



Elixir Pharmaceuticals Signs Option Agreement with a Major Pharmaceutical Company; Completes \$12M Equity Financing

Agreement Focuses on Oral Ghrelin Antagonist Program, Targeting Type 2 Diabetes

Cambridge, Mass., May 19, 2009 — Elixir Pharmaceuticals, Inc., announced today the Company has entered into an agreement with Novartis whereby Novartis has been granted an exclusive option to acquire Elixir following the successful completion of a Phase 2a clinical study of Elixir's lead oral ghrelin antagonist, currently in preclinical, IND-enabling studies. Including the initial acquisition payment plus potential additional regulatory and sales milestone payments, the deal with Novartis could exceed \$500 million. The agreement also includes a right to an exclusive worldwide license under pre-agreed conditions.

"Type 2 diabetes continues to grow as one of the leading causes of excess morbidity and mortality around the world. New therapeutic options for this serious and chronic disease are sorely needed" commented Paul Martha, M.D., Elixir's President and CEO. "Elixir is a leader in the development of ghrelin antagonists for the treatment of type 2 diabetes and other major metabolic diseases. Therefore, we are extremely pleased to have reached agreement with Novartis on the tremendous potential value of our ghrelin antagonism program."

Elixir also announced it has completed a \$12 million equity financing, led by MPM Capital on behalf of the MPM Bio IV NVS Strategic Fund L.P. In addition to MPM, the financing round includes existing investors ARCH Venture Partners, Oxford Bioscience Partners, the Omega Fund and Physic Ventures. Concurrent with the investment, Dr. Kenneth Greenberg, a Principal at MPM Capital, has joined Elixir's Board of Directors.

"This major commitment by the MPM Bio IV NVS Strategic Fund L.P. reflects our belief in the potential of Elixir's program to address important unmet needs in type 2 diabetes," said Todd Foley, Managing Director at MPM Capital. "We are pleased to be a part of this successful financing, and we look forward to working closely with Elixir."

About Type 2 Diabetes

Type 2 diabetes is a chronic metabolic disorder characterized by high blood sugar caused by defective insulin secretion, resistance to insulin action or a combination of both. It is a serious and debilitating disease, affecting more than 23 million Americans in the U.S. alone, 25% of whom are estimated to be undiagnosed. While there has been significant progress in the treatment of type 2 diabetes in the last decade, there is still an enormous unmet medical need worldwide.

About Elixir's Ghrelin Antagonist Development Program

Ghrelin is a naturally occurring hormone secreted by the stomach, that acts primarily at the level of the hypothalamus in the brain. A key metabolic regulator, ghrelin plays a significant role in the

regulation of glucose homeostasis, lipid profiles and body composition. It has been shown to stimulate appetite and food consumption, as well as play a central role in metabolism and energy storage. Elixir scientists have shown that genetically eliminating or “knocking out” the ghrelin receptor results in increased insulin sensitivity, improved triglyceride and cholesterol levels, and overall resistance to obesity in mice fed a high-fat diet.

Using structure-assisted drug design, a method of creating chemical compounds based on an understanding of the configuration of the human ghrelin receptor, Elixir has internally discovered and developed a series of potent, small molecule antagonist compounds that block the ghrelin receptor. Oral administration of these compounds in animal models of diet-induced obesity and early diabetes resulted in similarly favorable metabolic effects to those seen in knockout models with respect to improved blood glucose levels, insulin resistance, HbA1c, triglycerides, total cholesterol, liver fat, body weight and white fat when compared to placebo. Elixir is completing preclinical studies of a clinical candidate prior to filing an investigational new drug (IND) application with the U.S. Food and Drug Administration.

About Elixir Pharmaceuticals

Elixir is a pharmaceutical company focused on the discovery, development and commercialization of novel pharmaceuticals for the treatment of metabolic diseases such as diabetes and obesity. The Company's scientific founders determined that modulation of specific genes can slow the aging process and increase longevity. Elixir is developing small molecule drugs that mimic these longevity responses, and these drugs will be used to treat a range of age-related diseases, including the major metabolic diseases.

In addition to its oral ghrelin antagonist program, Elixir has two product candidates (Metgluna™ and Glinsuna™) which have recently completed Phase 3 clinical trials for the treatment of type 2 diabetes. The Company is also developing EX-1314, an oral drug for the treatment of GI hypomotility disorders including type 1 diabetic gastroparesis. Further, the Company's SIRT product development program is exemplary of how Elixir continues to use its understanding of the pathways which slow the aging process to identify interesting targets for the development of drugs to treat metabolic disease.

About MPM Capital

MPM Capital is one of the world's largest life science-dedicated venture investors. With committed capital under management in excess of \$2.4 billion, MPM Capital is uniquely structured to invest globally in healthcare innovation

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