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AVID ANNOUNCES RESULTS OF AV-1 MOLECULAR IMAGING AGENT FOR ALZHEIMER'S DISEASE PRESENTED AT AD/PD MEETING

First in a series of novel β-amyloid imaging compounds from the University of Pennsylvania

Philadelphia, PA – March 19, 2007 – Avid Radiopharmaceuticals, Inc. (Avid), a product-focused molecular imaging company, today announced the presentation of the first results from a clinical study of ^{18}F-AV-1/ZK (AV-1) a novel radiopharmaceutical for positron emission tomography (PET) imaging of amyloid plaques in patients with Alzheimer's disease. Principal investigator Dr. Christopher Rowe from Austin Hospital of Melbourne, a leading investigator in the field of molecular imaging of Alzheimer's disease, presented the results at the 8th International Conference on AD/PD in Salzburg Austria.

The goal of this first clinical study was to examine whether PET imaging with AV-1 could be used to distinguish patients with Alzheimer's disease from those with normal cognitive function. AV-1 binds avidly to β-amyloid, the chief constituent of amyloid plaques, which accumulates abnormally in the brains of people with Alzheimer's disease.

Dr. Rowe reported that PET imaging with AV-1 clearly distinguishes AD from healthy elderly subjects, and may be used to quantify amyloid burden. AV-1 PET scans showed high levels of signal in the Alzheimer's patients, particularly in areas of the brain known to contain amyloid plaques. In contrast there was no retention of AV-1 in the cerebellar cortex, an area where amyloid plaques do not accumulate.

This is the first scientific report of a clinical trial with an ^{18}F-compound designed for specifically imaging amyloid plaques in AD. The wide availability of ^{18}F allows for the possibility of amyloid imaging at a large number of clinical sites worldwide.

"We are extremely encouraged by the results of this clinical study with Avid's first compound, AV-1. These data have provided the rationale for Avid's next generation compounds for amyloid imaging, which are now in clinical trials in the United States.", said Daniel Skovronsky, MD, PhD, CEO of Avid.

AV-1 is one of a series of novel compounds discovered in the laboratory of Dr. Hank Kung from the University of Pennsylvania and exclusively licensed to Avid for development and

commercialization. The results presented represent a collaborative effort between scientists at Austin Health, the University of Melbourne, Neuroscience Victoria, Avid Radiopharmaceuticals, the University of Pennsylvania, and Bayer Schering Pharma.

New treatment methods for slowing or reversing the deposition of insoluble amyloid in the brains of people with Alzheimer's disease are the subject of intensive clinical research by many large pharmaceutical companies as well as the National Institute of Mental Health (NIMH) (www.nimh.nih.gov/studies/1alzhdis.cfm). Amyloid imaging may help in identifying those patients who will benefit from these emerging treatments.

About Avid

Avid Radiopharmaceuticals, Inc. is developing novel diagnostic imaging agents to enable the early diagnosis, treatment selection and therapeutic monitoring of major medical disorders. The company is a pioneer in the development of molecular imaging agents for Alzheimer's disease. Its lead product candidates are being developed to identify amyloid plaques, which are thought to accumulate in the brain for years before the onset of clinical symptoms of the disease. Avid's compounds may enable the earlier diagnosis of Alzheimer's disease and also allow researchers to better evaluate therapeutic drug candidates for the prevention or reversal of amyloid plaque build-up in the brain. Avid's technology can be used with a variety of imaging technologies such as positron emission tomography (PET) and single photon computed tomography (SPECT) and is currently being tested in a number of pilot human studies. In July 2006 Bayer Schering Pharma AG, Germany, a worldwide leader in specialized pharmaceuticals, and Avid announced a collaboration they have formed through which Bayer Schering Pharma has an exclusive option to develop and market certain of the Avid PET molecular imaging agents known as ^{18}F-stilbenes for Alzheimer's disease. Avid, in collaboration with Dr. Hank Kung of the University of Pennsylvania, also continues its research and development of other new β-amyloid molecular imaging agents; two of which have now entered IND studies. Avid has also initiated an IND study of a new ^{18}F-PET compound for imaging the vesicular monoamine transporter (VMAT-2) which is implicated in diseases involving dopaminergic degeneration such as Parkinson's disease (PD) and Dementia with Lewy Bodies (DLB). The VMAT-2 imaging program has grown out of a close collaboration with the University of Michigan as well as the University of Pennsylvania. Avid has also begun a research program on imaging β- cells of the pancreas, as a marker of the onset and progression of diabetes mellitus. For more information, visit www.avidrp.com.

About Alzheimer's Disease

According to the Alzheimer's Association (www.alz.org) there are an estimated 4.5 million people in the United States alone who have Alzheimer's disease. The number of people with Alzheimer's disease is expected to grow – by 2050 the number of individuals with Alzheimer's could range from 11.3 million to 16 million. People with Alzheimer's disease typically experience a progression of symptoms resulting from the underlying nerve cell degeneration that takes place in Alzheimer's disease. Nerve cell damage typically begins with cells involved in learning and memory and later extends to cells that control every aspect of thinking, judgment, and behavior. According to a report commissioned by the Alzheimer's Association (www.alz.org/AboutAD/statistics.asp), Alzheimer's disease costs American businesses $61 billion a year. Of that figure, $24.6 billion covers Alzheimer's health care and $36.5 billion covers costs related to caregivers of individuals with Alzheimer's disease, including lost

productivity, absenteeism and worker replacement. Medicare costs for beneficiaries with Alzheimer's are expected to increase 75 percent, from $91 billion in 2005 to $160 billion in 2010 and Medicaid expenditures on residential dementia care are expected to increase from $21 billion in 2005 to $24 billion in 2010**.**