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UPSHER-SMITH LABORATORIES ADDS ITI-111 (NASAL MIDAZOLAM) TO CNS DEVELOPMENT PIPELINE

Second Deal in Six Months Expands CNS Portfolio to Four Programs

Maple Grove, MN – June 28, 2010 – Upsher-Smith Laboratories, Inc. today announced an agreement with Ikano Therapeutics, Inc. to obtain exclusive global rights to ITI-111, Ikano's nasal midazolam. Under terms of the agreement, Upsher-Smith will assume all further development, testing and clinical study of nasal midazolam as an orphan drug for the management of acute repetitive seizure (ARS) in patients with epilepsy. Upon successful completion of development and regulatory approval, Upsher-Smith will commercialize the product, initially in the U.S. market.

"Currently, epilepsy patients experiencing cluster seizures or acute repetitive seizures have limited options for treatment," said Dr. Jacqueline French, Professor of Neurology at the New York University Comprehensive Epilepsy Center. "A product such as nasal midazolam could represent an additional treatment option for these patients, and has the potential to address a significant unmet need."

Some patients with epilepsy periodically experience episodes of ARS that are distinct from their usual seizure pattern. There have been no new FDA-approved products targeting ARS in nearly 15 years.¹

"The addition of nasal midazolam to our growing development portfolio represents a significant milestone in helping us achieve our vision of building a leadership position in the central nervous system field," said Mark Evenstad, President of Upsher-Smith. "We will continue to focus our efforts on the development of products that address significant unmet needs for patients with epilepsy, Parkinson's disease and Alzheimer's disease."

Upsher-Smith's development programs for the management of epilepsy include USL255 (extended-release topiramate) and tonabersat. USL255 is an internally developed program that

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recently entered a Phase III clinical trial for the adjunctive treatment of partial onset seizures in adults. USL255 is designed to provide convenient once-daily dosing and reduce fluctuations in topiramate blood levels observed with currently available immediate-release topiramate options. Tonabersat is a first-in-class neuronal gap junction modulator that may have applicability in a variety of neurological conditions, including migraine and epilepsy.

About Epilepsy and Acute Repetitive Seizures (ARS)

Epilepsy is a neurological condition that produces seizures affecting a variety of mental and physical functions.

ARS may be defined as a predictable component of a patient's seizure disorder which is historically distinct from the patient's other seizures in type, frequency, severity or duration with an onset which is easily recognized by the patient's family and physician.² An ARS episode may last from minutes to hours and may have a consistent, predictable component such as an aura or prodrome which is temporally linked to subsequent seizures. Episodes of ARS may progress to prolonged seizure or status epilepticus in some patients and may diminish the function and quality of life for both patients and their families.²

About Upsher-Smith

Upsher-Smith Laboratories, Inc., founded in 1919, is a rapidly growing, privately held pharmaceutical company that manufactures and markets branded and branded generic prescription and over-the-counter products. Upsher-Smith's product portfolio focuses in the areas of women's health, dermatology, cardiology, and central nervous system diseases. The company's growing CNS pipeline concentrates on diseases with significant unmet need, including epilepsy, Parkinson's disease, and Alzheimer's disease. Its leading CNS products in development are USL255 (extended-release topiramate) and tonabersat for epilepsy, and PRX1 for the symptomatic treatment of Parkinson's disease. To expand its CNS pipeline, Upsher-Smith seeks alliances and co-development programs, pursues licensing and acquisitions, and leverages the development of its core competency in formulation development. For more information, visit www.upsher-smith.com.

About Ikano Therapeutics Inc.

Ikano Therapeutics Inc. (ITI) is a specialty pharmaceutical company focused on developing innovative specialty therapeutics, with an emphasis on drugs in areas for which there is proven, unsatisfied medical and patient need. ITI's goal is to apply formulation and development expertise across selected therapeutic areas to create new and differentiated products that improve safety, efficacy and clinical utility for patients, caregivers and health care professionals. For more information, please visit the ITI web site at <http://www.ikanotherapeutics.com>.

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1. .Martin J. Acute repetitive seizures and seizure emergencies: weighing your treatment options. March 3, 2005. Accessed 6/1/10 at www.epilepsy.com/articles/ar_1109872672.
2. Cereghino JJ. Identification and treatment of acute repetitive seizures in children and adults. Curr Treat Options Neurol. 2007 Jul; 9(4):249-55.