



Elixir Announces Completion of Enrollment in Pivotal Phase III Clinical Trial for New Diabetes Drug

Cambridge, MA – March 25, 2008 – Elixir Pharmaceuticals, Inc., announced today that it has completed enrollment in its final pivotal phase III clinical study of mitiglinide for the treatment of patients with type 2 diabetes. The study is expected to be completed during the third quarter of 2008, with data available shortly thereafter. The results from this study will supplement the existing clinical database of more than 4,000 patients to form the basis of the Company's anticipated new drug application (NDA) submissions to the FDA in early 2009 for Glinsuna™ (mitiglinide) and a fixed combination product, Metgluna™, combining metformin and Glinsuna.

"We are pleased to meet this important milestone in the development of these exciting product candidates," stated Dr. Paul Martha, Chief Medical Officer and SVP, Clinical Development and Regulatory Affairs. "We believe Metgluna could become an important new treatment option for the more than five million metformin patients who will eventually require additional glucose control, and Glinsuna would offer a new treatment option for physicians and patients who prefer the dosing flexibility offered by the single agent."

Elixir's clinical study has enrolled more than 300 patients across 60 sites in the U.S. and is designed to evaluate the efficacy and safety of mitiglinide in combination with metformin in patients whose blood sugar is not adequately controlled by metformin alone. This study is expected to confirm results from a previously completed trial in Australia which demonstrated that the combination produced improved (lowered) A1c (HbA1c) levels versus metformin alone. In previous clinical studies, Glinsuna has been shown to significantly lower patients' levels of hemoglobin HbA1c by mimicking the natural response to glucose by producing a rapid and brief burst of insulin to coincide with the rise in glucose levels following meals.

William K. Heiden, Elixir's President and Chief Executive Officer stated, "Completing enrollment in this final phase III mitiglinide study moves us one step closer to providing important new therapy options to physicians and their type II diabetic patients. It also moves Elixir one step closer to achieving our goal of having commercial products fund the development of our blockbuster-potential ghrelin and SIR T products for the treatment of metabolic disease."

About Type 2 Diabetes

Type 2 diabetes is a chronic metabolic disorder characterized by high blood sugar caused by defective insulin secretion, resistance to insulin action, or a combination of both. It is a serious and debilitating disease, affecting more than 20 million Americans in the U.S. alone, 30% of whom are estimated to be undiagnosed. While there has been

significant progress in the treatment of type 2 diabetes in the last decade, there is still an enormous unmet medical need worldwide.

Approximately half of people diagnosed with type 2 diabetes have not achieved adequate blood sugar level control, as measured by HbA1c. HbA1c is a measure of average blood sugar over time and takes into account the baseline level of sugar (fasting plasma glucose) and the rises that occur after a meal (post-meal glucose). The American Diabetes Association recommends that patients with type 2 diabetes achieve a target HbA1c level of < 7%. Type 2 diabetes increases the risk for many serious complications, particularly heart disease, blindness, nerve damage and kidney damage, all of which can be reduced by tightly controlling the level of blood sugar.

About Metgluna and Glinsuna

For patients with type 2 diabetes not well controlled on metformin alone, Metgluna™ will provide additional HbA1c reduction through comprehensive glycemic control via two complementary mechanisms of action. Metgluna is a fixed combination tablet of metformin, which helps control fasting plasma glucose by improving insulin sensitivity, and mitiglinide, a product that mimics the body's natural response to glucose by producing a rapid and brief burst of insulin when glucose levels begin to rise following meals to provide for better control of post-meal glucose surges.

The companion product Glinsuna™ has been studied extensively in human clinical studies in the U.S., Europe, Australia, and Asia. Clinical trial results, including more than 1,500 patients treated in phase III trials, have demonstrated an excellent safety and efficacy profile for mitiglinide as monotherapy or in combination with metformin. An ongoing phase III clinical study enrolled more than 300 patients across 60 sites in the U.S. and was designed to further evaluate the efficacy and safety of Glinsuna in combination with metformin in patients whose blood sugar is not adequately controlled by metformin alone in a representative U.S. population, a concept that has already been successfully demonstrated in a completed Australian phase III study.

Elixir in-licensed North and South American rights to mitiglinide from Kissei Pharmaceuticals in Japan, where the product is approved and has been used to treat several hundred thousand patients. Under the terms of the licensing agreement, Elixir has the right to develop and commercialize mitiglinide and any future product combinations, in the U.S., Canada and Latin America.

About Elixir Pharmaceuticals

Elixir Pharmaceuticals is a pharmaceutical company focused on the discovery, development and commercialization of novel pharmaceuticals for the treatment of metabolic diseases such as diabetes and obesity. The Company's scientific founders identified that interactions between specific genes and enzymes can slow the aging process, and are developing compounds that stimulate these interactions and will be used to treat a range of diseases of aging, including metabolic disease.

Elixir's product pipeline includes a number of products which the Company believes will have significant advantages over existing products and will address unmet medical needs of the large metabolic disease markets. These include Elixir's phase III products, Metgluna™ and Glinsuna™ for the treatment of type 2 diabetes, and an oral ghrelin

antagonist, a compound which blocks the receptor for the hormone ghrelin, which represents a potential next-generation treatment for a number of metabolic diseases. In addition, Elixir has built upon its knowledge of ghrelin, to advance an oral ghrelin agonist, a compound which stimulates the receptor for ghrelin. Further, the Company's SIR T products are exemplary of how Elixir continues to use its understanding of the pathways which slow the aging process to identify interesting targets for the development of drugs to treat metabolic disease.

#

CONTACT: Elixir Pharmaceuticals

William Heiden, 617-995-7000

or

Burns McClellan for Elixir Pharmaceuticals

Media:

Justin Jackson, 212-213-0006

jjackson@burnsmc.com

or

Investors:

Juliane Snowden, 212-213-0006

jsnowden@burnsmc.com

or

Nicki Kahner, 212-213-0006

nkahner@burnsmc.com