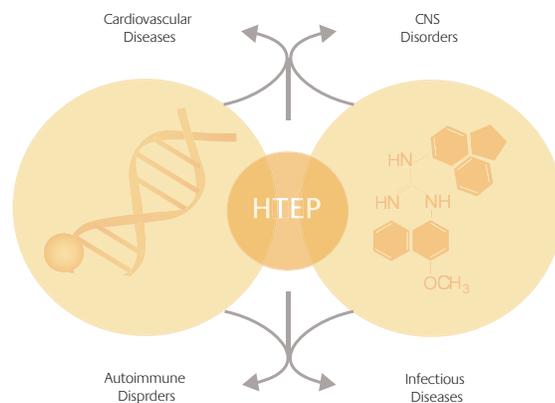


OVERVIEW

Scion Pharmaceuticals, founded September, 2001, is a privately held biopharmaceutical company based in the Boston area. The company discovers and develops novel small molecule drugs that are specific and selective for ion channels and receptors. Defects in ion channels have been implicated in numerous nervous system and cardiovascular disorders. The company's initial programs are focused on new treatments for arrhythmias, myocardial ischemia, anxiety, pain and epilepsy.

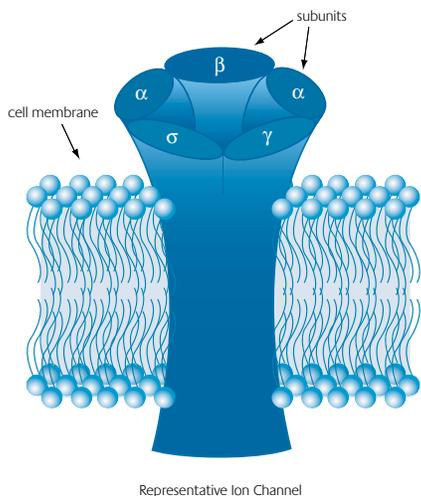
Scion uses an innovative drug discovery paradigm, which integrates the evaluation of ion channel chemical libraries against validated targets with high throughput electrophysiology (HTEP™). Electrophysiology is the definitive assay for ion channel drug discovery. Scion's HTEP provides physiologically relevant data in an accelerated timeframe to Scion chemists enabling the rapid optimization of lead compounds. This approach eliminates the need for traditional, costly and time consuming surrogate assays and allows Scion to arrive at preclinical leads faster than conventional drug discovery efforts.



ION CHANNELS

Ion channels are critical components of all living cells and represent exciting targets for the discovery of novel drugs to treat a broad range of human diseases. Fundamentally, ion channels are gated pores situated in the cellular membrane whose opening and closing regulate many essential biological processes by allowing ions to flow in and out of the cell. When ion channels do not function properly, they can also contribute to a number of human diseases such as arrhythmias, ischemia, hypertension, pain, epilepsy, anxiety and diabetes.

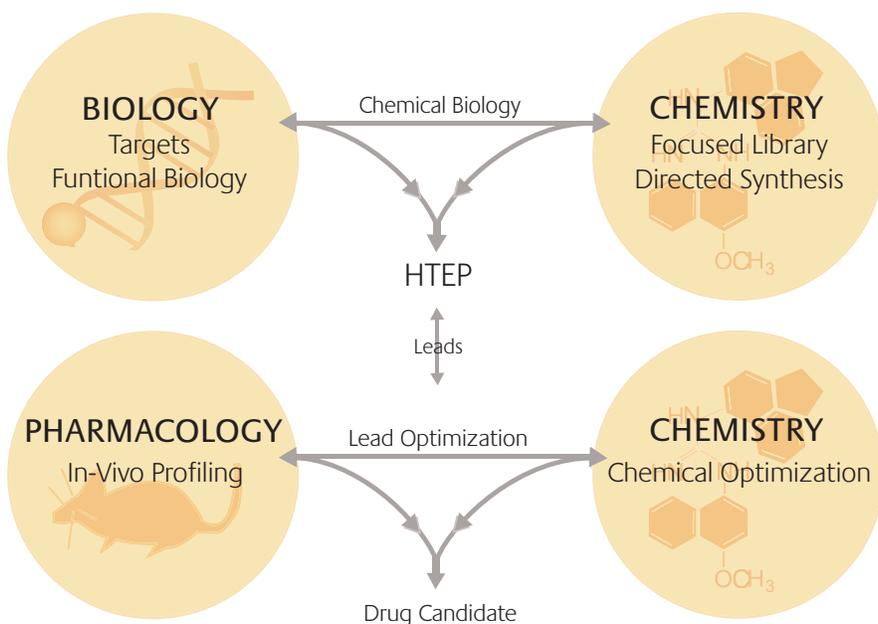
The clinical relevance of ion channels as drug targets is exemplified by the ion channel modulators presently on the market. The limitations of these current therapies and the difficulty in designing newer, improved agents, have been primarily due to the lack of understanding of ion channel biology as well as the lack of an industrialized, relevant assay system. In recent years, however, new research has shown that the known ion channel "super" families (K^+ , Ca^{++} , Na^+ , GABA, glutamate) encompass numerous subunits and many subtypes and splice variants, each with a distinct role within a given cell. Based on this new understanding, Scion is in a unique position to use its proprietary assay system to characterize the various subtypes and design novel, subtype selective modulators, which should be more effective and less toxic than currently available therapies.



Ion channels can be divided into two broad classifications: Voltage-gated and Ligand-gated. The voltage-gated channels, named for the type of ions that flow in and out of the cell, include sodium, potassium and calcium. The ligand-gated channels, named for the ligand that binds to it, include GABA and glutamate receptors.

