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**FOR IMMEDIATE RELEASE**

**ALANTOS PHARMACEUTICALS RAISES \$20 MILLION IN PRIVATE  
PLACEMENT**

***- Dr. Frank L. Douglas, Former Worldwide Head of Research & Development at  
Aventis, Named Chairman of the Board -***

***- Company Moves Headquarters to Cambridge, Massachusetts -***

Cambridge, Massachusetts – March 10, 2005 -- Alantos Pharmaceuticals Holding, Inc., a privately held biopharmaceutical company focused on the discovery and development of small molecule drugs with a focus on osteoarthritis/inflammation and type II diabetes, today announced it has raised \$20 million in a series B private round of financing from existing investors Oxford Bioscience Partners, SV Life Sciences, Earlybird, ABN AMRO, Heidelberg Innovation and Ventech. Proceeds from the financing will be used to progress the Company's pipeline of compounds, particularly its two lead candidates for diabetes and osteoarthritis into clinical development.

Alantos also announced the appointment of Frank L. Douglas, M.D., Ph.D., as Chairman of the Board. Until September 2004, Dr. Douglas was Executive Vice President of Aventis Pharma AG and head of Drug Innovation and Approval, with responsibilities for world wide discovery and development. He was also a member of the Board of Directors and Chief Scientific Officer of Aventis. Dr. Douglas is currently an Executive-in-Residence at MIT Sloan School of Management where he is establishing a Center for Biomedical Innovation.

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“The current financing will allow us to take our lead programs in Osteoarthritis and Diabetes into the clinic and utilize our unique chemistry to expand our strong set of pre-clinical molecules primarily in inflammation,” said Keith Dionne, Ph.D., Chief Executive Officer of Alantos. “I am also excited to welcome Dr. Frank Douglas as Chairman of our Board. Frank’s extensive experience in pharmaceutical development, as well as his network across the pharmaceutical industry will be invaluable in developing our compounds internally and in working with pharmaceutical partners.”

“I am eager to join Alantos at this junction in its development,” said Dr. Douglas. “The Company has identified exciting compounds with the potential to modify the disease progression of Osteoarthritis - one of the major unmet medical needs in the industry, as well as compounds with the potential to significantly impact adult onset diabetes. I look forward to working closely with Alantos as it continues to expand and implement its corporate initiatives.”

Separately, Alantos reported today that it has completed its incorporation in the United States. As a result, Alantos will move its headquarters to Cambridge, Massachusetts, while maintaining a research facility in Heidelberg, Germany. The Company has also announced that it has broadened its internal expertise with the appointments of Dr. Arthur Taveras as Vice President Medicinal Chemistry and Dr. Darrell J. Nix as Director, Pre-clinical Development.

“Alantos’ dual sites allow us to take advantage of superb chemistry and biology expertise in Germany, along with cost and in-licensing advantages of being in Europe; all the while having our headquarters and development in the largest biotech center of the U.S., with its corresponding access to financing, sector expertise and partnering,” said Dr. Dionne. “During the past year, Alantos has strategically built its infrastructure to support our growing pipeline of proprietary small molecules. I am excited to officially welcome both Dr. Taveras and Dr. Nix to the team, both whom have already made a significant impact in our lead programs.”

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Arthur Taveras, Ph.D., joined Alantos from Schering-Plough Corporation where during his 14-year tenure he was responsible for medicinal chemistry and drug discovery activities in several anti-cancer and anti-inflammatory programs. Dr. Taveras was the inventor on nearly 50 U.S. patents and patent applications and has authored approximately 60 scientific publications/presentations. He received his Ph.D. and M.S. degrees in Synthetic Organic Chemistry and Natural Products Synthesis from Rensselaer Polytechnic Institute.

Darrell J. Nix, Ph.D., was most recently Associate Director, Pharmacokinetics and Drug Metabolism at Millennium Pharmaceuticals, Inc. where he was responsible for creating a Drug Metabolism/Pharmacokinetics (DMPK) group to support drug development from late stage discovery through registration in foreign and U.S. markets. Prior to his career in industry, Dr. Nix spent six years at the FDA. Dr. Nix holds a Ph.D. in Pharmacology and a M.S. in Applied Pharmacology from Uniformed Services University of the Health Sciences/F. Edward Hebert School of Medicine.

**About The Company:**

Alantos Pharmaceuticals is a chemistry-driven discovery company with a proprietary pipeline of small molecule drugs focused in the area of inflammation and diabetes. Its two lead compounds are in pre-clinical development for Osteoarthritis and type II diabetes. In addition, the Company is utilizing its chemistry strength to develop novel small molecule compounds for important targets in inflammatory cytokine pathways. With headquarters and development in Cambridge, Massachusetts, and discovery in Heidelberg, Germany, the Company currently employs 40 people. For more information on the Company, please visit [www.alantos.com](http://www.alantos.com)

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