



Arena Pharmaceuticals Provides Update on GPR119 Portfolio for Type 2 Diabetes

-- Ortho-McNeil-Janssen Pharmaceuticals Terminates Collaboration --

SAN DIEGO, Nov. 4, 2010 /PRNewswire/ -- Arena Pharmaceuticals, Inc. (Nasdaq: ARNA) announced today that, following the completion of a Phase 1 clinical trial program for APD597 (JNJ-38431055) under its collaboration with Arena, Ortho-McNeil-Janssen Pharmaceuticals, Inc., has decided not to advance APD597 and has notified Arena that it is terminating the collaboration, effective December 28, 2010. APD597 is a GPR119 agonist intended for the treatment of type 2 diabetes, which, along with other compounds and intellectual property, will revert to Arena upon termination of the collaboration. Arena owns a patent portfolio covering a broad array of internally discovered, oral GPR119 agonists, including next generation compounds that were not part of the collaboration.

The Phase 1 program evaluated the safety, tolerability, pharmacokinetics and pharmacodynamics of APD597, and included single and multi-ascending studies in healthy volunteers and in subjects with type 2 diabetes. APD597 was well tolerated and showed dose-proportional pharmacokinetics with a half-life of six to seven hours in solution and approximately 13 hours in suspension in healthy volunteers. The Phase 1 program also provided evidence for incretin stimulation (GLP-1, GIP and PYY) and reductions in post-meal glucose increases with APD597 treatment in both overweight and obese non-diabetic volunteers and in subjects with type 2 diabetes. In general, reductions in post-meal glucose increases were greater with APD597 in combination with sitagliptin, a DPP-4 inhibitor, compared to sitagliptin alone.

"Results of the Phase 1 program suggest that APD597 may have utility both alone and in combination with a DPP-4 inhibitor for the treatment of type 2 diabetes," said Jack Lief, Arena's President and Chief Executive Officer. "With our existing GPR119 patent portfolio, internally discovered next generation compounds and return of rights under the collaboration, including to APD597, we look forward to pursuing additional opportunities in this area."

Upon termination of the collaboration, all rights under licenses granted by Arena to Ortho-McNeil-Janssen under the agreement will terminate and revert to Arena, including rights relating to APD597. Ortho-McNeil-Janssen will also be required to deliver and assign to Arena rights and information relating to regulatory filings, including the Investigational New Drug Application (IND) relating to APD597, as well as certain other technology that may be useful to the development of GPR119 agonists that were subject to the collaboration. In addition, Ortho-McNeil-Janssen will cease reimbursing Arena for the cost of prosecuting Arena's GPR119 patent portfolio.

Arena owns a broad array of internally discovered, oral GPR119 agonists, including next generation compounds that Arena discovered after the research portion of its collaboration with Ortho-McNeil-Janssen ended in October 2007, and a portfolio of patent applications and, in some cases, granted patents directed to a range of materials and methods that are related to the discovery and development of GPR119 receptor agonists. Arena believes that approximately half of the top 20 pharmaceutical companies in the world have either acknowledged having an internal or collaborative GPR119 program or published medicinal chemistry patents directed to GPR119 agonists. The technologies covered by Arena's patents and patent applications include materials and methods that may be used to identify and determine the activity of molecules that modulate the GPR119 receptor, methods that measure the incretin response to GPR119 agonists and pharmaceutical compositions containing GPR119 agonists along with DPP-4 inhibitors.

About GPR119

Arena believes GPR119 represents a novel pharmaceutical mechanism for discovering oral small molecule agonists for the treatment of diabetes. GPR119 is expressed in beta cells, which are located in the pancreas and responsible for producing insulin in response to increases in blood glucose. Stimulation of GPR119 has been shown to promote insulin release by beta cells in response to elevated blood glucose levels. In addition, GPR119 is expressed in cells other than pancreatic beta cells, such as endocrine cells in the gastrointestinal tract. In preclinical studies and clinical trials, GPR119 has been shown to stimulate the release of GLP-1, GIP and PYY, incretins that play important roles in insulin regulation and metabolism.

About Diabetes

The International Diabetes Federation estimates that approximately 285 million adults worldwide will have diabetes in 2010, and

that approximately 90-95% of diabetics in developed countries suffer from type 2 diabetes, which is characterized by inadequate response to insulin, inadequate secretion of insulin as blood glucose levels rise, or dysregulation of glucose production by the liver. Therapies for type 2 diabetes are directed toward correcting the body's inadequate response with oral or injectable medications, directly modifying insulin levels by injection of insulin or insulin analogs, modifying nutrient absorption from the gut or modifying hepatic glucose production.

A significant portion of type 2 diabetics fail oral medication and require injectable agents. Current oral medications for type 2 diabetes have a number of side effects, including hypoglycemia, weight gain, edema, and possibly an increase in cardiovascular mortality, prompting continued efforts to develop therapeutics to improve the treatment of diabetes.

About Arena Pharmaceuticals

Arena is a clinical-stage biopharmaceutical company focused on discovering, developing and commercializing oral drugs that target G protein-coupled receptors, an important class of validated drug targets, in four major therapeutic areas: cardiovascular, central nervous system, inflammatory and metabolic diseases. Arena's most advanced drug candidate, lorcaserin, is intended for weight management. Arena's wholly owned subsidiary, Arena Pharmaceuticals GmbH, has granted Eisai Inc. exclusive rights to market and distribute lorcaserin in the United States, subject to FDA approval of the New Drug Application for lorcaserin.

Arena Pharmaceuticals(R) and Arena(R) are registered service marks of the company.

Forward-Looking Statements

Certain statements in this press release are forward-looking statements that involve a number of risks and uncertainties. Such forward-looking statements include statements about the termination of Arena's collaboration with Ortho-McNeil-Janssen and related expectations and future activities; the therapeutic indication and use, safety, efficacy, tolerability, mechanism of action and potential of APD597 alone and in combination; the potential of GPR119; Arena's GPR119 patent portfolio and program and potential opportunities; the potential therapeutic indication and use, FDA approval and commercialization of lorcaserin; and Arena's focus, goals, strategy, research and development programs, and ability to develop compounds and commercialize drugs. For such statements, Arena claims the protection of the Private Securities Litigation Reform Act of 1995. Actual events or results may differ materially from Arena's expectations. Factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to, the risk that APD597 or GPR119 agonists as a class may not realize their potential or ever receive marketing approval; the risk that regulatory authorities may not find data and other information related to Arena's clinical trials and other studies sufficient for regulatory approval; the timing of regulatory review and approval is uncertain; Arena's response to the complete response letter for the lorcaserin NDA may not be submitted in a timely manner and/or the information provided in such response may not satisfy the FDA; the FDA may request additional information prior to approval; unexpected new data; risks related to commercializing new products; Arena's ability to obtain and defend its patents; the timing, success and cost of Arena's research and development programs; results of clinical trials and other studies are subject to different interpretations and may not be predictive of future results; clinical trials and other studies may not proceed at the time or in the manner Arena or others expect or at all; Arena's ability to obtain adequate funds; risks related to relying on collaborative agreements; the timing and receipt of payments and fees, if any, from Arena's collaborators; and satisfactory resolution of pending and any future litigation or other disagreements with others. Additional factors that could cause actual results to differ materially from those stated or implied by Arena's forward-looking statements are disclosed in Arena's filings with the Securities and Exchange Commission. These forward-looking statements represent Arena's judgment as of the time of this release. Arena disclaims any intent or obligation to update these forward-looking statements, other than as may be required under applicable law.

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