

# ACTIVAERO APPOINTS US PHARMACEUTICAL CORPORATION AS SOLE U.S. DISTRIBUTOR FOR WATCHHALER™

**Gemünden, Germany, January 14, 2009-** Activaero GmbH, the world leader in controlled breathing technologies for inhaled therapeutic agents, today announced that the US Pharmaceutical Corporation will exclusively distribute Activaero's Watchhaler™, a revolutionary inhalation concept for children, in the United States.

Watchhaler™ is a reservoir system, or 'spacer', controlling the inhalation flow rate and volume to target the aerosol specifically to the lung region, where the drug is needed. This system is particularly tailored to the needs of children using asthma medications. The child friendly Watchhaler™ spacer is designed for use with standard metered dose inhalers (MDIs).

Dr Gerhard Scheuch, Founder and CEO of Activaero, commented: "The Watchhaler™ device has been available in Europe for several months now and we are delighted to have reached this agreement with US Pharmaceutical Corporation. We believe that the Watchhaler™ will benefit both parents and children by providing reliable doses of asthmatic medication in a controlled and accurate manner."

The Watchhaler™ was originally launched in Europe in April of last year and the US Food and Drug Administration (FDA) issued a 510(K) clearance for the Company's Watchhaler™ spacer in July 2008. The 510(k) clearance allows the Watchhaler™ device to be marketed in the USA. As of now, The US Pharmaceutical Corporation is the sole distributor of the Watchhaler™, which can be ordered from AmerisourceBergen, McKesson, Cardinal Health and other major wholesalers.

## About Activaero

Activaero is the world leader in controlled breathing technologies for inhaled therapeutic agents. With stand alone inhalation products and inhalation systems available for clinical trials and marketing partnerships, Activaero's technologies allow for the most precise and efficient patient-tailored pulmonary delivery. Activaero currently has two products on the market, AKITA™, a patient-tailored controlled breathing system with a SmartCard that records the patient dosing parameters, and Watchhaler™, a hand held delivery system tailored specifically to children. The Company also has available a range of technologies ideal for the controlled delivery of inhaled therapeutics in the clinical trial setting and tailored to specific partnerships (AKITA<sup>2</sup>™, LimiX™). Finally, Activaero works with partners on a consultancy basis in the development of ideal inhaled delivery systems and the logistics in clinical trials. Activaero's technological approach has been validated repeatedly in the clinical setting. The Company is privately held and located in Gemünden (Wohra) and Munich in Germany and Dublin, Ohio in the USA.

## About US Pharmaceutical Corporation

US Pharmaceutical Corporation is a privately-held specialty company that is engaged in the distribution and sale of its branded pharmaceutical products. USPC is dedicated in delivering products designed with the patient in mind. By applying advanced technology and performing clinical studies, USPC creates medications and products that not only exceed patient and physician expectations, but are easy to take, and well tolerated. Headquartered in Decatur, GA, US Pharmaceutical Corporation's products are marketed by its dedicated team of sales representatives located throughout the United States. In addition, distribution of its products in Puerto Rico is by LAC Medical Products, Inc., an independent Franchisee.

Peter J. Krebs, Ph.D., established this company's predecessor organizations in 1954, with US Pharmaceutical Corporation being the final successor to the various reorganizations. Krebs presently serves as USPC's legal counsel, CFO and as Chairman of the Board of Directors.

USPC's products consist mainly of "prescription only" tablets, capsules, and liquids. With its main line of products featuring Hematinics, primary marketing efforts are directed to the fields of Hematology, Oncology, Nephrology, Internal Medicine, Women's Health and Gastroenterology. Tandem DHA is the first smallest single dose DHA prenatal vitamin that utilizes a unique blend of two forms of iron, Ferrous Fumarate and Polysaccharide Iron Complex (as cell contracted akaganeite) in an easy to swallow capsule.

USPC boasts over 50 years of quality products and expertise within the pharmaceutical industry. The Company seeks to grow its portfolio of products through partnered developments, acquisitions, and exclusive licensing activities. Interested parties may contact US Pharmaceutical Corporation by providing a non-confidential description of their opportunity to [a.krebs@uspco.com](mailto:a.krebs@uspco.com).

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### Notes for editors:

Approximately 20 million Americans have asthma, with 9 million children under the age of 18 suffering from the disease. And yet up to now they have been poorly served by inhalation technologies designed mainly for adults. The use of a Metered Dose Inhaler (MDI) is the prevalent method of asthma drug delivery and to make these suitable for children, asthma experts advocate the use of a holding chamber known as a spacer, into which the aerosol spray is released before it is inhaled by the child.

Watchhaler™ is a spacer developed especially to suit the requirements of children and supervising adults and addresses four key concerns:

- **Child-centric design:** Young children can be intimidated by the typically 'cold' and functional designs of spacers. Watchhaler™ therefore has a more childlike and welcoming look, using vivid colors and a shape like a toy animal.
- **Reduced electrostatic charge:** Many spacers have an inherent problem in that handling of them can introduce a static charge that attracts the drug to the walls of the surface and reduce the time available for inhalation. Watchhaler™ has a protective outer chamber around the aerosol balloon so that the balloon cannot be touched. Only limited static

charge is introduced and the drug can now remain airborne within the balloon for a longer time.

- **Controlled efficient delivery:** The face masks currently used with spacers offer no adequate control of either flow rate or volume. With Watchhaler™ the inspiration flow rate is mechanically controlled via a patented valve at the air inlet and the inhalation volume is limited by a balloon inside the device. This reduces inhalation velocity to allow a slow, controlled delivery of the therapeutic aerosol.
- **Supervision of treatment:** With standard spacers it is often not possible for the therapist or parent to gauge how completely or successfully the child has inhaled the drug. With the Watchhaler™ the balloon folds up during inhalation, providing parents and therapists with a clear means of identifying that the process has been successful.