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Curalogic seeks new development projects

Summary: *Curalogic has initiated a search process to identify development projects offering an attractive risk profile that can replace the company's previous pipeline of clinical projects. Curalogic discontinues the development of oral immunotherapy, minimizing its burn rate. Curalogic expects to conclude an agreement during 2008 that will secure future clinical development projects for the company.*

On December 21, 2007, Curalogic announced top line results from a Phase III clinical study (RPE 04) with the product for the treatment of ragweed allergy. Curalogic has subsequently conducted a detailed analysis of all study results with its clinical advisers.

The conclusion is that the tested dose of the ragweed product is not efficacious with respect to the primary and secondary efficacy measures. There is no difference in allergy symptoms between the active group and the placebo group, which indicates that much higher doses are required to continue with the current formulation. The results are very surprising, because the study was conducted during a good pollen season with relevant patients and because the patients in the active group had concentrations of ragweed specific antibodies (immunoglobulins) in their blood similar to the concentrations achieved with injection and sublingual immunotherapy. The discussion with experts has failed to shed light on the cause of the lack of effect on allergy symptoms. Curalogic believes that the formulation must be optimized to achieve efficacy in the ragweed product.

The active compounds in the grass and house dust mite products are proteins just like the active compounds in the ragweed product and the formulations are identical to the formulation of the ragweed product. Curalogic therefore believes that the negative results of the RPE 04 study indicate that the likelihood of achieving positive results with the grass and house dust mite products is significantly reduced.

Curalogic has conducted a detailed strategic review of the future development of the company's pipeline of oral allergy products. On the one hand, data from the RPE 04 study shows that the ragweed pollen extract reaches the immune system, but on the other hand the lack of understanding of the cause of the lack of efficacy means that optimizing of the formulation will be a research project. This means that the development of the company's pipeline will be set back several years and that the risk profile will be materially adversely affected. Curalogic has therefore decided to discontinue the development of its oral immunotherapy projects internally.

Curalogic now intends to initiate a search process to find development projects offering an attractive risk profile that can replace the company's previous pipeline of clinical projects. Curalogic expects to conclude an agreement during 2008 that will secure future clinical development projects for the company.

As a result of this decision, Curalogic terminates the ongoing study with the grass product (GPE 03). The company's ongoing study with the house dust mite product (DME 01) is close to completion and therefore this study will not be terminated. All other development activities, including production optimization, stability testing, etc., have already been terminated. As a result of the lower level of activity, the staff will be reduced from 14 to seven employees.

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At 31 December 2007, Curalogic's cash resources totaled approximately DKK 330 million (unaudited figures). Estimated costs payable for 2007 and costs in connection with discontinuing the ongoing development activities are assessed at a total of around DKK 60 million.

For the financial year 2008, Curalogic expects to incur costs for operating the company in the range of DKK 24-28 million. To this should be added expected interest income at the level of DKK 11-12 million. The company expects to incur a total loss in the range of DKK 13-16 million in 2008. Based on these projections, Curalogic's cash resources at December 31, 2008 are expected to range from DKK 255-260 million.

Peter Moldt, CEO, said: "I am confident that oral immunotherapy works, but the development has been set back several years with the data from the RPE 04 study and has become much riskier. Instead of conducting research into whether the formulation for oral immunotherapy can be optimized, I am confident that we can create more shareholder value by focusing on what we do best – namely clinical development. Owing to our business model, we are able to reduce our costs to a low level until we have found the right development project. Fortunately, we have a buyer's market right now and we have something that is of great value to many biotech companies today – we are listed, we have ample cash resources and we have a strong expertise in developing drugs."

Curalogic's annual report for 2007 will be released on March 12, 2008. The company's annual general meeting is planned for April 21, 2008. Curalogic's board of directors intends to propose a resolution to the annual general meeting that the company be authorized to buy back treasury shares. The company's financial calendar for 2008 will be published in a separate announcement released later today.

Yours sincerely

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About Curalogic

Curalogic is a Danish biopharmaceutical company listed on the OMX Nordic Exchange (CUR.CO) as a small cap + company. Curalogic has ample cash resources and has demonstrated its ability to conduct complex clinical studies with a small group of development experts.