



**FOR IMMEDIATE RELEASE**

**03 July 2007**

### **Diatos Completes a Series D €9.4 Million Private Financing Round**

**Paris, France, 03 July 2007** – Diatos SA, an international biopharmaceutical company focusing on the research, development and commercialization of targeted anti-cancer drugs, has announced the successful closing of a financing round raising €9.4 million. The round was led by existing investors of Diatos including GIMV (Belgium), Credit Agricole Private Equity (France), InterWest Partners (United States), Innoven Partenaires (France), Sofinnova Partners (France) and Biotech Fund Flanders (Belgium). Additional existing investors who also participated in the round included AGF Private Equity (France), NIF SMBC (Japan), Sopartec (Belgium), and SGAM (France). This brings the total equity capital raised by Diatos since its inception in 1999 to date to €54.8 million.

The new injection of funding will allow Diatos to further develop its leading clinical products at full capacity. These include paclitaxel depot formulated polymer gel DTS-301, recently completing a Phase IIa and now ready to enter Phase IIb/III in Esophageal cancer, and doxorubicin prodrug DTS 201, poised to enter Phase II. Diatos will focus on expanding its product pipeline with the launch of DTS-108, a promising second generation Irinotecan, currently in GLP preclinical toxicology studies, and on the continuous generation of new TSP-based drugs.

Commenting on the financing, Dr John Tchélingérian, President and CEO said:

“We are delighted to have received this significant financial support from our world class investor group that continuously supported Diatos and its management team. The Company is now in a strong financial position with a deep and balanced portfolio of oncology products and assets. With this financing we will focus on taking our clinical and preclinical products forward to their next stage of maturity and achieve significant development and value creation milestones”.

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#### **About Diatos**

Diatos is a biopharmaceutical company dedicated to the research, development and commercialization of innovative anti-cancer drugs with enhanced tumor targeting or improved biodistribution. Diatos is expanding its portfolio of drug candidates with new compounds that utilize its Vectocell<sup>®</sup> delivery technology or its Tumor-Selective Prodrug (TSP) technology as well as with in-licensed candidate and marketed cancer therapies. Diatos is headquartered in Paris, France and operates subsidiaries in Belgium and the United States of America.

## **About Diatos' Portfolio**

> **DaunoXome**<sup>®</sup>, a liposomal formulation of widely used cancer drug daunorubicin, improves the biodistribution of daunorubicin and fosters its sustained release in the blood, which potentially allows the administration of higher doses than with non-liposomal formulations. DaunoXome is marketed in Kaposi's sarcoma and is being re-launched in acute leukaemia in Europe. DaunoXome was in-licensed from Gilead Sciences, Inc.

> **DTS-301**, a paclitaxel depot formulation in the polymer gel ReGel<sup>®</sup>, releases paclitaxel, a widely used cancer drug, directly to the tumor site, avoiding systemic side effects. DTS-301 is in Phase II clinical stage and was in-licensed from Protherics PLC.

> **DTS-201**, a doxorubicin prodrug, increases the concentration of doxorubicin, a widely used cancer drug, at the tumor site by means of a reactivation mechanism specific to the tumor environment. DTS-201 has completed Phase I clinical studies in Belgium and France in Q2-07. Exclusive European rights for DTS-201 were in-licensed from Medarex Inc.

> **DTS-108** is a prodrug of SN-38, the active metabolite of the widely-used cancer drug irinotecan, and is based on Diatos' Vectocell<sup>®</sup> technology. DTS-108 aims to increase the efficacy of SN-38 while reducing the toxic effects of irinotecan. DTS-108 is in preclinical development.

For further information please visit the website at [www.diatos.com](http://www.diatos.com)

## **About AGF Private Equity – [www.agpe.com](http://www.agpe.com)**

AGF Private Equity, a subsidiary of the AGF Insurance Company, member of the Allianz Group, is specialized in non-listed investments. The company manages an investment portfolio close to €1,7Bn, is among the leaders in France in managing funds of funds, and is also one of the most active investors in Venture Capital. The Venture Capital team has invested in 50 high tech companies. AGF Private Equity invests €30 M each year in innovative firms. With close to €300 M under management in its Venture Capital activity, AGF Private Equity is an active partner of growth companies.

## **About Credit Agricole Private Equity – <http://www.ca-privateequity.com>**

Crédit Agricole Private Equity is an AMF-accredited asset management subsidiary of Crédit Agricole S.A., specialising in private equity investment in non-listed companies across a range of industries. A team of 40 investors operating in several areas (Later-Stage Financing & LBO, Venture Capital, Secondary Market, Mezzanine, Renewable Energies, PPP Infrastructure, liquidity solutions, etc.), manages €1.5 billion through venture and innovation funds.

## **About GIMV – [www.gimv.com](http://www.gimv.com)**

GIMV is a Belgian investment company. It was established in 1980, and since 1997, it has been quoted on Euronext Brussels. Its purpose is to invest in the equity of unlisted companies (private equity).

GIMV operates in three areas. GIMV's venture capital is invested primarily in ICT and Life Sciences. In more traditional industries it also undertakes management buy-outs (MBOs) and it provides growth capital (Corporate Investment). The portfolio maintains a balance among start-up companies, fast growth companies and major enterprises. In this way, GIMV positions itself as a player on the international market.

