



## **DISCOVERY LABORATORIES, INC.**

### **DISCOVERY CEO TESTIFIES BEFORE U.S. CONGRESSIONAL SUBCOMMITTEE ON APPLICATIONS OF SURFACTANT REPLACEMENT THERAPY FOR SARS**

**Doylestown, PA – May 8, 2003 – Discovery Laboratories, Inc. (Nasdaq: DSCO)**, President and Chief Executive Officer Robert J. Capetola, Ph.D, testified on Wednesday, May 7, 2003, before the House Committee on Energy and Commerce Subcommittee on Oversight and Investigations regarding the possible application of the Company's Surfactant Replacement Therapy programs, aimed at maintaining or restoring lung function in hospitalized patients, to address Severe Acute Respiratory Syndrome (SARS). The hearing, titled "SARS: Assessment, Outlook, and Lessons Learned" covered government response, public health issues and commercial drug development initiatives targeting the SARS crisis.

Dr. Capetola acknowledged the intense efforts of world health authorities and scientists to find an effective treatment for SARS. Such efforts have been focused on antivirals and vaccines. Dr. Capetola commented that this search is an appropriate first response, however it is widely understood that it may take years before any such drugs are developed and there is no guarantee that they will ever be available. Because SARS is an acute respiratory illness in which patients have difficulty breathing, the logical next step is to fully evaluate therapies addressing proper lung function in SARS patients.

In written and oral statements, Dr. Capetola discussed SARS as a highly contagious viral infection that leads to pneumonia, and in severe cases, progresses to life-threatening Acute Lung Injury, the most serious manifestation of which is Acute Respiratory Distress Syndrome (ARDS). A prominent characteristic of ARDS is the destruction of a patient's lung surfactant. Surfactants are produced naturally in the lungs and are essential for breathing. Should these surfactants degrade or be destroyed, millions of alveoli, or tiny air sacs, in the lung collapse, airflow becomes constricted and the lungs do not absorb sufficient oxygen. Current therapy for SARS and ARDS patients remains entirely supportive and includes mechanical ventilation.

Discovery's Surfactant Replacement Therapy has the potential to play an important role in addressing the SARS crisis. Surfactant Replacement Therapy is intended to maintain or restore proper lung function and Discovery's surfactant technology is the only one that could play this role. There is significant scientific literature and clinical data establishing the safety and pharmacological activity of Discovery's surfactant technology.

Discovery's lead product, Surfaxin<sup>®</sup>, is in three Phase 3 and two Phase 2 clinical trials addressing critical respiratory indications, including ARDS. Surfaxin has been shown to remove inflammatory and infectious infiltrates from patients' lungs when used by our proprietary lavage ("lung wash") and replenish the vital surfactant levels in the lungs. Discovery's inhalable aerosol Surfactant Replacement Therapy is positioned to enter Phase 1b / 2a clinical trials by late-2003 or early-2004. Discovery believes that its inhalable aerosol Surfactant Replacement Therapy would demonstrate the same safety

and pharmacological profile as its liquid Surfaxin has exhibited in pre-clinical and clinical programs to date.

The text of Dr. Capetola's prepared testimony should be available on the Committee's website at <http://energycommerce.house.gov/108/Hearings/05072003hearing917/Capetola1444.htm> and the Company's Web site at [www.discoverylabs.com](http://www.discoverylabs.com). A transcript of the hearing will be available in approximately 60-90 days. Interested parties can receive corporate updates by sending their email addresses to [dsco@focuspartners.com](mailto:dsco@focuspartners.com). More information about Discovery Laboratories is available on the Company's Web site at [www.discoverylabs.com](http://www.discoverylabs.com).

## **About Discovery Laboratories**

Discovery Laboratories, Inc. is a specialty pharmaceutical company developing its proprietary surfactant technology as Surfactant Replacement Therapies for respiratory diseases including Respiratory Distress Syndromes, Acute Lung Injury (ALI), asthma, Chronic Obstructive Pulmonary Disease (COPD), and upper airway disorders. Discovery's surfactant technology produces an engineered version of natural human lung surfactant that is designed to precisely mimic the essential properties of human lung surfactant. Discovery believes that through its surfactant technology, pulmonary surfactants have the potential, for the first time, to be developed into a series of respiratory therapies for hospitalized and ambulatory patients. Surfaxin, Discovery's lead product, is in three Phase 3 and two Phase 2 clinical trials for critical care patients with life-threatening respiratory disorders where there are few or no approved therapies available. Discovery's first aerosol surfactant product is positioned to enter clinical trials for hospital patients with severe asthma or acute lung injury. Discovery has a commercialization alliance with Quintiles Transnational Corp. and a strategic alliance with Laboratorios del Dr. Esteve S.A.

*To the extent that statements in this press release are not strictly historical, including statements as to business strategy, outlook, objectives, future milestones, plans, intentions, goals, future financial conditions, future collaboration agreements, the success of the Company's product development, events conditioned on stockholder or other approval, or otherwise as to future events, such statements are forward-looking, and are made pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995. The forward-looking statements contained in this release are subject to certain risks and uncertainties that could cause actual results to differ materially from the statements made. Among the factors which could affect the Company's actual results and could cause results to differ from those contained in the forward-looking statements contained herein are the risk that financial conditions may change, risks relating to the progress of the Company's research and development, the risk that the Company will not be able to raise additional capital or enter into additional collaboration agreements (including strategic alliances for our aerosol and Surfactant Replacement Therapies), risks relating to the progress of the Company's research and development, risks relating to the lack of sufficient drug product for completion of any of the Company's clinical studies, and risks relating to the development of competing therapies and/or technologies by other companies. Those associated risks and others are further described in the Company's filings with the Securities and Exchange Commission including the most recent reports on Forms 10-K, 10-KSB, 8-K, 10-QSB and 10-Q, and amendments thereto.*

## **Contacts**

John Cooper  
CFO/SVP  
215-340-4699  
[ir@discoverylabs.com](mailto:ir@discoverylabs.com)

FOCUS Partners LLC  
Harvey Goralnick/David Zazoff  
212-752-9445  
[dsco@focuspartners.com](mailto:dsco@focuspartners.com)

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