Arisaph Pharmaceuticals and Royalty Pharma Announce Monetization and Amendment of DPP-IV License Agreement

Boston, MA – August 11, 2011 – Arisaph Pharmaceuticals, Inc. ("Arisaph") and Royalty Pharma announced today the closing of a transaction valued up to $26.25 million. Under the terms of the amendment, Royalty Pharma has paid Arisaph $17 million in cash and has agreed to pay Arisaph future contingent amounts in exchange for amendments to certain milestones payable under a cross-license agreement between Arisaph and Royalty Pharma relating to the use of dipeptidyl peptidase IV (DPP-IV) inhibitors for the treatment of type 2 diabetes. Through an exclusive worldwide license with Tufts University, Arisaph has rights to a patent estate that covers the use of DPP-IV inhibitors for the treatment of diabetes and lowering glucose levels. Arisaph continues to hold a cross-license from Royalty Pharma relating to the DPP-IV patent estate, which Royalty Pharma recently acquired from Astellas Pharma Inc.

Christopher Kiritsy, President and Chief Executive Officer of Arisaph, commented, "We are extremely pleased to continue to leverage our diabetes patent estate in generating additional non-dilutive financing, increasing Arisaph's non-dilutive funding to over 70% of total capital raised. The transaction with Royalty Pharma is synergistic and validates the strength and value of our patent portfolio for use of DPP-IV inhibitors in diabetes. We found Royalty Pharma to be timely and constructive in working toward a win-win outcome for all parties involved, including our academic partner, Tufts University."

Pablo Legorreta, Chief Executive Officer of Royalty Pharma, stated, "This investment, following our $609 million purchase of Astellas Pharma Inc.'s DPP-IV royalty portfolio, is further evidence of our confidence in the market for DPP-IV inhibitors, and reflects the world-class technology being developed at Arisaph and Tufts University. We are pleased to have had the opportunity to provide financing to Arisaph and look forward to continuing to work with Arisaph and Tufts University in the commercialization of Arisaph's and Tufts University's DPP-IV-related intellectual property."

About Arisaph Pharmaceuticals, Inc.

Arisaph Pharmaceuticals Inc, an emerging biopharmaceutical company located in Boston, Massachusetts, was founded by Dr. William Bachovchin (Professor of Biochemistry, Tufts University School of Medicine), Christopher Kiritsy (Former EVP Corporate Development and CFO Kos Pharmaceuticals, Inc.) and Michael Jaharis (Founder, Former Chairman Emeritus, Kos Pharmaceuticals, Inc.) to develop differentiated therapies for cardiometabolic diseases and cancer. Arisaph employs rational drug design approaches to develop differentiated new chemical entities (NCEs) that are highly potent and act on select, validated targets. By focusing its drug development activities on validated targets, the company believes that the risks associated with new chemical entity development can be mitigated compared with developing first-in-class compounds for nonvalidated targets. Arisaph has developed a rich pipeline of products at various stages of development, including a differentiated niacin analog, currently in phase 1 clinical trials, and a tumor activated prodrug platform and small molecule immune modulators, both currently in late-stage preclinical testing for the treatment of various cancers. Through an exclusive licensing agreement with Tufts University, Arisaph has worldwide rights to several important issued patents in the diabetes area and several pending patents that have utility for the treatment of cancer and cardiovascular disease.

About Royalty Pharma

Royalty Pharma is the industry leader in acquiring royalty interests in marketed and late stage biopharmaceutical products. With over $6 billion in assets under management, Royalty Pharma currently owns a diversified portfolio of royalty interests in several high-quality blockbuster biopharmaceutical products. These products include Abbott's Humira®, Johnson and Johnson's Remicade®, Gilead's Atripla®, Truvada®, and Emtriva®, Pfizer's Lyrica®, Amgen's Neupogen® and Neulasta®, and Genentech's Rituxan®. Royalty Pharma has a fifteen year history of providing value to holders of royalty interests, including its $609 million purchase of Astellas Pharma Inc.'s DPP-IV royalty portfolio, its $700 million acquisition of AstraZeneca's Humira royalty, its $700 million purchase of a portion of Northwestern University's Lyrica royalty, its $650 million purchase of New York University's Remicade royalty and its joint $525 million acquisition with Gilead Sciences of Emory University's emtricitabine royalty interest.

Contacts for inquiries or additional information	
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Forward Looking Statements Pertaining to Arisaph

Certain statements in this press release, including statements regarding Arisaph's research and development effort, its ability to finance its development programs into and through human clinical testing, and its ability to successfully capitalize on the early stage research are forward-looking and subject to risks and uncertainties, including the company's ability to establish additional license arrangements and to achieve and receive future milestone and royalty payments from licensees. These risks and uncertainties also include: our ability to discover and develop new compounds and products using a novel approach to drug discovery; the early stage of all of our discovery and development efforts; our ability to complete successfully preclinical and clinical development of our products; our ability to obtain and maintain regulatory approvals for our products; competition from other technologies and technologies similar to ours; obtaining, maintaining and protecting intellectual property utilized by our products; changes in legislation and regulations affecting our products and potential product candidates; our need to obtain additional funding to support our business activities; our dependence on collaborators and other third parties for development, manufacture, marketing, sales and distribution of products; the ability of our licensees to achieve developmental, regulatory and other milestones and to commercialize their products; the effect of conditions in the pharmaceutical industry and the economy.