



## **KineMed and Merck Enter Collaboration in Atherosclerosis**

EMERYVILLE, Calif., August 7, 2007 – KineMed, Inc., a pathway-based drug discovery and development company, announced today a non-exclusive collaboration with Merck & Co., Inc., under which KineMed's proprietary reverse cholesterol transport (RCT) technology will be used to evaluate investigational compounds discovered by Merck. RCT is the only known metabolic pathway by which excess cholesterol can be removed from tissues and has therefore received considerable attention from drug developers and the clinical research community as a therapeutic target. A relevant increase in the rate of RCT is the goal of approaches that seek to raise HDL levels for the prevention and treatment of atherosclerosis.

Under the terms of the agreement, KineMed could receive from Merck in excess of \$5.5 million in initial and research payments should the collaboration extend for the full term and up to \$70 million in milestones for each of up to 10 investigational compounds developed using KineMed's RCT technology. Milestones would also be payable under certain other conditions which have not been disclosed.

RCT is one of the key pathways for which KineMed has unique technology and IP for measuring therapeutic modulation in intact animals and patients. KineMed's RCT technology is currently being used by the Company and its Pharma partners in preclinical studies for screening candidate compounds, demonstrating on-mechanism drug effects, and optimizing treatment regimes.

David Fineman, President and CEO of KineMed, commented, "This is a seminal deal for KineMed, and we are excited to work with Merck in identifying and developing compounds that may impact atherosclerosis through RCT. The objective of the collaboration is to generate clinical data illustrating on-mechanism effects upon RCT, which our partner can then use to make decisions in order to advance its therapeutic programs. Underlying these efforts is KineMed's strong and leading patent estate encompassing the analysis of broad dimensions of cholesterol biology, including the kinetics of cholesterol *in vivo*."

Mr. Fineman added, "We are hopeful that this collaboration will provide important validation for our ability to generate insights in RCT based on physiological phenotyping, an area in which we maintain the freedom to engage in additional relationships."

Dr. Richard Pasternak, Vice President of Merck Research Laboratories stated, "We hope that the collaboration with KineMed will give us new insights into cardiovascular disease and provide new approaches to accelerate development of novel drugs for the number one cause of death and disability worldwide."

### **About KineMed, Inc.**

KineMed, Inc. ("KineMed" or the "Company") is a drug discovery and development company employing its proprietary translational medicine technology (AquaTag™ and KineMarker™) to both identify active drug candidates preclinically and confirm their therapeutic activity and dose response in first-in-man studies. KineMed's technology expedites the drug development

process and provides real-time insight into conditions including metabolic disorders, cancer, and diseases of inflammation and neurodegeneration.

KineMed is working to develop drugs both on its own and with pharmaceutical collaborators in therapeutic focus areas where it can demonstrate functional modulation of specific biological pathways that mediate disease. KineMed's lead drug candidate, KM801, is expected to enter clinical testing for the treatment of Amyotrophic Lateral Sclerosis (ALS, or Lou Gehrig's disease) in the second half of 2008. The Company also has multiple development programs with more than a dozen major pharmaceutical companies, including Bayer, Merck, Merck KGaA, Organon and Roche.

For further information about KineMed, please visit: <http://www.kinemed.com/>

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