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PHENOMIX COMPLETES \$55 MILLION SERIES C FINANCING

San Diego, CA, March 8, 2007, San Diego, CA — Phenomix Corporation, a drug discovery and development company, announced today the closing of a \$55 million private placement of its Series C preferred stock. New investor Nomura Phase4 Ventures led the financing. Existing investors JP Morgan Partners, Delphi Ventures, Baker Brothers, Alta Partners, Sofinnova Ventures, Bay City Capital, CMEA Ventures, Novartis BioVenture Fund and GBS Venture Partners all participated in the placement.

The Series C financing will support continued clinical development of PHX1149 for the treatment of type 2 diabetes while also funding Phenomix' additional programs directed at hepatitis C virus and other high-value therapeutic targets. PHX1149 is a once-daily DPP4 inhibitor for treatment of type 2 diabetes that will commence phase 2b clinical trials in Q2 2007.

“The high level of interest in this financing reflects investor excitement not only for our therapeutic programs, but also for our overall approach to drug development.” said Laura K. Shawver, Ph.D., chief executive officer and president of Phenomix. “The phase 2a clinical results of PHX1149 made Phenomix a serious player in the DPP4 market. With the addition of Nomura Phase4 Ventures to our investor group, we look forward to the next stage of the company’s evolution.”

“With PHX1149 moving into a 12-week trial and the HCV program showing promising

preclinical results, Phenomix is at an exciting stage of development as a company.” said Denise Pollard-Knight, Head of Nomura Phase4 Ventures.. “Phenomix has an exceptional management team driving these programs and we look forward to participating in the company’s future growth.”

About Phenomix Corporation

Phenomix is a drug discovery and development company building a portfolio of novel therapeutics for the treatment of major human diseases. Phenomix’ lead clinical candidate, PHX1149, is a DPP4 inhibitor in phase 2 testing as a once daily oral treatment for type 2 diabetes. Phenomix’ second program is directed at the treatment of hepatitis C through inhibition of the NS3/4A viral protease. Phenomix is based in San Diego, California. For more information, visit <http://phenomix.com>.

About Nomura Phase4 Ventures

Nomura Phase4 Ventures (NPV) is a London-based specialist investment unit of Nomura, the Japanese financial services group. NPV, formerly Nomura’s BioPharma Private Equity Group, has been investing since 1998. The group invests in mid- to late-stage healthcare companies in the US and Europe with a focus on pharmaceuticals. NPV is currently investing through the Nomura Phase4 Ventures LP fund I. The NPV team works closely with a number of senior advisors with extensive operating experience in pharmaceutical and biotechnology companies. More information about NPV can be found at www.nomura.com/npv .

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