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FOLDRX AND CYSTIC FIBROSIS FOUNDATION THERAPEUTICS ANNOUNCE $22 MILLION COLLABORATION

-- FoldRx will utilize its yeast-based discovery platform to discover and develop novel therapeutics aimed at treating cystic fibrosis --

Cambridge, MA, and Bethesda, MD August 13, 2007 – FoldRx Pharmaceuticals, Inc. (FoldRx) and Cystic Fibrosis Foundation Therapeutics, Inc. (CFFT), the nonprofit affiliate of the Cystic Fibrosis Foundation, announced today that FoldRx will receive up to $22 million over five years to discover and develop new compounds aimed at treating a core defect in cystic fibrosis. The research, development and commercialization agreement — one of the largest of its kind for CFFT — calls for FoldRx to use its novel yeast-based, high throughput screening platform to detect new compounds that could improve the function of a misfolded protein associated with cystic fibrosis, thus helping treat the disease.

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

“Ensuring that everyone living with cystic fibrosis has a long and full life is at the heart of all we do -- this is why our collaboration with FoldRx is an important one,” said Robert J. Beall, Ph.D., president and CEO of the CF Foundation. “It provides a great opportunity to apply cutting-edge technology to find new therapies that may lead us to a cure.”

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 1 clinical trials. The company 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.

“Although CF treatments in recent years have made great strides in extending patients’ lives, there is still a significant need for therapeutic improvements that address the underlying cause of the disease,” noted Richard Labaudinière, Ph.D., president and CEO of FoldRx. “Our yeast-based drug discovery platform is uniquely suited to diseases such as CF, which involve mistrafficking of mutated proteins. This collaboration with CFFT is another example of FoldRx’s growing scientific and clinical experience in orphan diseases and is an ideal collaboration, serving to expand our pipeline of product opportunities.”

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 has developed a powerful yeast-based, high throughput screening platform designed to study the mechanism of protein misfolding and its relation to disease, and to identify small-molecule modulators of protein misfolding. Yeast is a well-recognized model system, as many of the proteins and cellular mechanisms in yeast have similar counterparts in humans. This collaboration with CFFT could eventually lead to the design of new drugs that will improve biological function of the mutated protein involved in CF, and thus treat the disease.

About the Cystic Fibrosis Foundation
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.

To advance the search for a cure, CFFT has invested nearly $230 million in promising scientific research in the pharmaceutical and biotechnology industries since 1998. As a result, the Foundation has nearly 30 potential therapies in its drug discovery and development pipeline. Any one of these could have a profound impact on the lives of people with cystic fibrosis.

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 Amyloidoses with Polyneuropathy (ATTR-PN) and TTR-associated Amyloidoses 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.

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