



Zacharon Pharmaceuticals and ARUP Laboratories Establish Partnership to Commercialize the Sensi-Pro™ Assay for Lysosomal Storage Diseases

San Diego, CA (June 6, 2011) – Zacharon Pharmaceuticals, Inc. today announced the establishment of a collaboration with ARUP Laboratories, Inc. to develop and commercialize glycan-based diagnostics for lysosomal storage diseases. The partnership will focus on clinical diagnostic applications of the Sensi-Pro™ Assay, a highly sensitive assay developed by Zacharon for analyzing glycan accumulation in multiple lysosomal storage diseases.

“ARUP Laboratories is a world leader in the development and commercialization of innovative clinical diagnostics,” said Robin Jackman, Ph.D., President and Chief Executive Officer of Zacharon. “These outstanding capabilities combined with Zacharon’s unique expertise in analyzing glycans provide the foundation for an excellent partnership.”

“The Sensi-Pro Assay has the potential to improve the diagnosis and optimization of treatment for patients with lysosomal storage diseases,” said Marzia Pasquali, Ph.D., Medical Director of Newborn Screening and Biochemical Genetics Laboratories at ARUP Laboratories. “We are pleased to be partnering with Zacharon to realize this potential.”

Under the terms of the partnership, Zacharon and ARUP will complete analytical validation of the Sensi-Pro Assay at ARUP’s CLIA-certified reference laboratory and then conduct clinical studies across multiple forms of lysosomal storage disease. ARUP will receive a non-exclusive commercial license to the Sensi-Pro Assay for certain clinical diagnostic applications in lysosomal storage diseases. Zacharon will receive an up-front payment and is eligible for milestones and royalties upon commercialization.

About Lysosomal Storage Diseases

Lysosomal storage diseases (LSDs) are a group of over 35 inherited disorders characterized by a deficiency in one or more enzymes that degrade glycolipids, glycoproteins, and other glycans. These deficiencies cause an accumulation of undigested glycan fragments inside the lysosome,

leading to progressive deterioration in physical and/or mental state, and eventually premature death. The family of lysosomal storage diseases includes Gaucher, Fabry, Pompe, the Mucopolysaccharidoses, Krabbe, Tay Sachs, and other related diseases with a total combined incidence greater than 1 per 8,000 births.

About Zacharon Pharmaceuticals, Inc.

Zacharon is leveraging unique glycobiology expertise to develop a new class of human therapeutics targeting the biosynthesis of glycans. Zacharon has created breakthrough assay technologies integrating cell-based screening with highly sensitive glycan structural analysis tools, providing a unique platform for novel small molecule drug discovery. Zacharon's most advanced drug development programs target several forms of lysosomal storage disease and several forms of cancer. Zacharon has formed several partnerships including a recently announced \$210M collaboration with Pfizer related to one of the company's drug development programs. The company has also established a partnership with Mayo Laboratories focused on newborn screening applications for the company's highly sensitive glycan-targeted assay technology. The company has received funding from SBIR grants from the National Cancer Institute and the National Institute for Neurological Disorders and Stroke. The company's sole venture investor is Avalon Ventures. Leomics Associates, Inc. has consulted with Zacharon on its activities related to the Sensi-Pro Assay. For more information, please visit www.zacharon.com.

About ARUP Laboratories, Inc.

Founded in 1984, ARUP Laboratories is a national reference laboratory and an enterprise of the University of Utah and its Department of Pathology. ARUP offers more than 3,000 tests and test combinations, ranging from routine screening tests to esoteric molecular and genetic assays. ARUP serves clients across the United States, including many of the nation's top university teaching hospitals and children's hospitals, as well as multihospital groups, major commercial laboratories, group purchasing organizations, military and other government facilities, and major clinics. For more information, please visit www.aruplab.com.

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