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**Zacharon Pharmaceuticals Completes \$3.5 Million Series A Financing,  
Receives More Than \$2.2 Million in NIH Grants**

**Company Positioned to Advance Glycan Inhibitors Identified with Proprietary High-Throughput Screening Platform Through Safety Studies, Into Early Clinical Trials**

**SAN DIEGO, Nov. 18, 2008** - Zacharon Pharmaceuticals Inc. today announced the completion of a \$3.5 million Series A financing and the receipt of more than \$2.2 million in National Institutes of Health (NIH) research grants.

The financing, provided by Avalon Ventures LLC, and the grants position the company to advance its lead small-molecule glycan inhibitors identified with a proprietary high-throughput screening platform through safety studies into early clinical trials.

"Avalon's investment is an acknowledgment of the value of our technology platform for targeting glycan biosynthesis," said Charles Glass, Ph.D., Zacharon's co-founder and senior vice president of research. "Our high-throughput screening approach has already yielded several very promising small-molecule drug candidates for applications in genetic disorders and oncology."

Zacharon's most advanced compound is a small molecule glycan inhibitor for the treatment of mucopolysaccharidosis (MPS), an orphan disease with debilitating neurological symptoms. There is a significant market and medical need for improved MPS treatments because present therapies have limited efficacy and don't treat the neurological symptoms. Zacharon's lead compound may be the first therapy to treat the neurological symptoms associated with MPS as small molecules can cross the blood-brain barrier whereas existing treatments do not.

In conjunction with the financing, Avalon Ventures' Jay Lichter, Ph.D., will serve as Zacharon's president and chief executive officer, Doug Downs as chief financial officer and Court Turner as chief operating officer.

"Zacharon's technology is the first of its kind and a significant step forward in developing drugs for the treatment of glycan-related diseases," said Lichter. "Past attempts at developing drugs that target glycans have been limited by slow and expensive carbohydrate chemistry, as well as the lack of glycan-targeted high-throughput screening methods, making it impossible to screen small-molecule libraries.

Zacharon has developed the technology and now has the financial backing to dominate the field of glycan-targeted drug discovery.

### **About Avalon Ventures**

Avalon Ventures LLC is a San Diego-based venture capital firm that focuses on seed and early stage companies in life sciences, wireless communications and Web 3.0 digital media, primarily in California and the Northeast. Avalon's current Fund, Avalon VIII L.P., is \$150 million.

Avalon Ventures is one of the longest-standing venture capital firms in San Diego, investing in life sciences and information technology opportunities locally and around the country since 1983 through eight Avalon Ventures funds. The collective market capitalization of Avalon Ventures' portfolio companies (most founded by Avalon partners) currently exceeds \$11 billion.

For more information, visit the Avalon Ventures Web site at [www.avalon-ventures.com](http://www.avalon-ventures.com)

### **About Zacharon Pharmaceuticals**

Zacharon Pharmaceuticals Inc. is a biotechnology company focused on early stage development of a new class of small-molecule drugs that target glycans. Glycans are a diverse class of molecules with key roles in many chronic and serious diseases with significant unmet medical needs, including genetic disorders, oncology and inflammation. Zacharon uses its proprietary high-throughput screening technology to identify lead compounds that target glycans. The company's strategy is to demonstrate human proof of concept in Phase I/early Phase II clinical trials, and then out-license the drug candidates or reach regulatory approval through strategic alliances with larger pharmaceutical companies.

For more information, visit Zacharon's Web site at [www.zacharon.com](http://www.zacharon.com).