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METABOLIC SOLUTIONS DEVELOPMENT COMPANY LAUNCHES PHASE 2A TRIAL OF ITS SECOND COMPOUND TO TREAT TYPE 2 DIABETES

KALAMAZOO, MICH. (March 29, 2011) – Metabolic Solutions Development Company (MSDC), a drug discovery and development company exploiting novel molecular targets to treat metabolic diseases, announced today that it has launched a Phase 2a trial for MSDC-0602, the company's second drug candidate for the treatment of type 2 diabetes. The 28-day, randomized, double-blind, comparator- and placebo-controlled clinical trial will involve approximately 125 patients at 15 planned sites throughout the United States.

MSDC-0602 is a selective modulator of mitochondrial metabolism that modifies nutrient-sensing pathways leading to improved insulin action without direct activation of nuclear transcription factors. "Because this novel mechanism of action does not depend on direct activation of nuclear transcription factors, type 2 diabetic patients treated with MSDC-0602 are not expected to experience fluid retention or weight gain as do patients treated with the currently marketed PPAR γ agonists," said Dr. Jerry Colca, president and chief scientific officer of MSDC.

In addition to gathering additional safety and tolerability data, the Phase 2a trial will evaluate the reduction in fasting plasma glucose following once-daily dosing for 28 consecutive days in patients with type 2 diabetes. Patients taking MSDC-0602 will be compared to those taking 45 mg of pioglitazone and placebo. This study follows the completion of two Phase 1 trials. No safety concerns were observed in those studies. Following this Phase 2a trial, additional safety and expanded efficacy data will be gathered in a Phase 2b study of MSDC-0602 that is targeted to begin in the first quarter of 2012.

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In October 2010, MSDC announced that it had raised \$23.5 million to conduct the Phase 2a trial of MSDC-0602 and complete the Phase 2b study of MSDC-0160, the company's pioneer compound for the treatment of metabolic diseases associated with altered mitochondrial function.

Diabetes is marked by high levels of blood glucose resulting from defects in insulin production, insulin action, or both. According to the American Diabetes Association and Centers for Disease Control, more than 23 million Americans have type 2 diabetes and another 70 million have been identified as having pre-diabetes (i.e., having blood glucose or HbA1c levels higher than normal but not high enough to be classified as diabetes). Diabetes can lead to serious complications and premature death. Complications include heart disease and stroke, hypertension, blindness and eye problems, kidney disease, diseases of the nervous system, dental diseases, and amputations. The annual total cost of diabetes in the United States is approximately \$174 billion.

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About Metabolic Solutions Development Company (MSDC)

Metabolic Solutions Development Company (www.msdrx.com) is a drug discovery and development company exploiting novel molecular targets to develop new therapies for metabolic diseases associated with altered mitochondrial function, especially insulin resistance and type 2 diabetes. The company has raised nearly \$50 million in support of the development of its pioneer and lead products, MSDC-0160 (currently in Phase 2b) and MSDC-0602 (currently in Phase 2a), which are new insulin sensitizers that have been shown to be effective in reducing fasting plasma glucose without the unwanted side effects associated with direct activation of nuclear transcription factors. Founded in 2006 by former Pfizer researchers Jerry Colca, Ph.D. and Rolf Kletzien, Ph.D., MSDC is headquartered in Kalamazoo, Michigan.