



For information contact:
Krystle Ficco
Feinstein Kean Healthcare
617-761-6702
krystle.ficco@fkhealth.com

Laurie Fink
National Director of Media Relations
Cystic Fibrosis Foundation
301-841-2602
lfink@cff.org

FOR IMMEDIATE RELEASE

FoldRx Technology Enables Discovery of Novel Therapeutic Approach for Treating Cystic Fibrosis

-- Achievement of first milestone marks rapid progress in Cystic Fibrosis Foundation Therapeutics collaboration --

Cambridge, MA, July 8, 2008 – FoldRx Pharmaceuticals, Inc. (FoldRx) today announced that it has discovered a series of novel drug prototypes that have shown potential *in vitro* to correct the protein-folding defect associated with cystic fibrosis (CF). The discovery, made through a research collaboration announced last year with Cystic Fibrosis Foundation Therapeutics, Inc. (CFFT), the nonprofit affiliate of the Cystic Fibrosis Foundation, may pave the way to novel drugs capable of repairing the protein misfolding associated with cystic fibrosis, thus helping treat the underlying cause of the disease. The discovery was made using FoldRx's proprietary yeast-based, high throughput screening platform.

“We are very encouraged by the rapid progress we have made in identifying novel drug prototypes that appear to restore proper functioning of the CFTR protein in tissue samples from CF patients,” said Richard Labaudinière, Ph.D., president and CEO of FoldRx. “In addition to the promise this discovery holds for the treatment of CF, it is also further validation of the potential of our yeast-based discovery platform in the development of drugs to treat a wide array of diseases caused by protein trafficking and misfolding.”

Scientists believe that many diseases such as cystic fibrosis, Parkinson's and Alzheimer's are caused by protein misfolding. An imperfectly folded protein, sometimes resulting from major gene mutations, can be rendered ineffective because its trafficking pathway is disrupted, leaving it unable to reach its target destination and leading to disease. Recent studies suggest that the ability to repair this defect may offer a therapeutic strategy for treating a variety of protein-misfolding diseases, including CF.

FoldRx's novel drug prototypes for CF are the result of a collaboration with CFFT for which the company will receive a milestone payment based on this achievement. Robert J. Beall, Ph.D., president and CEO of the CF Foundation, noted “The Foundation's goal is to take advantage of every promising technology in the marketplace that may offer advanced treatment options for patients with CF. FoldRx brings a unique approach and cutting edge technology platform with potential to generate new compounds that treat the basic defect in CF, rather than just the symptoms. Their ability to deliver this key milestone in under a year shows the strength of their program and commitment to the disease.”



Cystic fibrosis is a fatal genetic disease that affects approximately 30,000 children and adults in the United States and 70,000 people worldwide. It causes life-threatening lung infections and serious digestive complications. More than 10 million Americans are symptomless carriers of the CF gene.

FoldRx has a number of additional ongoing programs designed to explore treatment for diseases caused by protein trafficking and misfolding, including a pivotal Phase II/III trial with its lead drug candidate, Fx-1006A, for the treatment of patients suffering from Transthyretin (TTR)-associated Amyloidosis with Polyneuropathy (ATTR-PN), a rare genetic disease that affects approximately 10,000 people worldwide, for which enrollment was completed last year. Efficacy data are expected in July 2009. Furthermore, the yeast platform has been successfully applied to the discovery of a lead prototype series for treatment of Parkinson disease which have been successfully tested in an *in vivo* model of neurodegeneration.

About the Collaboration and Cystic Fibrosis Foundation

FoldRx will receive up to \$23.7 million over five years from CFFT to discover and develop new compounds aimed at treating the basic defect in cystic fibrosis. FoldRx will retain full worldwide commercialization rights and receive CFFT payments upon successful completion of specific research and development milestones, including development of two clinical candidates to the point of Phase I clinical trials. FoldRx will also assume part of the preclinical development costs and own all new intellectual property generated during the collaboration. CFFT will be eligible to receive royalties from FoldRx on net sales of any approved products.

The Cystic Fibrosis Foundation is the leading organization devoted to curing and controlling cystic fibrosis. Headquartered in Bethesda, Md., the Foundation funds CF research, has 80 chapter and branch offices throughout the country, and supports and accredits a nationwide network of 115 CF care centers, which provide vital treatments and other CF resources to patients and families. For more information, visit www.cff.org.

About FoldRx Pharmaceuticals, Inc.

FoldRx Pharmaceuticals is a development and discovery company focusing on first-in-class, disease-modifying, small molecule therapeutics to treat diseases of protein misfolding and aggregation (amyloidosis). Protein misfolding is increasingly being recognized as an underlying cause of many chronic degenerative diseases. By applying FoldRx's proprietary expertise in protein folding and its platform for drug and target discovery, the company is building a pipeline, initially for neurodegenerative and cardiovascular conditions. FoldRx's pipeline includes a program in advanced clinical development to treat genetic neurologic and cardiovascular disorders, Transthyretin (TTR)-associated Amyloidosis with Polyneuropathy (ATTR-PN) and TTR-associated Amyloidosis with Cardiomyopathy (ATTR-CM), and a discovery program in Parkinson's disease and cystic fibrosis, based on its broad, proprietary, yeast-based drug discovery platform. For more information on FoldRx, please visit the company's web site at www.foldrx.com.

###