDC-0160, a drug designed to treat type 2 diabetes without the side effects of current treatments. This clinical trial phase will provide the first direct evidence for a therapeutic effect in diabetic patients.

“We’re pleased that during this difficult economic time, we were still able to meet our funding goals,” said Mark Olesnavage, chief executive officer of MSDC. “I think it speaks to the level of importance of the drug and the confidence that our investors have in our scientific platform.”

The funding from investors supports the compilation and analysis of Phase IIa data and allows MSDC to pursue an Investigational New Drug Application with the Food and Drug Administration on a second-generation drug to MSDC-0160.

The grant from the National Institutes of Health supports the study of PPAR-sparing thiazolidinediones in the treatment of diabetes. The award also funds a collaborative study with the University of California-San Diego which is directed toward gaining a better understanding of the unique mitochondrial target protein which has been discovered by MSDC scientists.

The MSDC drug portfolio being developed is led by two West Michigan scientists, Jerry Colca, Ph.D. and Rolf Kletzien, Ph.D., who have spent much of their careers working on treatments for type 2 diabetes. Dr. Colca also was instrumental in the early development of the current market leader, Actos, in type 2 diabetes treatment during his tenure with Upjohn Company.

"Our drug development program focuses on a different molecular target," said Colca, president and chief scientific officer of MSDC. "We believe that selective activation of the PPAR-sparing, mitochondrial target will produce a significantly improved safety profile for individuals with type 2 diabetes. Moreover, this change in safety profile could help shift the treatment paradigm to earlier treatment, which could prevent the progressive worsening of diabetes and its complications."

Complications from leading diabetes therapies include weight gain and edema as well as the potential for congestive heart failure and bone loss.

Following the completion of the Phase IIa trial and analysis of its findings, additional safety and expanded efficacy data will be developed in a 90-day Phase IIb clinical study that is currently in the later planning stage.

According to the American Diabetes Association, approximately $1 in every 10 health care dollars spent is attributed to diabetes. While an estimated 17.9 million have been diagnosed with diabetes, 5.7 million people (or nearly one in four) are unaware that they have the disease. There were 1.6 million new cases of diabetes in the United States during 2007. This growth rate of 7 percent continues to outpace the population growth and has been described by many health care professionals as an epidemic.

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Metabolic Solutions Development Company (www.msdrx.com), based in Kalamazoo, Mich., is developing innovative therapeutics using a different pharmacological path to treat type 2 diabetes. This new approach seeks to improve the efficacy of treatment by freeing patients from the adverse side effects of current treatments, including edema and weight gain.

The company's scientific strategy is built on a historical understanding of insulin-sensitizing thiazolidinediones (TZDs) and its unique insight into the mechanism of insulin-sensitizing pharmacology. The company believes that the result will be a new generation of superior, safer drug therapies.