TECHNOLOGY PLATFORM AND EXPERTISE

Scion uses an integrated drug discovery strategy that capitalizes on its patented, focused ion channel library and high throughput electrophysiology (*HTEP*). When combined with the Company's scientific expertise to exploit emerging genomic information on subtypes, the Scion platform allows for the accelerated discovery of novel ion channel modulators.



The Scion approach obviates the need for structural information, allows for the evaluation of new target subtypes and enables the discovery of novel chemical scaffolds.

>> Validated Targets

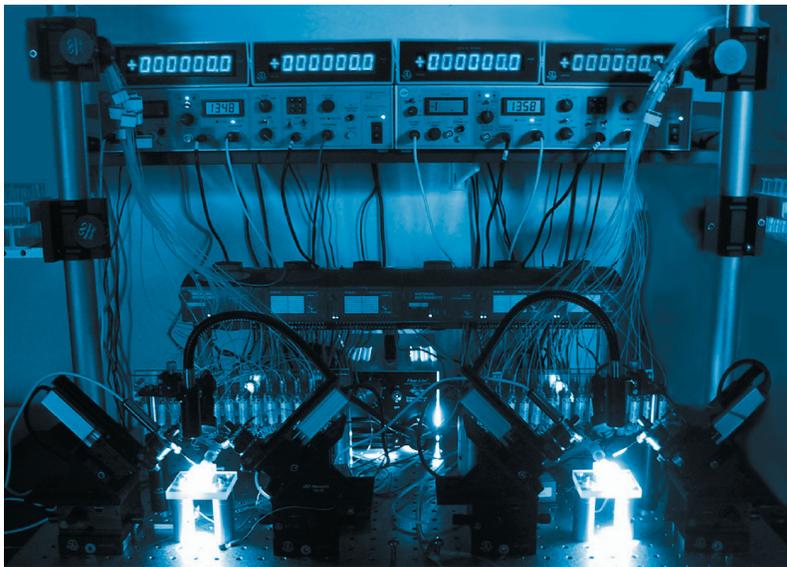
Ion channels are validated drug targets for cardiovascular and central nervous system disorders. Scion's programs will focus on modulators of the Na^+ , Ca^{++} , K^+ and GABA channels along with their numerous subtypes and splice variants. The importance of these channels in arrhythmias, myocardial ischemia, neuropathic pain and epilepsy has been well documented. With *HTEP*, the Company simultaneously evaluates multiple targets and multiple compounds to maximize lead discovery.

>> Focused Ion Channel Library

Scion's focused, drug-like chemical library contains diverse molecules that modulate both voltage-gated and ligand-gated channels. Scion has extensive intellectual property that protects both the composition of matter and methods of use of its compounds.

>> *HTEP*

Electrophysiology (EP) is the recognized gold standard assay for ion channel drug discovery. To date, however, the use of EP has been limited due to its low throughput and labor intensive requirements. As a result, most companies must use a battery of surrogate assays, which are time consuming and not representative of ion channel function. Scion has developed and patented *HTEP*, which automates the physiologically relevant assay (EP) with > 1000 fold increase in throughput over conventional electrophysiology methods. In addition, *HTEP* provides quantitative and mechanistic data with minimal risks of false negatives or positives.



The Assay Matters - *HTEP* overcomes a major hurdle to improving the odds of success in drug discovery. Scion's *HTEP* allows for the rapid assessment of potential ion channel modulators and target function. It provides information rich data to Scion chemists including dose response, potency and channel kinetics.

>> Scientific Expertise

Scion scientists have extensive experience in ion channel biology, medicinal chemistry and pharmacology. The Company's discovery team has collectively designed and developed numerous clinical and commercial therapeutic agents.

>> Intellectual Property

Scion has a strong patent portfolio covering its proprietary compounds and technologies. To date, the Company has over 64 issued US patents and several pending US patent applications, as well as foreign counterparts in many other countries. Scion aggressively pursues patents to protect its intellectual property estate.

CORPORATE INFORMATION

The Company, located in Medford, MA, currently occupies 12,000 square feet of state of the art laboratories, including facilities for medicinal chemistry, biology and pharmacology. To advance its ion channel based drug discovery programs Scion has raised \$17 million from Oxford Bioscience Partners, Lehman Brothers, GeneChem Ventures, Lancet Capital and NeuroVentures, Gray Ghost, Russek Foundation and Boston University Community Technology Fund.

MANAGEMENT TEAM

Scion has assembled seasoned management team with a proven track record for discovering, developing and commercializing novel pharmaceutical products.

Pravin Chaturvedi, Ph.D.	President and CEO	Vertex, Alkermes, Parke Davis	14 yrs
Patricia Abbott	Head of Operations	Phylos, Partners Healthcare, CNS	18 yrs
Phillip Friden, Ph.D.	Vice President, Biology	Demegen, Alkermes, MIT	14 yrs
Aninda Katragadda, C.P.A.	Vice President, Finance and Administration	DAX, Vertex, Pricewaterhouse Coopers	13 yrs
Nancy Stuart, MBA	Vice President, Strategic Development	Amgen/Kinetix, Vertex, Genzyme	19 yrs
Jeff Williams, MBA	Vice President, Corporate Development	Anesta, Vertex, MIT Sloan	13 yrs
Robert Zelle, Ph.D.	Vice President, Chemistry	Acusphere, Vertex, Abbott	15 yrs

SCIENTIFIC FOUNDER

David Farb, Ph.D. Chairman, Department of Pharmacology and Experimental Therapeutics, Boston University, School of Medicine

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 Pravin Chaturvedi, Ph.D., President and CEO, Scion Pharmaceuticals Inc.
 William Golden, Managing Director, Lancet Capital
 Hingge Hsu, M.D., Managing Director, Lehman Brothers

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