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**Avid Radiopharmaceuticals Initiates First Phase II Trial
of Novel Compound for Imaging Alzheimer's Disease**

Study of ^{18}F -AV-45 for PET Imaging of Amyloid Plaque Begins Enrolling Patients

Philadelphia, PA – June 9, 2008 – Avid Radiopharmaceuticals, Inc. announced today the start of a Phase II clinical trial studying ^{18}F -AV-45, an investigational molecular imaging compound under development for imaging Alzheimer's disease. ^{18}F -AV-45 is used with positron emission tomography (PET) to allow visualization of the amyloid plaque deposits in the brain that are characteristic of Alzheimer's disease. Amyloid plaque is thought to slowly accumulate in patients over years, eventually causing death of brain cells and dementia. This is the first large scale multi-center trial of an ^{18}F -labeled PET molecular imaging agent for visualizing amyloid plaques.

“The initiation of this study is a major milestone for Avid and what will be a major advance for the field of molecular imaging,” said Daniel Skovronsky, president and CEO of Avid. “This is just the beginning of our efforts to develop molecular imaging agents to make personalized medicine a reality for patients dealing with the devastating effects of dementia.”

The ability to image amyloid deposits with ^{18}F -AV-45 has the potential to facilitate early and accurate diagnosis in patients with symptoms of memory loss. Currently available diagnostic criteria for probable Alzheimer's disease are used relatively late in the disease course, and provide accurate diagnosis in only approximately 70-80 percent of patients. Because up to one third of patients with dementia do not have Alzheimer's disease, it is critically important to accurately diagnose patients prior to planning treatment.

This U.S. Phase II clinical trial of ^{18}F -AV-45 will enroll approximately 200 patients with varying degrees of memory loss at more than 30 centers across the country. The trial involves a single administration of ^{18}F -AV-45 and a PET imaging procedure that is completed in less than one hour. The study is designed to show how ^{18}F -AV-45 imaging of amyloid plaque compares between healthy volunteers, patients with mild cognitive impairment, and patients with Alzheimer's disease. This initial Phase II study is the first of several trials planned to study the effectiveness of this Avid molecular imaging agent in more than 500 patients worldwide.

This is the first large scale multi-center trial of an ^{18}F -labeled PET molecular imaging agent for visualizing amyloid plaques. Previous PET imaging studies of amyloid plaque have involved the use of ^{11}C -labeled radiopharmaceuticals which have a very short useful lifetime due to the short (20 minute) radioactive half-life of ^{11}C . On the other hand, ^{18}F -AV-45 may be used over several hours after production due to the longer (two hour) half-life of ^{18}F radiopharmaceuticals, making ^{18}F -AV-45 practical for broader scale availability in the future.

“We are hopeful that the PET imaging of amyloid plaques will lead to a better understanding of the earliest pathological stages of Alzheimer’s disease, which has the potential to lead to earlier and more effective diagnosis and therapeutic intervention,” said P. Murali Doraiswamy, MD, Head of the Biological Psychiatry Division at Duke University Medical Center. Dr. Doraiswamy has previously served as a clinical investigator and scientific advisor to Avid.

About Alzheimer’s Disease

According to the Alzheimer’s Association (www.alz.org), an estimated 5 million people in the United States have Alzheimer’s disease. That number is expected to grow to a range from 11.3 million to 16 million by 2050. People with Alzheimer’s disease typically experience a progression of symptoms resulting from the underlying nerve cell degeneration. 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.

About Avid Radiopharmaceuticals Inc.

Based in Philadelphia, PA, Avid Radiopharmaceuticals Inc. is a leader in the development of products with the potential for earlier and more effective detection, diagnosis and monitoring of brain disorders, including neurodegenerative diseases such as Alzheimer’s disease (AD), Parkinson’s disease and Dementia with Lewy Bodies.

Avid’s novel diagnostic imaging agents are designed to enable earlier diagnosis and more effective treatment selection and therapeutic monitoring for patients affected by a range of major medical disorders. The company is a pioneer in the development of molecular imaging agents for Alzheimer’s disease that could lead to earlier diagnosis and better evaluation of drugs designed to prevent or reverse amyloid plaque build-up in the brain. Avid’s technology can be used with imaging technologies such as positron emission tomography (PET) and single photon computed tomography (SPECT). Avid is currently

enrolling patients in clinical studies of ^{18}F -PET agents for imaging amyloid plaques in Alzheimer's disease and for imaging the vesicular monoamine transporter (VMAT2) in diseases involving dopaminergic degeneration such as Parkinson's disease (PD) and Dementia with Lewy Bodies (DLB). Recent research has shown that imaging VMAT2 may also be useful in monitoring the functional viability of beta cells of the pancreas, which could improve efforts to diagnose and monitor progression of diabetes mellitus. More information about Avid is available at www.avidrp.com.

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