**About Innoven Partenaires – [www.innoven-partners.com](http://www.innoven-partners.com)**

Innoven Partenaires is an independent asset management company authorised by the Autorité des Marchés Financiers to manage venture capital FCPI funds (Fonds Commun de Placements dans l'Innovation). Founded in 1997, Innoven Partenaires currently manages 210 M€ via 15 FCPI funds, 7 of which are managed on behalf of La Poste (the French Post Office). Innoven Partenaires invests in France and across Europe in young companies with high growth potential in the life sciences, information technology, communications and energy / cleantech sectors. The investment team has a pro-active approach, working closely with portfolio companies, making available a broad international network, in-depth mergers and acquisitions and business development experience and a strong track record in bringing companies to IPO.

**About InterWest Partners – [www.interwest.com](http://www.interwest.com)**

InterWest Partners ([www.interwest.com](http://www.interwest.com)), founded in 1979, is a leading diversified venture capital firm focused on building long-term relationships with entrepreneurs and portfolio companies. With more than \$2 billion of capital raised, including its new investment fund of \$600 million, InterWest has 11 experienced partners in Menlo Park, CA and Dallas, TX, who bring together deep domain knowledge in life sciences and information technology. InterWest Partners has consistently helped grow some of the most influential companies in information technology and life sciences. The firm's investments in life sciences include: ArthroCare (ARTC), Cor Therapeutics (CORR; acquired by Millennium Pharmaceuticals, MLNM), Corgentech (CGTK), Corixa (CRXA), Coulter Pharmaceutical (CLTR; acquired by Corixa Pharmaceuticals, CRXA; acquired by GlaxoSmithKline PLC, GSK), Cubist Pharmaceuticals (CBST), Epicor Medical (acquired by Saint Jude Medical, STJ) Inspire Pharmaceuticals (ISPH), Myogen (MYOG), Spinal Dynamics (acquired by Medtronic, MDT), TheraSense (THER; acquired by Abbott Labs, ABT) and Ventritex (VNTX; acquired by St. Jude Medical, STJ).

**About NIF SMBC – [www.nifsmbc.co.jp](http://www.nifsmbc.co.jp)**

On October 1, 2005, NIF Ventures (Daiwa Securities Group) and SMBC Capital (Sumitomo Mitsui Financial Group) merged to form NIF SMBC Ventures. NIF SMBC Ventures, the newly-created venture capital company, formed by integrating these two precursors, will not only secure a comprehensive business network, but also establish an outstanding service structure that integrates expertise in the entire business processes of finding investment targets, listing their stocks, and ultimately carrying out mergers and acquisitions. NIF SMBC Ventures has taken the first step for further growth as a private equity house and will continue to contribute to society by creating new industries through the finding and development of promising unlisted companies.

**About SGAM – [www.sgam.com](http://www.sgam.com)**

Société Générale Asset Management is one of the world's leading asset managers with € 371.2bn of assets under management as at 31 March 2007. A subsidiary of the Société Générale Group, SGAM is a global player with a balanced and robust business model based on:

- its multi-centre structure: 2,830 employees, including 670 managers and analysts, are located at the heart of the markets in Europe, the United States and Asia;
- a business that covers all asset classes: equities, fixed income, balanced, and alternative investment where SGAM is among the leaders with € 67 bn in assets under management;
- access to all types of investor: institutions, distributors, corporates and individuals, all of whom benefit from SGAM's leading edge expertise and a local service. Thanks to cross-selling and a focus on quality and constant innovation, SGAM has developed value-added management solutions tailored to clients' specific needs and which optimize performance and control risk. SGAM is rated M2 by Fitch Ratings, thus retaining since 2000 the top rating awarded to an asset management company for the whole of its international structure

**About Sofinnova Partners – [www.sofinnova.fr](http://www.sofinnova.fr)**

Founded in Paris in 1972, Sofinnova Partners is one of Europe's leading independent venture capital firms. With €900 million under management, Sofinnova Partners invests in start-ups and early-stage companies in information technology and life sciences. Its investment strategy consists of investing early in teams and projects with high potential, most often acting as lead or co-lead investor. Sofinnova Partners also benefits from a long-established relationship with its sister company in San Francisco, Sofinnova Ventures. Sofinnova Partners' teams consist of 10 professionals who bring valuable market insight and technical expertise to portfolio companies.

**About Sopartec – [www.sopartec.com](http://www.sopartec.com) ; [www.vivesfund.com](http://www.vivesfund.com)**

SOPARTEC is the investment and technology transfer company of the Université Catholique de Louvain (UCL). SOPARTEC has been entrusted with the management of the intellectual property of the university and its commercialization through licenses, partnerships and the creation of new companies. In particular, SOPARTEC has invested and participated in the creation of more than 20 spin-off companies based in whole or in part on research results from UCL, such as Ion Beam Application (IBA). SOPARTEC is also the managing company of VIVES, a € 15 mio seed capital fund financed by EIF, KBC, Fortis, Sofina, Nivelinvest and SOPARTEC. The goal of VIVES is to stimulate the creation and growth of university spin-offs and invest in existing young technology companies with which a strategic partnership can be concluded.

**Contacts:**

**Media**

**Northbank Communications**

Katja Stout / Justine Lamond  
E-mail: [diatos@northbankcommunications.com](mailto:diatos@northbankcommunications.com)  
Enquiries phone: +44 (0)20 7268 3242

**Investors**

**Diatos**

Dr John Tchéliingérian  
President & CEO  
Tel: + 33 (0)1 53 80 93 81  
Email: [Jtchelingierian@Diatos.com](mailto:Jtchelingierian@Diatos.com)