

## **PHENOMIX ANNOUNCES PHX1149 PHASE 2B CLINICAL TRIAL RESULTS FOR TYPE 2 DIABETES**

San Diego, Calif., May 16, 2008 — Phenomix Corporation announced today that PHX1149, a dipeptidyl peptidase-4 (DPP-4) inhibitor, demonstrated positive results in a Phase 2b clinical trial for the treatment of Type 2 diabetes.

The 12-week, double-blind, placebo-controlled clinical trial involving 422 randomized patients compared PHX1149 in once-daily oral doses of 200 milligrams and 400 milligrams to placebo. Patients were allowed to continue selected anti-diabetic drugs, either metformin or a thiazolidinedione, or a combination of the two, at a constant dose during the trial. PHX1149 demonstrated statistically significant reductions in hemoglobin A1c (HbA1c) in both the 200 milligram and 400 milligram dose groups. PHX1149 also demonstrated statistically significant effects on secondary efficacy endpoints, including change in fasting blood glucose levels, change in post-meal blood glucose levels and achievement of a target HbA1c level of less than seven percent. The safety and tolerability of PHX1149 were not substantially different from placebo. The Phase 2b clinical trial was conducted at approximately 70 clinical sites worldwide.

Patients who completed the Phenomix Phase 2b clinical trial were given the option to enroll in an extension phase of the trial and receive a once-daily 400 milligram dose of PHX1149 for up to two years. More than 90 percent of these patients have elected to enroll in the extension trial, which will provide Phenomix with long-term safety data for PHX1149.

### **About Phenomix Corporation**

Phenomix is a biopharmaceutical company focused on the discovery, development and commercialization of novel small-molecule product candidates directed toward clinically validated targets in significant therapeutic markets. The company's lead product candidate, PHX1149, is a dipeptidyl-peptidase-4, or DPP-4, inhibitor in development as an oral, once-daily treatment for Type 2 diabetes. The company's second product candidate, PHX1766, is a protease inhibitor currently in preclinical development for the treatment of hepatitis C virus, or HCV, infection.