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**ACUITY PHARMACEUTICALS REPORTS POSITIVE INITIAL PHASE II
RESULTS FOR BEVASIRANIB (CAND5) IN WET AMD**

***--First Clinical "Proof of Concept" for a Therapeutic siRNA--
--Top-Line Results to be Presented at the American Society of Gene Therapy--
--Results Support Advancing Bevasiranib into Phase III Clinical Trials--***

Philadelphia, PA and Baltimore, MD – June 1, 2006 – Acuity Pharmaceuticals, an ophthalmic pharmaceutical company, today announced that its lead clinical compound bevasiranib sodium, formerly known as Cand5, appeared safe and showed clinical evidence of efficacy in the first results from the Phase II C.A.R.E™ trial for the treatment of wet AMD. Bevasiranib is a first-in-class small interfering RNA (siRNA) therapeutic designed to turn off or silence the gene that produces VEGF, the growth factor believed largely responsible for wet age-related macular degeneration (wet AMD), a leading cause of adult blindness. The findings are being presented today at the annual meeting of the American Society of Gene Therapy in Baltimore, Maryland.

“As a clinician I am encouraged by these initial results, which show a trend toward dose dependent efficacy without discernable adverse effects in these AMD patients with serious progressive disease,” said Lawrence Singerman M.D., founder and executive secretary of the Macula Society, clinical professor of ophthalmology at Case University and a principle investigator for the study at its Cleveland site. “Bevasiranib and its unique mechanism has the strong potential to be useful as a maintenance therapy, first using a VEGF antagonist to ‘mop-up’ existing VEGF and then using bevasiranib to stop further production in the eye, and it may also be an effective new therapy for wet AMD on its own.”

Top-line Phase II results presented at the conference show bevasiranib to be safe and well tolerated, with a dose related effect evident across multiple endpoints including near vision, lesion size (CNV) and time to rescue. Clinical data will be presented at the meeting of the American Society of Retinal Specialists in September.

“These positive findings of safety and efficacy continue Acuity’s leadership in developing gene silencing therapies for diseases of the eye, and represent the first-ever clinical proof-of-concept for an siRNA-based therapy,” said Dale Pfost, Ph.D., president and CEO of Acuity. “Overall these positive initial results give us the foundation we need to take bevasiranib into Phase III clinical trials, which we expect to begin next year.”

The Acuity Cand5 Anti-VEGF RNAi Evaluation, or C.A.R.E. study, was a randomized, double-masked trial that included three dose levels of bevasiranib (Cand5) tested in 129 patients at 28 sites nationwide. The study focused on patients with serious disease, including those who had rapidly degenerating retinal lesions or had failed previous treatments and it excluded patients with slow-growing occult lesions. Bevasiranib demonstrated signs of efficacy at all dose levels.

“It is noteworthy that the groundbreaking C.A.R.E. trial was designed and executed with the highest scientific standards and Acuity delivered positive results from 28 clinical sites in just nine months from the initiation of the trial,” said Jason Slakter, M.D., macular disease specialist at

the Vitreous Retina Macula Consultants of New York and clinical professor of ophthalmology at N.Y.U. School of Medicine. “The novel mechanism of bevasiranib has the potential to provide important benefits in the treatment of wet AMD now reaching critical levels as our population grows older, and I look forward to working with Acuity researchers on the Phase III trials for bevasiranib that are now being planned.”

Bevasiranib uses RNA interference (RNAi) to silence genes that promote the overgrowth of blood vessels that lead to vision loss in wet AMD. This shuts down the production of vascular endothelial growth factor (VEGF), which has been shown to be the central stimulus in the development of wet AMD. Bevasiranib is administered directly into the eye and does not affect the patient systemically, an important safety consideration. The Phase III clinical trial will further examine efficacy parameters, as well as dosing and dose scheduling regimens.

About Wet AMD

Wet age-related macular degeneration (wet AMD) is the number one cause of irreversible vision loss in the developed world, and its incidence is growing rapidly. Advanced age is the main risk factor for wet AMD, and it is expected to become an increasingly common condition as the population grows older. An estimated 1.65 million Americans have wet AMD today and an estimated 11 million people worldwide will have AMD by 2013. Existing treatments for wet AMD are of limited efficacy and fail to halt disease progression in many patients. In the search for more effective treatments, researchers are targeting vascular endothelial growth factor (VEGF), which has been shown to be a key cause of the excess growth of blood vessels that results in loss of vision.

About Acuity Pharmaceuticals

Founded in 2002, Acuity Pharmaceuticals is an ophthalmic pharmaceutical company applying proprietary technologies to the treatment and prevention of ophthalmic diseases. Acuity’s lead clinical compound, bevasiranib, a small-interfering RNA (siRNA) therapeutic targeting VEGF, is in clinical trials for two of the leading causes of adult vision loss. Acuity recently completed a Phase II trial of bevasiranib in age-related macular degeneration and is currently conducting a Phase II trial for diabetic macular edema. Acuity is applying its drug development expertise to a growing pipeline of novel agents for ophthalmic conditions. In support of these programs, Acuity is also developing proprietary technologies for ocular drug delivery. For more information, see the company’s website at www.acuitypharma.com.