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OTHERA PHARMACEUTICALS ANNOUNCES FIRST PATIENT DOSED WITH OT-551 EYE DROPS IN A PHASE 2 CLINICAL TRIAL OF GEOGRAPHIC ATROPHY

Othera's lead compound to be tested in Geographic Atrophy (GA), a severe form of dry age-related macular degeneration (dry AMD). GA is a leading cause of blindness from AMD and affects nearly 1 million Americans

Exton, PA, June 11, 2007 – Othera Pharmaceuticals, Inc. today announced that the first patient has been dosed in the OMEGA (*OT-551 Multicenter Evaluation of Geographic Atrophy*) trial, a planned 198 patient study of OT-551 eye drops as a treatment for geographic atrophy (GA), the advanced form of dry AMD. OT-551 could represent the first effective treatment for this chronic, degenerative disease which currently affects around one million elderly Americans.

"I have been interested in dry AMD for 20 years, and it's been very lonely", commented Paul Sternberg, Jr., MD (Chairman of Vanderbilt Eye Institute and the OMEGA Study) referring to the fact that until recently, despite its serious nature and prevalence, the need for long and expensive trials meant almost no treatments have been investigated for GA.

Proposed changes in clinically-relevant endpoints were recently discussed at a public meeting in November 2006 on the design and endpoints for human clinical trials of retinal diseases. "A new anatomical endpoint that is based on objective changes of the area of atrophy of the retinal pigment epithelial cells may be a more sensitive measure of disease progression compared with visual function endpoints," said Al Reaves, PhD, Othera's Senior VP of Clinical Development. The OMEGA study is designed to take advantage of this new clinical endpoint. "We are glad that the study has been initiated with the first patient dosed and hope that OT-551 will prove beneficial for treating this sight-threatening, unmet medical need".

About the OMEGA Study

OMEGA is a three-arm, randomized, placebo-controlled, 2-year study taking place at 20 of the leading retinal centers across the United States. Patients will be screened for entry into the trial based upon a number of criteria, including the size and location within the retina of existing atrophy as evaluated by various high-resolution imaging systems. OMEGA will utilize the Digital Angiography Reading Center (DARC) under the direction of Jason Slakter, MD as the central resource to establish patient entry into the study and to follow progression of GA during the trial. The primary endpoint for the study will be the rate of change from baseline in the area of GA. Additionally, best-corrected visual acuity will be measured. Based upon published data from earlier studies (Sunness et al. *Ophthalmol.* 1999;106:1768-1779), the area of GA in untreated eyes that meet the OMEGA entry criteria is likely to progress by 2.5 mm²/year, on average.

About OT-551

Othera's lead compound, OT-551, is an eye drop currently in mid-stage Phase 2 clinical development. In addition to planned and ongoing studies in both the dry and wet forms of AMD, Othera is evaluating OT-551 in a Phase 2 trial for cataract prevention. OT-551 is a small molecule that acts through multiple pathways to downregulate the disease-induced overexpression of nuclear factor kappa B (NF- κ B; a key player in human inflammatory disease) and to reduce oxidative stress. In preclinical models, OT-551 has demonstrated anti-oxidative, anti-inflammatory and anti-angiogenic activity, which supports development in diseases of the eye, such as AMD and cataracts where these mechanisms play a key role.

About Othera Pharmaceuticals

Othera Pharmaceuticals, Inc. is a privately-held, specialty pharmaceutical company located in Exton, PA. Othera is designing and developing small molecule products with novel mechanisms of action for ophthalmic and other indications. In ophthalmics, Othera is developing topical eye drop products for age-related diseases, including some of the leading causes of blindness. Othera is also engaged in the discovery of a novel set of orally-administered compounds to address severe medical conditions including cancer and chronic inflammatory diseases. Othera's second lead compound, OT-730, is a novel improved beta-blocker in preclinical development for the treatment of glaucoma. More information on Othera Pharmaceuticals is available on the company's website at www.othera.com.

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