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**AVEO PHARMACEUTICALS INITIATES CLINICAL DEVELOPMENT OF AV-412
IN CANCER PATIENTS WITH ADVANCED SOLID TUMORS**

CAMBRIDGE, MA October 23, 2006 – AVEO Pharmaceuticals, Inc. (AVEO), a biopharmaceutical company focused on the discovery and development of novel cancer medicines, announced today that it has begun enrolling patients in a Phase I clinical study for AV-412, a next generation oral tyrosine kinase inhibitor of EGFR/HER2. The open-label, sequential dose escalation study will be conducted at several leading cancer institutions to examine the safety, tolerability and optimal dosing of AV-412.

"The initiation of clinical trials for AV-412 is a significant corporate milestone for AVEO and exemplifies our commitment to become a leader in the development of novel cancer medicines. AV-412 represents the next generation oral tyrosine kinase inhibitor of EGFR/HER2 with the potential to target a broad range of tumor types," said Tuan Ha-Ngoc, President and CEO of AVEO Pharmaceuticals. "As we move forward with development of AV-412, the application of our Human Response Prediction™ Platform promises to help guide advanced development and to maximize the likelihood of success across multiple tumor types."

About AV-412

AV-412 is a next generation oral tyrosine kinase inhibitor of EGFR/HER2 that could potentially treat patients with solid tumors. In preclinical studies, AV-412 has shown excellent activity in various tumor models, has a toxicity profile similar to other molecules in its class, and has shown preclinical activity against tumor cells that are resistant to first-generation tyrosine kinase inhibitors. The targets of AV-412 have been implicated in many significant human cancers including Non-Small Cell Lung Cancer, Metastatic Breast Cancer, Pancreatic Cancer,



Head & Neck Cancer and Hormone Refractory Prostate Cancer. AVEO's proprietary Human Response Prediction™ Platform offers an opportunity to exploit AV-412's unique characteristics and will provide further insight into potential clinical settings, tumor subtypes and responsive patient populations. AVEO acquired worldwide rights outside of Asia to AV-412 from Mitsubishi Pharma Corporation. For more information on the AV-412 clinical trial, visit www.clinicaltrials.gov and search using the keyword AV-412.

About AVEO's Human Response Prediction™ Platform

AVEO's Human Response Prediction™ Platform enables the identification of likely responders, with the goal of improving clinical outcomes. The Human Response Prediction™ Platform is based on AVEO's proprietary, genetically-defined mouse models of human cancer. Each of these models is engineered to contain signature genetic mutations that are present in human disease. Beyond these cancer-initiating engineered mutations, the resultant tumors acquire common and distinct spontaneous mutations during tumor progression, providing additional natural genetic variation more akin to the range of genetic heterogeneity encountered across different primary human tumors. The tumor-to-tumor genetic variation in the system provides the opportunity to identify genetic correlations between responding and non-responding tumor populations, and to apply such genetic profiles in clinical development. Consequently, compared with traditional xenograft models that have proven to be non-predictive of efficacy, often leading to expensive and time consuming hit or miss outcomes in clinical trials, AVEO's cancer models are improved predictors of human response.

About AVEO

AVEO is a private biopharmaceutical company focused on the discovery and development of novel cancer therapeutics. The Company utilizes its proprietary, genetically-defined cancer models for the identification and validation of novel cancer targets, and has begun to build an impressive portfolio of drug discovery and development programs around these high-value targets. AVEO's most advanced clinical program, AV-412, is currently in Phase I clinical trials. AVEO also leverages its Human Response Prediction™ Platform to allow for the



identification of genetic profiles that correspond with patient responsiveness. AVEO is located in Cambridge, Massachusetts. For more information, please visit the company's website at www.aveopharma.com.