



# Intradigm Corporation

*Delivering RNAi Therapeutics*

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## **FOR IMMEDIATE RELEASE**

### **Silence Therapeutics to Merge with Intradigm Corp to Create Leading RNAi Therapeutics Company**

**Palo Alto, CA, December 16, 2009** – The Boards of Silence Therapeutics plc (AIM: SLN) and Intradigm Corporation are delighted to announce the merger of their businesses to form a leading company in the field of RNAi (RNA interference). The enlarged company, to be called Silence Therapeutics, will have multiple RNAi discovery, development and delivery technologies, a broad internal and partnered product pipeline and a broad portfolio of intellectual property.

The Directors believe the merger will enable Silence Therapeutics to build a competitive offering and facilitate more deals of greater value with the pharmaceutical industry. In particular, the combined business will be able to offer potential partners a choice of technologies to deliver RNAi molecules to diseased tissue, one of the main challenges in the emerging field of RNAi therapeutics. In addition, the enlarged Silence Therapeutics will have the financial strength to exploit its technology by developing its own therapeutic candidates.

Silence Therapeutics will issue 79,640,668 of its Ordinary Shares to acquire the entire share capital of Intradigm. Upon completion of the transaction, Intradigm's shareholders and management will own 36.6 percent of the Enlarged Group. The completion of the proposed acquisition is contingent upon approval by Silence Therapeutics' shareholders.

In parallel with the merger, Silence Therapeutics has raised £15 million through a placing and subscription of shares at a price of 23 pence per share. Existing shareholders of Intradigm, including Alta Partners, Frazier Healthcare, Lilly Ventures, Roche Finance and Astellas Venture have committed over £5 million of new funds by way of subscription. The placing has been underwritten by Nomura Code Securities Limited, who also advised Silence Therapeutics on the merger with Intradigm.

Iain Ross, currently chairman of Silence Therapeutics, will remain as Chairman of the enlarged company. Philip Haworth, Chief Executive of Intradigm, will become CEO of Silence Therapeutics and Klaus Giese will continue as Chief Scientific Officer of Silence Therapeutics.

The transaction will bring five strategic benefits:

- A broad platform of technologies capable of addressing the discovery, development and delivery of RNAi therapeutics. The combined companies' capabilities extend to all essential areas for short interfering RNA (siRNA) product development and in particular delivery, but also structure, chemistry and a diverse library of therapeutic siRNA sequences.
- An advancing pipeline of internal and partnered product candidates. Four of the nine siRNA candidates currently in clinical development globally utilize Silence's technology.
- A broad intellectual property portfolio, with protection covering all essential areas of RNAi therapeutic development, including target sequences, delivery and siRNA structural features.
- An expanded scientific team and an experienced group of senior executives and board of directors.
- Expanded financial support and stability to facilitate new growth opportunities. International shareholder base offers broader access to capital to enable internal growth and provide additional strength for the purpose of negotiating favorable strategic transactions in the sector.

Iain Ross, Chairman of Silence Therapeutics, said: "By bringing together a comprehensive platform of siRNA delivery and development technologies, we believe Silence Therapeutics will be a partner of choice for those seeking to develop RNAi therapeutics. With a strengthened balance sheet, experienced management and extended research capability, Silence Therapeutics is well placed to strike the development deals that will deliver value for shareholders."

Philip Haworth, Chief Executive of Intradigm, said: "We are excited to join forces with Silence Therapeutics and look forward to continuing our pursuit of valuable RNAi therapeutics as part of this new team. Perhaps most exciting about the merger is the powerful range of RNAi delivery technology solutions possessed by the new company. The most significant hurdle to be overcome in realizing the vast potential of RNAi therapeutics is that of enabling safe and effective delivery of siRNA payloads. By combining the impressive expertise of both Intradigm and Silence, we now have one of the industry's most comprehensive and versatile delivery technology platforms, providing the enlarged company with an unparalleled potential to develop delivery solutions that can be tailored to address various therapeutic requirements."

The board of the enlarged company will have eight members. Five of the nominated directors currently sit on the Board of Silence Therapeutics: Iain Ross, Jerry Randall, Annette Clancy, David U'Prichard and Melvyn Davies. The remaining three Board members are directors of Intradigm: James Topper, David Mack and Philip Haworth.

Documentation describing the transaction and share placing will be posted to Shareholders later today. More information about the proposed acquisition is also available from Silence Therapeutics and from the company website: [www.silence-therapeutics.com](http://www.silence-therapeutics.com).

An Extraordinary General Meeting of shareholders to approve the transaction and share placing will be held on January 4, 2010 at 10:00am.

