



Pulmatrix Receives \$2.2 Million from NIH/NIAID to Develop Novel Inhaled Influenza Therapeutics

--Novel Drugs Harness Body's Own Defense Mechanisms to Treat and Prevent Flu Infection--

Lexington, MA, November 2, 2009 – Pulmatrix, a clinical stage biotechnology company discovering and developing a new class of therapies for the treatment and prevention of infectious and progressive respiratory diseases, today announced that it has been awarded a grant for \$2.2 million from the National Institute of Allergy and Infectious Diseases (NIAID), a component of the National Institutes of Health (NIH), aimed at advancing the development of novel influenza therapeutics for the treatment of seasonal and pandemic influenza.

Pulmatrix's proprietary technology for treating influenza was identified as one of the most promising new approaches to support NIAID's Strategic Plan for Biodefense Research, which emphasizes the development of broad spectrum therapeutics to address high priority infectious agents. The award will support ongoing preclinical studies to extend the spectrum and efficacy of PUR003, a Pulmatrix drug compound, and advance next generation formulations to IND-enabling toxicology studies. Pulmatrix is currently evaluating PUR003 in a randomized, double-blind, placebo-controlled Phase 1b/2a clinical trial designed to demonstrate its effectiveness, safety and tolerability in an experimental influenza infection model in healthy volunteers. Results from this clinical trial are expected by the end of the year.

In preclinical studies, Pulmatrix therapies have demonstrated significant efficacy in the treatment and prophylaxis of influenza across multiple strains and in multiple animal species, including improvement of clinical signs and lung pathology following infection with a seasonal H1N1 strain in swine.

"This award validates that our novel inhaled therapies– which have the unique ability to treat and prevent a broad range of infections from different airborne viruses, bacteria or 'bugs' – represents a promising approach to address respiratory diseases in a fundamentally new way. Pulmatrix's technology is attractive because of its unique ability to enhance the airway and lungs own natural biophysical properties and host defense mechanisms, in a pathogen-independent manner. Thus, single product formulations may have the ability to address multiple infectious agents, including different strains of influenza as well as a wide range of other respiratory diseases," said Robert Connelly, Chief Executive Officer of Pulmatrix. "Pulmatrix has made significant progress with our product pipeline, including ongoing and planned clinical trials in influenza and other respiratory diseases."

About PUR003

PUR003 is designed to treat, prevent, and reduce transmission of a broad spectrum of respiratory pathogens that pose community and public health risks. Pulmatrix is advancing PUR003 in multiple clinical studies to demonstrate its utility in the treatment and prevention of respiratory infections including influenza and in the reduction of acute exacerbations of progressive respiratory diseases, including asthma, and COPD. In a Phase 1 double-blind, placebo-controlled, randomized, escalating-dose study designed to evaluate the safety and tolerability of inhaled PUR003, the drug was found to be well tolerated at all doses.

About Influenza

Influenza, commonly known as 'flu', affects large sections of the world's population each year. The disease is characterized by annual winter outbreaks, which often reach epidemic proportions due to the fact that the virus can mutate quickly, often producing new strains each year against which human beings do not have immunity. Typical symptoms of flu are usually relatively mild but can become life threatening in vulnerable patient groups, such as the elderly and immunodeficient individuals. In a growing number of countries, small children have been added to the list of preferred protection groups. Transmission of the flu virus occurs through airborne particles and upon infection, the incubation period ranges from one to three days. As in the current pandemic of H1N1 influenza of swine origin, young healthy individuals who have not had previous exposure to the virus can also develop serious or even life-threatening infections.

Each year approximately 5%-15% of the world's population contracts influenza and an estimated 250,000 to 500,000 people die annually from influenza-associated complications according to the World Health Organization. In addition to these annual epidemics, a major genetic shift in the influenza virus can occasionally lead to a deadly new virus strain to which the human population does not have immunity, resulting in a global pandemic. Three flu pandemics have occurred in the previous century: 'Spanish influenza' in 1918, which caused an estimated 40 to 50 million deaths worldwide, 'Asian influenza' in 1957, which caused an estimated 2 million deaths, and 'Hong Kong influenza' in 1968, which caused approximately 1 million deaths.



About Pulmatrix

Pulmatrix is discovering and developing a new class of host-targeted therapies that treat and prevent a broad range of infectious and progressive respiratory diseases by harnessing the airway and lungs own natural biophysical properties and host defense mechanisms. Pulmatrix's innovative technology is pathogen-independent so it has broad potential to treat a wide range of respiratory diseases, including respiratory infections such as influenza, ventilator acquired pneumonia (VAP) and respiratory syncytial virus (RSV), as well as progressive respiratory diseases such as COPD, asthma, and cystic fibrosis. The Pulmatrix technology is based on the ground-breaking scientific work of renowned Harvard Professor David Edwards and Pulmatrix scientists, and is financed by leading life science investors Polaris Venture Partners, 5AM Ventures, ARCH Venture Partners, and the Novartis Venture Funds. For additional information about the Company, please visit <http://www.pulmatrix.com>.

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