



Avila Therapeutics Announces Agreement with Novartis to Develop Novel Covalent Drug Candidate

Waltham, MA – July 27, 2009 – Avila Therapeutics, Inc., an emerging biotechnology company, announced today that it has entered into an option agreement with the Novartis Option Fund focused on Avila’s advancement of a novel covalent drug program from Avila’s research pipeline in conjunction with an equity investment. The agreement includes upfront and potential milestones payments to Avila totaling over \$200 million plus royalties. Avila’s covalent drugs offer the potential to treat many serious diseases through a novel mechanism called protein silencing.

“We are excited about the opportunity presented by Avila’s innovative approach to the design and development of covalent drugs,” said Henry Skinner, Ph.D., Managing Director of the Novartis Option Fund. “We selected an early program that validates the Avilomics platform and offers a unique product opportunity for Novartis.”

“This relationship both enables us to advance our third program and also underscores the value of our platform to create covalent drugs,” said Katrine S. Bosley, CEO of Avila Therapeutics. “The agreement is a strong complement to Novartis’ equity investment in Avila, and together these steps represent an important evolution in Avila’s strategic development. We anticipate establishing a select number of strategic relationships in order to take full advantage of the breadth and depth of the Avilomics platform, and we’re very pleased to have Novartis as the first.”

About the Avilomics™ Platform and Covalent Drugs

With broad applicability across multiple disease areas, the Avilomics platform is Avila’s powerful approach to design and develop selective drugs with superior pharmacology. The three components of Avilomics are: i) proprietary informatics technologies that uniquely identify sites amenable to selective covalent modification and target silencing, ii) a unique library of highly selective chemistries for target silencing, and iii) design tools that integrate target analysis and covalent chemistry to create novel medicines.

Together, these components provide a platform for efficient design and testing that yields covalent drug candidates with broad applicability to a variety of targets and diseases. Using Avilomics, the company designs and develops covalent drugs that strongly, selectively, and resiliently bond to disease-causing proteins, thereby silencing their activity and producing superior pharmacological outcomes.

About Avila Therapeutics™, Inc.

Avila Therapeutics is developing an innovative and proprietary therapeutic approach to covalent drug development, called “protein silencing”. Avila’s science has the potential to deliver covalent drugs with unique therapeutic benefits because they are highly targeted, are effective against mutations in disease targets, and have long duration of action. The company is developing a pipeline of novel, protein silencing covalent drugs with a current focus on viral infection, cancer and autoimmune disease. Avila is

funded by leading venture capital firms: Abingworth, Advent Venture Partners, Atlas Ventures, Novartis Option Fund, and Polaris Venture Partners. For additional information, please visit <http://www.avilatx.com>.

About the Novartis Option Fund

The Novartis Option Fund is a \$200 million fund that is part of the Novartis Venture Funds. Established in 1996, the Novartis Venture Funds currently manage over \$650 million in committed capital and is invested in more than 50 private companies. The objective of the Novartis Option Fund is to seed innovative companies through initial and follow on investments. The initial investment is coupled with an option to a specific therapeutic program providing early validation for the company's technology by a larger pharmaceutical partner. The Novartis Venture Funds' team of eight investment professionals located in Basel, Switzerland and Cambridge, Massachusetts, brings together extensive expertise in the biotech and pharmaceutical industry and venture capital.

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