



**VGX Pharmaceuticals Announces Publication of Preclinical Efficacy  
Studies for  
VGX-1027 for Treating Type 1 Diabetes**

**Blue Bell, PA – December 6, 2006 –**

VGX Pharmaceuticals announced today the publication of preclinical animal efficacy studies for VGX-1027, the company's lead drug candidate for the treatment of type 1 diabetes (T1D) and rheumatoid arthritis (RA). VGX-1027 is a novel orally-active, small-molecule compound with broad anti-inflammatory properties.

A manuscript entitled, "A Potent Immunomodulatory Compound, VGX-1027, Prevents Spontaneous and Accelerated Forms of Autoimmune Diabetes in NOD Mice and Inhibits the Immunoinflammatory Diabetes Induced by Multiple Low Doses of Streptozotocin in CBA/H Mice," was published in the online edition of Journal of Pharmacology and Experimental Therapeutics (JPET) (<http://jpet.aspetjournals.org>). JPET is a publication of the American Society for Pharmacology and Experimental Therapeutics. The project was led by Professor Ferdinando Nicoletti of the University of Catania. The co-authors of the paper included VGX Co-founder Dr. J. Joseph Kim. The paper is now available online and should be available in the print edition in several weeks ([Download PDF](#)).

Inflammatory diseases including RA, psoriasis, colitis, and T1D represent major medical problems. For instance, in the U.S., over 2.7 Million and 1 Million people suffer from rheumatoid arthritis and type 1 diabetes, respectively.

VGX-1027 is an immune modulator that inhibits production of several pro-inflammatory cytokines that are responsible for the damaging effects of inflammatory diseases. Pre-clinical studies have shown that VGX-1027 is effective in inhibiting these cytokines in cell culture, and has shown efficacy in several disease models in animals, including the ones for T1D, RA, psoriasis, and colitis

"VGX-1027 program represents VGX's entry into the important T1D and RA disease fields with a lead drug candidate having several potential advantages over currently available treatment option," says J. Joseph Kim, Ph.D., President and CEO of VGX Pharmaceuticals. "In this paper, VGX-1027 clearly demonstrated its potent activities against T1D disease as well as some favorable pharmacokinetic (PK) properties."

VGX Pharmaceuticals plans to co-develop VGX-1027 for T1D with its affiliate VGX International. An Investigational New Drug Application (IND) for VGX-1027 is expected to be filed and Phase I clinical trials are expected to be initiated in the second quarter of 2007.

**Cautionary Factors That May Affect Future Results** - Materials in this Press Release contain information that includes or is based upon forward-looking statements within the meaning of the Securities Litigation Reform Act of 1995. Forward-looking statements relate to expectations or forecasts of future events. You can identify these statements by the fact that they do not relate strictly to historical or current facts. They use words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," and other words and terms of similar meaning in connection with a discussion of potential future events, circumstances or future operating or financial performance. In particular, these include statements relating to future actions, prospective products or product approvals, future performance or results of current and anticipated products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, and financial results. Any or all of our forward-looking statements here or in other publications may turn out to be wrong. They can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Many such factors will be important in determining our actual future results. Consequently, no forward-looking statement can be guaranteed, and forward-looking statements may be adversely affected by factors, including general market conditions, competitive product development, product availability, current and future branded and generic competition, federal and state regulations and legislation, manufacturing issues, timing of the elimination of trade buying, patent positions, litigations and investigations. Our actual results may vary materially, and there are no guarantees about the performance or valuation of VGX stock. It is also important to read the disclosure notice contained in many of the individual VGX documents available on [www.vgxp.com](http://www.vgxp.com) as many contain important information on such cautionary factors as of the date of the individual document. We undertake no obligation to correct or update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosures we make on related subjects in our reports.

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### **About VGX Pharmaceuticals**

VGX Pharmaceuticals is a leading biopharmaceutical company with strong product candidates for the treatment of infectious diseases including HIV and hepatitis C virus (HCV) as well as cancer and inflammatory diseases. The Company's clinical development programs include PICTOVIR™ for HIV infection and VGX-410C for chronic HCV infection, which are currently in Phase II clinical trials. In addition, a Phase I clinical trial will be initiated in 2007 for the Company's lead cancer drug compound, VGX-150 for the treatment of Melanoma. Moreover, VGX Pharmaceuticals' therapeutic platform is designed to advance a strong and continual pipeline of additional drug candidates into the clinic with VGX-100 for cancer therapy and VGX-1027 and VGX-750 for inflammatory diseases currently in development. The product candidates and technology programs are protected by the Company's extensive global intellectual property portfolio. More information about VGX can be found at [www.vgxp.com](http://www.vgxp.com).

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