

ACT BIOTECH Announces Positive Interim Phase 2 Results with Telatinib in First-line Gastric Cancer

FOR IMMEDIATE RELEASE 7AM EDT / 1PM CET ON OCTOBER 11, 2010 – Milan, Italy, October 11, 2010 – ACT Biotech Inc., a privately held biotechnology company based in San Francisco, California, today announced positive interim data from a Phase 2 trial of the Company's lead oral kinase inhibitor, Telatinib, for the first-line treatment of patients with advanced gastric cancer. This proof-of-concept, multi-center, open label trial was designed to test the efficacy and safety of full-dose Telatinib, administered continuously, as a first-line treatment in combination with a standard regimen of capecitabine and cisplatin in US and European patients. Based on promising preliminary findings in April, 2010, the original planned enrollment of thirty-five patients was expanded to the current forty-eight. Interim findings indicate that the treatment:

- Achieved a high overall response rate of 66% in thirty-two evaluable patients;
- Resulted in rapid and durable objective tumor response;
- Demonstrated evidence of mechanism-based anti-angiogenic activity; and
- Was well-tolerated and revealed no new or unexpected toxicities.

Follow up for progression free and overall survival is ongoing. The most common toxicities observed were mild and moderate fatigue/asthenia or gastrointestinal events. Severe hypertension, hand-foot-syndrome and neutropenia were all observed in less than 10% of patients. These data were presented on Saturday, October, 9, at the 35th Congress of ESMO, the European Society of Medical Oncology (<http://www.esmo.org/events/milan-2010-congress.html>).

Based on these results the Company is preparing for a Phase 3 pivotal trial of Telatinib for the first-line treatment of advanced gastric cancer patients. As announced in June 2010, Telatinib has received orphan drug designation for gastric cancer from the US Food and Drug Administration (FDA).

"We are thrilled with the performance of Telatinib in this difficult-to-treat population of patients," said Prof. Josep Tabernero of the Vall d'Hebron University Hospital in Barcelona, Spain, a clinical investigator in the study. "The overall response rate of 66% is roughly twice that which we have seen in prior clinical trials utilizing doublet chemotherapy. Telatinib has the potential to change the standard of care in this cancer indication."

Added Wolf D. Busse, Chief Executive Officer and President of ACT Biotech, "These data support the initiation of registration trials in advanced gastric cancer, keeping Telatinib on track to file for marketing approval in both Europe and the United States by 2014."

Telatinib is a potent oral kinase inhibitor that selectively targets VEGFR, PDGFR and KIT receptor tyrosine kinases. In previous Phase 1 clinical studies Telatinib demonstrated strong antitumor activity as a single agent, including confirmed objective tumor regressions and a high rate of disease stabilization. In addition, full-dose Telatinib, administered continuously, has been safely combined with multiple chemotherapeutic agents such as capecitabine, 5-FU, cisplatin, oxaliplatin, docetaxel and irinotecan in Phase 1b clinical trials. Telatinib has the potential for broad use in other solid tumor

indications beyond gastric cancer due to its unique ability to combine with chemotherapy at full, continuous dose.

About ACT Biotech, Inc

ACT Biotech (www.actbiotech.com) is a San Francisco-based, privately-held biopharmaceutical company focused on the development and commercialization of targeted cancer drugs. In addition to Telatinib, the Company's clinical stage pipeline includes ACTB1003, a unique oral kinase inhibitor that targets cancer cells through multiple modes of action. ACTB1003 inhibits cancer cell growth by targeting the FGF receptor family, which are mutated in a number of human cancer types. ACTB1003 also directly induces apoptosis by targeting kinases downstream of the PI3K pathway, all at low nanomolar concentrations. Other pipeline products include an oral Aurora A and B kinase inhibitor at the pre-IND stage, and an ABL tyrosine kinase inhibitor targeting the T315I mutant enzyme in pre-clinical development. ACT Biotech is backed by NGN Capital of New York, NY; Greenwich, CT; and Heidelberg, Germany.

About Gastric Cancer

Gastric cancer, commonly referred to as stomach cancer, is responsible for more than 865,000 deaths globally each year, making it the second leading cause of cancer death worldwide according to GLOBOCAN 2008 (<http://globocan.iarc.fr/>). There are currently no oral targeted cancer drugs approved for gastric cancer.

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