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### **METABOLIC SOLUTIONS DEVELOPMENT COMPANY RAISES \$23.5 MILLION AND NAMES NEW CEO; FUNDS TO SUPPORT CURRENT PHASE 2B TRIAL OF NOVEL TYPE 2 DIABETES DRUG**

*Latest funding round will accelerate research and clinical development of the company's innovative drug pipeline to treat type 2 diabetes and other metabolic disorders*

KALAMAZOO, MICH. (Oct. 21, 2010) – Metabolic Solutions Development Company (MSDC), a clinical-stage company developing innovative therapeutics to treat diabetes and other metabolic disorders, announced today that it has raised \$23.5 million, bringing the total funds raised by the company to nearly \$50 million since it was founded in 2006. This latest round of financing, led by Hopen Life Sciences and including a follow-on commitment from current investor Southwest Michigan First Life Science Fund, will support the company's 90-day, multinational Phase 2b study of its novel drug candidate (MSDC-0160) targeted at type 2 diabetes. The double-blind clinical trial, which began enrolling patients in September, will involve more than 420 patients at 30 planned sites throughout the United States and India.

The \$23.5 million in new funding also will allow MSDC to conduct Phase 1b and Phase 2a trials on a second novel drug candidate (MSDC-0602) and expand research efforts that further detail the unique mechanism of action of these compounds.

"The pharmaceutical and investor communities are increasingly interested in the ability of our candidates to provide greater benefits than current market-leading diabetes medicines without the complications inherent in current therapies," said Jerry Colca, president and chief scientific officer of MSDC.

## **MSDC Raises \$23.5 Million To Support Phase 2b Trial – Page 2**

The Phase 2b trial of MSDC-0160 follows a Phase 2a multicenter trial that was conducted with more than 80 diabetics in the United States. In the Phase 2a trial, MSDC-0160 demonstrated that it improved insulin sensitivity and lowered blood glucose levels in humans without the side effects of the current market-leading diabetes medicines.

“If the results of the Phase 2a study are successfully extended in this Phase 2b trial, we will generate additional momentum for our development program as we drive toward achieving our long-term goal of a therapeutic option that could be used early in the course of the disease to inhibit the otherwise inexorable progression of diabetes and its complications,” said Colca.

MSDC-0160 and MSDC-0602 focus on the selective modulation of a novel mitochondrial target that is expected to result in a significantly improved safety profile for individuals with type 2 diabetes by directly correcting a root cause of the disease. MSDC-0160 also has demonstrated significant improvements in other important metabolic disease risk factors, including blood pressure and lipids, during clinical testing.

According to the American Diabetes Association, approximately \$1 in every 10 health care dollars spent is attributed to diabetes. Completed statistics from 2007 indicate that while an estimated 17.9 million have been diagnosed with diabetes, at least 5.7 million people (or nearly one in four) are unaware that they have the disease. The disease’s growth rate of 7 percent continues to outpace population growth and has been described by many health care professionals as an epidemic. In the absence of an improved treatment, there will be more than 26 million diabetics in the United States and more than 360 million diabetics worldwide by 2030.

### **New CEO**

MSDC also announced that it has named Stephen C. Benoit as its new chief executive officer.

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Benoit, an executive with a record of creating new ventures and leading businesses in the life sciences, consumer packaged goods, education services and financial services industries, joins MSDC after having served most recently as the founding president and chief operating officer of the Global Food Protection Institute (GFPI). Prior to GFPI, Benoit was president and chief executive officer of NanoMed Pharmaceuticals, a nanotechnology-based oncology drug development company.

“I am extremely pleased to join the leadership team of MSDC,” said Benoit. “Founders Jerry Colca and Rolf Kletzien have done a tremendous job pushing forward their vision for the development of innovative therapeutic solutions to treat a root cause of diabetes. It’s an exciting opportunity and I couldn’t be more thrilled to have the opportunity to work with these leaders in the field of metabolic diseases.”

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### ***About Metabolic Solutions Development Company***

*Metabolic Solutions Development Company (www.msdrx.com), based in Kalamazoo, Mich., is developing innovative therapeutics based upon a novel pharmacological path to treat type 2 diabetes. This innovative 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-sensitizers and its unique insight into the mechanism of insulin-sensitizing pharmacology. The company believes that its efforts will result in the creation of a new generation of superior, safer drug therapies to treat type 2 diabetes and other serious metabolic disorders.*

### ***About Stephen Benoit***

*Stephen C. Benoit is chief executive officer of Metabolic Solutions Development Company. Prior to joining MSDC, Benoit was the founding president and chief operating officer of the Global Food Protection Institute, a 501(c)(3) non-profit organization which is building the training infrastructure for the national integrated food safety system, advancing the development of transformative innovations in food protection technologies, and convening communities of action to influence the adoption of food protection policies and practices that lead to improved public health. Benoit is a member of the boards of directors of the Global Food Protection Institute, the International Food Protection Training Institute and Bridgetown Natural Foods.*

*Previously, Benoit served as president and chief executive officer of NanoMed Pharmaceuticals, Inc., a specialty pharmaceutical company developing improved drugs to treat cancer and other serious diseases. Prior to NanoMed, Benoit served as a corporate officer and member of the USA Executive Management Committee of Kellogg Company and was responsible for Kellogg’s \$200 million natural and functional foods division. Benoit also served as vice president of marketing and sales at AMBI, Inc, an ingredient manufacturer and pharmaceutical developer, and vice president of marketing at Calgene Fresh, Inc., a subsidiary of a leading biotechnology company. Benoit began his career at Bank of America.*

*Benoit is a visiting executive lecturer at the Darden School of Business, University of Virginia; and has been an invited guest lecturer the Wharton School of Business, University of Pennsylvania; Case Western Reserve University Weatherhead School of Management; Western Michigan University; and the Graduate School of Management, University of California Davis. He received his MBA in Finance from Loyola Marymount University and is a member of Alpha Sigma Nu, the national Jesuit academic honor society.*

### ***About Hopen Life Sciences, L.L.C.***

*Hopen Life Sciences, based in Grand Rapids, Mich., is a private investment firm focused on helping early- to mid-stage life science developments achieve commercial success. Hopen focuses on identifying promising healthcare innovations whether the concept is a drug, medical device or other healthcare product. Visit HopenLS.com for more information.*