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PEARL THERAPEUTICS RAISES \$69 MILLION SERIES C FINANCING

*Funds Lead Combination Bronchodilator COPD Therapeutic Phase 2b Program
Phase 3 Clinical Trials Expected to Commence in Late 2012*

REDWOOD CITY, CALIF., October 19, 2010 - Pearl Therapeutics Inc., a privately held company developing clinically differentiated combination therapies for the treatment of highly prevalent chronic respiratory diseases, including chronic obstructive pulmonary disease (COPD), today announced a \$69 million Series C financing. The financing round was led by [Vatera Healthcare Partners](#) and included existing investors, [Clarus Ventures](#), [New Leaf Venture Partners](#) and [5AM Ventures](#). With this capital infusion, Pearl will have raised a total of \$102.5 million since 2007.

“The continued support from Pearl’s existing investors and the new participation of Vatera Healthcare as the lead investor in this financing are testaments to the value of Pearl’s innovative programs,” said [James W. Young](#), executive chairman at Pearl Therapeutics and venture partner at 5AM Ventures. “The capital raised in this Series C financing will enable Pearl to complete the entire Phase 2b program for its lead product.”

The capital will be used primarily to complete the Phase 2b clinical program for Pearl’s lead product, [PT003](#), a combination bronchodilator comprised of glycopyrrolate, a long-acting muscarinic antagonist (LAMA), and formoterol, a well-known, long-acting β 2-agonist (LABA), delivered via a hydrofluoroalkane metered dose inhaler (MDI) for the treatment of patients with COPD. Following the conclusion of the Phase 2b program, Pearl expects to initiate Phase 3 clinical trials in late 2012.

“We have initiated a comprehensive Phase 2b clinical program for PT003, including an ongoing Phase 2b dose-ranging study that compares PT003 against Spiriva® as well as four additional studies, which we plan to commence in the first half of 2011,” said [Howard B. Rosen](#), interim president and chief executive officer of Pearl Therapeutics. “We look forward to leveraging the combined expertise of our dedicated employees, advisers, and venture investors, now including the Vatera Healthcare team, as Pearl advances into its next stage of development. Together, we will progress development of PT003, the only

dual long-acting rapid bronchodilator LAMA-LABA combination product in an MDI formulation for the treatment of patients with COPD.”

In connection with the financing, Vatera Holdings LLC managing director, Sundar Kodiyalam has joined the Pearl Board of Directors. Additionally, Vatera Holdings executive-in-residence, Thomas Koestler, the former president of Schering-Plough Research Institute until its acquisition by Merck & Co., has been appointed as a Board observer.

“Vatera’s mission is to support and grow emerging biopharmaceutical companies, specifically those addressing significant markets by offering novel solutions that improve treatment outcomes,” said [Sundar Kodiyalam](#). “Therapies to treat respiratory conditions are an area of high interest to Vatera and we believe Pearl’s technology platform can lead to market-leading therapies for COPD. We look forward to working with Pearl’s management team to build a great company.”

About Vatera Healthcare

Vatera Healthcare Partners is a venture capital firm established by Michael Jaharis, co-founder of Kos Pharmaceuticals, Inc., a specialty pharmaceutical company sold to Abbott Laboratories in 2006 for \$4.2 billion, and of Key Pharmaceuticals, Inc., a specialty pharmaceutical company merged with Schering-Plough in 1986 for \$836 million. Vatera focuses on investing in biopharmaceutical firms and products with the goal of building and growing companies by leveraging the team’s collective experience and expertise in the pharmaceutical industry and strong network of relationships within industry and academia. For more information, please visit www.vaterahealthcare.com.

About Clarus Ventures

Clarus Ventures is a life sciences venture capital firm founded by a team of accomplished investment professionals with extensive and complementary industry backgrounds which have enabled them to establish a long history of success in creating value. Clarus is based in Cambridge, Mass. and South San Francisco, Calif. and manages more than \$1.2 billion across two life-sciences dedicated funds. For more information, please visit www.clarusventures.com.

About New Leaf Venture Partners

New Leaf Venture Partners is a leader in healthcare technology venture investing. Their investment professionals bring a unique blend of technological, clinical, and operational experience to their investments. Their focus is primarily on later stage biopharmaceutical products, early stage medical devices, and laboratory infrastructure technologies. New Leaf currently manages \$1.3 billion in assets. This includes their newest fund, New Leaf Ventures II, L.P. which closed with commitments of \$450 million in October 2007, New Leaf Ventures I, L.P. and the healthcare technology portfolio of the Sprout Group, one of the oldest U.S. venture capital fund groups. For more information, please visit www.nlvpartners.com.

About 5AM Ventures

5AM Ventures is an early-stage venture capital firm focused on building next-generation life science companies. Founded in 2002, 5AM has invested in over 25 early-stage companies. 5AM Ventures has over \$420 million under management and is actively investing 5AM Ventures III, L.P., a \$205 million fund. The firm has offices in Menlo Park, CA and Waltham, MA. For more information, please visit www.5amventures.com.

About COPD

Chronic obstructive pulmonary disease (COPD) is a preventable and treatable disease with significant extrapulmonary effects that may contribute to the severity in individual patients. Its pulmonary component is characterized by airflow limitation that is not fully reversible. The airflow limitation is usually progressive and associated with an abnormal inflammatory response of the lung to noxious particles or gases. While other major causes of death have been decreasing, COPD mortality has continued to rise and is now the fourth leading cause of death in the United States. Each year 12 million Americans are diagnosed with COPD, and research shows that many do not get optimal treatment. An additional 12 million Americans may have COPD and remain undiagnosed. Worldwide, cigarette smoking is the most common risk factor for COPD, and smoking cessation is the only intervention that has been shown to modify the course of the disease.

For more information on COPD, please visit the [Therapeutic Areas](#) page on the Pearl website.

About Pearl Therapeutics

Pearl Therapeutics is developing combination therapies for the treatment of highly prevalent respiratory diseases, including chronic obstructive pulmonary disease (COPD) and asthma. Leveraging its proprietary particle technology, formulation expertise and unparalleled product development experience, Pearl is rapidly advancing a pipeline of products that offer patients and healthcare professionals therapies that better meet their needs and improve upon the safety and efficacy of existing respiratory therapeutics. Founded in 2006, Pearl Therapeutics is privately held and backed by Vatera Healthcare, Clarus Ventures, New Leaf Ventures and 5AM Ventures. For more information, please visit www.pearltherapeutics.com.

Editor's note: Spiriva® is a registered trademark of Boehringer Ingelheim Pharmaceuticals