

Great Lakes Pharmaceuticals, Inc. Announces \$3.1 Million Equity Financing Led by Charter Life Sciences

CLEVELAND, OH--(Marketwire - July 26, 2010) - Great Lakes Pharmaceuticals, Inc. ("Great Lakes") announced today the completion of a \$3.1 million Series B equity financing led by Charter Life Sciences. Early Stage Partners also participated in the round along with existing Series A investors Everett Partners, Ltd, Ohio TechAngel Fund and North Coast Angel Fund. The Company intends to use the funds to complete a pivotal clinical study of B-Lock™, an antimicrobial catheter lock solution.

Headquartered in Cleveland, Ohio, Great Lakes is a clinical-stage company focused on eliminating microbial infections associated with biofilm formation. The Company's B-Lock™ product is a potent and fast acting biocide that kills methicillin sensitive and resistant strains of *Staphylococcus aureus* (MRSA), vancomycin resistant *Enterococci* (VRE), *Pseudomonas aeruginosa*, *Klebsiella*, *Acinetobacter*, resistant strains of *Candida* and other microbial species known to invade indwelling catheters and cause life-threatening infections. The product is compatible with catheter materials and is stable in storage for more than 2 years. Great Lakes Pharmaceuticals has completed extensive pre-clinical safety testing and intends to file an IDE in the third quarter of 2010 to begin human clinical trials.

B-Lock is expected to become the standard of care for hospital and outpatient applications, greatly reducing the rate of catheter-related bloodstream infections (CRBSI) and their serious and costly medical consequences. Central venous catheters facilitate the administration of various therapeutic agents and other important clinical functions such as renal dialysis, however the use of catheters is also associated with infectious complications and catheter occlusion. The Centers for Disease Control and Prevention estimates the annual incidence of CRBSI cases at 250,000 with the cost to the healthcare system of approximately \$4.6 billion per year.

Recent changes in Medicare policy that went into effect in October 2009 prohibit reimbursement for treatment of nosocomial infections such as CRBSI thereby shifting the cost burden onto hospitals. Many hospitals are also now compelled by state and

federal laws to report CRBSI rates to the public which increases their liability exposure given that CRBSI infections are deemed preventable.

"We are pleased with the recent equity financing as it will position the Company to conduct key clinical trials and international regulatory filings for this critical product," said Krzysztof Appelt, President and CEO of Great Lakes Pharmaceuticals. "We believe our antimicrobial lock solution can reduce life-threatening CRBSI infections, improve patient care and reduce overall health care costs."

In addition to developing the product for the US market, Great Lakes is also seeking product approval in Canada, and European and South American jurisdictions where in many cases the infection rates exceed those of US hospitals. "Not only is the clinical and market need very significant outside the US, but fortunately the regulatory process appears to be more streamlined," said Gino DiSciullo, Partner at Charter Life Sciences and Chairman of Great Lakes. "We believe this product addresses a pressing global concern and has the potential to be widely adopted upon approval." Mike Bunker, Managing Director of Early Stage Partners added, "The economic and human impacts of catheter related infections are one of the most serious issues facing our healthcare system today and Great Lakes has the potential to greatly reduce hospital costs and save lives."

About Charter Life Sciences

Charter Life Sciences ("CLS") is a life sciences venture capital firm with offices in Palo Alto, California and Cincinnati, Ohio. CLS focuses on providing the initial venture capital to companies that are developing innovative products for significant unmet medical needs. The CLS team draws on its extensive medical, operational and start-up company experience to work collaboratively with its portfolio companies to develop their clinical, operational and financing strategies. For additional information on CLS, please visit www.clsvc.com

About Early Stage Partners LP

Early Stage Partners is an early stage venture capital firm with offices in Cleveland, Ohio and Ann Arbor, Michigan. The company invests in promising opportunities in life sciences, technology, and cleantech. The company's principals have over one



hundred years combined experience in early stage company formation, operations, and development, with a significant network of relationships throughout the United States that can be used to attract management, develop strategic partnerships, and provide later stage funding. ESP has \$100 million in capital under management and is now investing from its second fund. www.esplp.com

About Everett Partners, Ltd.

Everett Partners, Ltd. is the venture investment arm of the Kanfer family, owners of GOJO Industries, Inc. a leader of infection control and skin science. Everett Partners provides early stage capital and strategic assistance to entrepreneurs to help them accelerate the growth of their health and well being start-ups.

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