



## **DISCOVERY LABORATORIES, INC.**

### **Discovery Laboratories adds United States Patent to Surfactant Patent Estate**

**Doylestown, PA — October 17, 2003 — Discovery Laboratories, Inc. (Nasdaq: DSCO)**, a late-stage biopharmaceutical company developing its proprietary surfactant technology as Surfactant Replacement Therapies for respiratory diseases, announced today the issuance of United States Patent number 6,613,734, “Peptide-Containing Liposomal Surfactants.” This composition of matter patent covers a wide variety of combinations of peptides, proteins and other molecules related to Discovery’s proprietary humanized pulmonary surfactant technology. The patent also includes methods of making and using the molecules.

Robert J. Capetola, Ph.D., President and CEO of the Company, stated, “This is a broad patent that claims literally thousands of combinations of polypeptides, proteins, and various organic molecules that when combined in different proportions covers tens of thousands of potentially useful surfactant compositions. The issuance of this patent strengthens our extensive patent portfolio supporting our surfactant technology, which we believe is the only one capable of producing high quality surfactants with the potential to address a broad range of life-threatening respiratory disorders and large pharmaceutical markets.”

Surfactants are produced naturally in the lungs and are essential for breathing. A lack or deficiency of surfactants is associated with several respiratory diseases such as Respiratory Distress Syndromes in infants and adults, Acute Lung Injury (ALI), Chronic Obstructive Pulmonary Disease (COPD), and asthma. Discovery’s technology produces an engineered version of surfactant that is designed to precisely mimic the essential properties of human lung surfactant. Discovery’s humanized surfactant is currently being developed as Surfactant Replacement Therapy (SRT) in liquid instillate and aerosol formulations to potentially treat these diseases, as well as other respiratory diseases where SRT may be useful.

#### **About Discovery Laboratories**

Discovery Laboratories, Inc. is a biopharmaceutical company developing its proprietary surfactant technology as Surfactant Replacement Therapies for respiratory diseases including Respiratory Distress Syndromes in infants and adults, Acute Lung Injury, asthma, Chronic Obstructive Pulmonary Disease and upper airway disorders. Surfaxin, Discovery’s lead product, is in Phase 3 and Phase 2 clinical trials for critical care patients with life-threatening respiratory disorders where there are few or no approved therapies available. Surfactants are compositions produced naturally in the lungs and essential for breathing. Discovery’s 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 technology, pulmonary surfactants have the potential, for the first time, to be developed into a series of respiratory therapies for critical care and other hospitalized patients.

More information about Discovery Laboratories is available on the Company's Web site at [www.discoverylabs.com](http://www.discoverylabs.com).

*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 Private 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 ability of the Company's third party contract manufacturers to provide the Company with sufficient amounts of drug products for completion of any of the Company's clinical studies, other 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-Q and 10-QSB, and amendments thereto.*

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