The suspension of trading in Silence Therapeutics shares is expected to be lifted later today.

### **About Silence Therapeutics plc ([www.silence-therapeutics.com](http://www.silence-therapeutics.com))**

Silence Therapeutics plc (AIM: SLN) is a leading European RNAi-focused biotechnology company.

RNA interference (RNAi) is a Nobel Prize winning technology and one of the most exciting areas of drug discovery today. It represents a completely new approach to selectively 'silence' or inactivate disease relevant genes and as such it has the potential to create a new class of therapeutic products. RNAi could therefore offer a therapeutic approach to a broad range of diseases (cancer, infectious diseases, inherited diseases), many of which have been regarded as incurable and are not addressed by current therapeutics, therefore providing a large market opportunity.

Silence Therapeutics has developed a platform of novel short interfering RNA (siRNA) molecules, AtuRNAi, which provide a number of advantages over conventional siRNA molecules, including increased stability against nuclease degradation. In addition, the Company has developed a proprietary systemic delivery system, AtuPLEX. This system enables the functional delivery of siRNA molecules to targeted diseased tissues and cells, while increasing their bioavailability and intracellular uptake.

Following the granting of its patents in Europe, the USA and Australia, Silence Therapeutics is one of only two companies worldwide with a proprietary position on composition of matter for siRNA therapeutics.

Silence's lead internal product, Atu027, is a proprietary AtuRNAi molecule in clinical development for systemic cancer indications. Atu027 has successfully completed single and repeat dose toxicology and geno-toxicology studies, as well as a 28-day toxicology study using multiple dosing regimens. In June 2009, the Company started an open-label, single-centre, dose-escalation Phase I study with Atu027 in patients with advanced solid (malignant) tumors involving single as well as repeated intravenous administration. Atu027 specifically targets PKN3, a molecule involved in cancer growth and metastasis

formation. Atu027 is Silence's most advanced clinical candidate for a systemically delivered siRNA using the Company's proprietary AtuPLEX delivery technology.

In March 2008 Silence Therapeutics announced a collaboration with AstraZeneca (LSE: AZN) focused on the development of a range of novel delivery approaches for siRNA molecules. Under the terms of the agreement both Silence Therapeutics and AstraZeneca will be allowed to commercialize the truly novel delivery systems that the two partners develop together.

Silence Therapeutics has granted a license to AstraZeneca to develop novel AtuRNAi therapeutics against five specific targets. This collaboration was the first industry validation of the potential application of Silence Therapeutics' proprietary AtuRNAi molecules and solidified the Company's leadership position in field of RNAi therapeutics.

The Company's AtuRNAi technology also has been sublicensed to Pfizer via Quark's license to it of the compound RTP-801i-14 for the treatment of age-related macular degeneration (AMD) and a number of other indications. This compound entered a phase II clinical study in July 2008. Silence Therapeutics also has licensed to Quark rights to the AtuRNAi structure for Quark's proprietary compound, AKIi-5 and DGF<sub>i</sub>, which are both in Phase I human clinical studies for treatment of acute kidney injury and delayed graft function in kidney transplantation respectively.

Silence Therapeutics is based in London, UK, and Berlin, Germany, and is listed on AIM.

### **About Intradigm**

Intradigm is a private biotechnology company committed to the discovery, development and delivery of targeted, systemic RNA interference (RNAi) therapeutics for the treatment of serious diseases with an initial focus on oncology. Intradigm is unique among private companies, with its comprehensive RNAi therapeutics platform consisting of structural features for a next generation of RNAi molecules, biodegradable polycationic polymers for the delivery of RNAi therapeutics and proprietary siRNA sequences. Intradigm's proprietary delivery technology is unique in its potential to offer safe and effective systemic administration using a library of novel peptide-based biodegradable polymers.

Intradigm has established an impressive proprietary portfolio of siRNA sequences against more than 50 highly valued oncology and other disease targets. In addition, Intradigm has secured an exclusive license to the Zamore patent family from the University of Massachusetts, which covers broad structural features of siRNA design for more potent next generation siRNA sequences.

Intradigm is based in Palo Alto, California, US.

For more information on Intradigm, please visit [www.intradigm.com](http://www.intradigm.com).

## **Forward-Looking Statements**

This press release includes forward-looking statements that are subject to risks, uncertainties and other factors. These risks and uncertainties could cause actual results to differ materially from those referred to in the forward-looking statements. All forward-looking statements are based on information currently available to Silence Therapeutics and Silence Therapeutics assumes no obligation to update any such forward-looking statements.