



## **Discovery Labs Receives U.S. Patent Covering Pulmonary Surfactant and Protease Inhibitor Combination Products for Pulmonary Conditions**

**Warrington, PA — January 19, 2011 — Discovery Laboratories, Inc. (Nasdaq: DSCOD)** has been notified that the United States Patent and Trademark Office (USPTO) has issued U.S. Patent Number 7,863,241 entitled “Compositions for Treatment and Prevention of Pulmonary Conditions.” The patent provides broad coverage for compositions that employ a combination of certain pulmonary surfactants with a broad array of protease inhibitors, administered as either a liquid or aerosol, for treating pulmonary inflammation. Dr. Charles Cochrane, the original inventor of Discovery Labs’ proprietary surfactant technology and co-founder of The Scripps Research Institute, is the inventor of this newly-issued patent. The Scripps Research Institute has granted Discovery Labs exclusive licensing rights for this patent. The patent term expires in 2023.

Dr. Thomas F. Miller, Chief Operating Officer of Discovery Labs commented, “We are very pleased with the USPTO’s decision to grant our first KL<sub>4</sub> surfactant combination product patent. Combining certain protease inhibitors with KL<sub>4</sub> surfactant may facilitate more flexible delivery and meaningfully improve the clinical benefit to patients with respiratory disorders. We plan to continue strengthening our patent portfolio around KL<sub>4</sub> surfactant and our proprietary aerosol technologies to address a wide range of respiratory disorders.”

Several protease inhibitors are approved for use in serious pulmonary conditions. However, while inhaled protease inhibitors are currently under development, no such therapy is believed to be approved for use in aerosolized form for direct delivery to the lung. Discovery’s KL<sub>4</sub> surfactant may function as an advantaged pulmonary drug delivery system given its novel liposomal structure, completely synthetic composition, and ability to be delivered as an aerosol. Additionally, the immune modulatory properties of KL<sub>4</sub> surfactant may complement the pharmacologic activity of protease inhibitors.

Pulmonary inflammation is associated with conditions such as chronic obstructive pulmonary disease (COPD), acute and chronic bronchitis, emphysema, asthma, cystic fibrosis, acute lung injury, and neonatal respiratory disorders.

### **About Discovery Labs**

Discovery Laboratories, Inc. is a biotechnology company developing KL<sub>4</sub> surfactant therapies for respiratory diseases. Surfactants are produced naturally in the lungs and are essential for breathing. Discovery Labs’ novel proprietary KL<sub>4</sub> surfactant technology produces a synthetic, peptide-containing surfactant that is structurally similar to pulmonary surfactant and is being developed in liquid, aerosol and lyophilized formulations. In addition, Discovery Labs’ proprietary capillary aerosolization technology produces a dense aerosol, with a defined particle size that is capable of potentially delivering aerosolized KL<sub>4</sub> surfactant to the deep lung without the complications currently associated with liquid surfactant administration. Discovery Labs believes that its proprietary technology platform makes it possible, for the first time, to develop a significant pipeline of surfactant products to address a variety of respiratory diseases for which there frequently are few or no approved therapies. For more information, please visit our website at [www.Discoverylabs.com](http://www.Discoverylabs.com).

***Forward Looking Statements***

*To the extent that statements in this press release are not strictly historical, all such statements are forward-looking, and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the statements made. Examples of such risks and uncertainties, including those related to Discovery Labs' pre-clinical and clinical research and development activities, are described in Discovery Labs' filings with the Securities and Exchange Commission, including the most recent reports on Forms 10-K, 10-Q and 8-K, and any amendments thereto. Except as otherwise required by law, Discovery Labs undertakes no obligation to update or revise any forward-looking statements.*

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