



FOR IMMEDIATE RELEASE

NEOSIL Raises \$32 Million in Series A, Led by MPM Capital and Burrill & Company; Two Top Executives Named

South San Francisco – November 8, 2004 - Neosil, Incorporated, a privately-held dermatology-focused specialty pharmaceutical company, announced today that it closed a \$32 million placement of Series A Preferred Stock to a group of investors led by MPM Capital and Burrill & Company. The financing will enable Neosil to complete preclinical work on existing topical anti-bacterial and anti-fungal programs and to advance these programs into clinical trials. This financing will also allow the Company to identify and in-license complementary products targeting unmet needs in dermatology. In connection with the financing, two top executive appointments were announced, and Board members were named.

CEO and President & COO Named

Eugene Bauer, M.D., joins Neosil as its Chief Executive Officer. Dr. Bauer is a Lucy Becker Professor, Emeritus, in the School of Medicine at Stanford University; served as Dean of the Stanford University School of Medicine from 1995-2001; and served as Chair of the Department of Dermatology at the Stanford University School of Medicine from 1988-1995. He is a co-founder and a member of the Board of Directors of Connetics, a publicly-traded dermatology-focused therapeutics company. Dr. Bauer has been an NIH-funded investigator for 25 years, has served on review groups for the National Institutes of Health, and has served as a member of the Board of Scientific Counselors of the National Cancer Institute and the Advisory Council for the National Institute of Arthritis and Musculoskeletal and Skin Diseases. He is a member of numerous honorific societies including the Institute of Medicine of the National Academy of Sciences.

Appointed to the position of President and Chief Operating Officer, Clarence (“Butch”) Dellio joins Neosil from Xoma, where he served as Chief Operating Officer. During his 20-year tenure at Xoma, Mr. Dellio held a variety of positions within the company managing finance, manufacturing, quality, and facilities. He played a leading role in the company’s business development and licensing group, overseeing collaborations with Chiron, Genentech, Millennium, Pfizer, Baxter, and Ortho. Furthermore, he oversaw Xoma’s initial public offering in 1986 as CFO. Prior to Xoma, Mr. Dellio worked for Becton-Dickinson as Vice President, Manufacturing.

Board of Directors Created

In connection with the financing, five individuals were appointed to Neosil’s newly formed Board of Directors, including Dr. Eugene Bauer, CEO, Neosil; Nicholas J. Simon, III, General Partner, MPM Capital; Ashley L. Dombkowski, Ph.D., Principal, MPM Capital; Ann F. Hanham, Ph.D., Managing Director, Burrill & Company; and Teddy Shalon, Managing Director, Shalon Ventures.

“The Series A Financing represents an important endorsement of the opportunities Neosil is addressing in the dermatology market,” said Dr. Bauer. “As an academic and clinical dermatologist, it is clear to me that significant unmet medical needs remain in the areas of topical anti-bacterial and anti-fungal agents. Neosil has been founded around a novel, elegant, versatile, and proprietary approach to topical anti-infectives with promising applications in several key dermatologic markets.

With strong financial backing from MPM Capital and Burrill & Company, we are now in the position to expand our pipeline and leverage our infrastructure by pursuing additional dermatology markets.”

“By combining this set of core assets with the talents and the track records of both Dr. Bauer and Butch Dellio, Neosil can move forward rapidly to create a first-rate therapeutics company targeting a broad range of clinical indications treated by the dermatologist. We believe that dermatologists will be receptive to the advantages offered by the products Neosil intends to develop. Furthermore, we are confident that this is the right team to build a fully-integrated specialty pharma company in this area,” said Nick Simon, General Partner of MPM Capital.

About Neosil

Neosil is a privately-held dermatology-focused specialty pharmaceutical company with several products in pre-clinical development. The company’s core topical anti-infective technology provides broad anti-microbial activity, long duration of activity and excellent formulation flexibility. The technology is based upon the work of polymer chemist, Dr. Samuel P. Sawan, a Professor in the Department of Chemistry at the University of Massachusetts, Lowell. Neosil was incubated and initially funded by Shalon Ventures LP. For more information please visit www.neosil.com.

About MPM Capital

MPM Capital is the world’s largest dedicated investor in life sciences. With committed capital under active management of more than \$2.1 Billion, MPM is uniquely structured to invest globally in healthcare innovation. In addition to its BioVentures family of venture capital funds, MPM invests in the public markets through its MPM BioEquities hedge fund. Primarily in biotechnology, but also in medical devices and biopharmaceuticals, MPM has seamlessly integrated private and public equity products to target innovation in healthcare and, thereby, deliver exceptional returns to investors. The MPM BioVentures and MPM BioEquities family of funds are two distinctly different but highly complementary investment vehicles. For more information about MPM Capital, please visit www.mpmcapital.com.

About Burrill & Company

Burrill & Company is a life sciences merchant bank focused exclusively on companies involved in biotechnology, pharmaceuticals, diagnostics, devices, human healthcare and related medical technologies, nutraceuticals and wellness, agricultural biotechnology, and industrial biotechnology (biomaterials/bioprocesses). With over \$500 million under management, Burrill’s technical and venture investing competence spans the entire spectrum of life sciences. The expertise of the firm’s investment team, strategic partners and Advisory Boards is unparalleled in depth and breadth. In addition, Burrill is a leader in life science strategic partnering, an invaluable practice to build value in portfolio companies and to accelerate their growth and development. Burrill is also the sponsor and facilitator of five leading annual industry conferences and publishes the seminal annual report on the state of the biotechnology industry. This combination of resources and capabilities has helped Burrill develop a unique and highly effective platform for finding and making outstanding life science investments. For more information about Burrill & Company visit www.burrillandco.com.

About Shalon Ventures

Shalon Ventures is a venture capital fund focused on early-stage life science ventures. The firm has extensive clinical and technical resources to aid in the identification and validation of innovative technologies for the health care market. The Shalon Ventures team includes an extensive worldwide network of clinicians, technologists, academics, entrepreneurs, and venture capital professionals. Shalon Ventures has successfully worked with entrepreneurs to develop innovative technologies across a range of markets including medical devices, specialty pharmaceuticals and clinical diagnostics. For more information: www.shalon.com

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