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Breakthrough Cancer Pain Challenges

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DRUG DELIVERY

Executive

SCOLR Pharma, Inc.

Self Correcting Oral Delivery Systems

SCOLR PHARMA, INC.: A DIFFERENTIATED ORAL DRUG DELIVERY COMPANY

Based in Bellevue, WA, SCOLR™ Pharma is engaged in the development and licensing of its Controlled Delivery Technology (CDT®) to address challenging formulation needs and to create novel pharmaceutical products. The CDT platform consists of several patented oral drug delivery technologies for over-the-counter (OTC), prescription, and nutritional compounds. Currently, SCOLR is applying its expertise to a pipeline of potential products in various stages of development. Drug Delivery Technology recently interviewed Mr. Daniel O. Wilds, President and Chief Executive Officer of SCOLR, to discuss how the company intends to commercialize these products independently and through third-party alliances with pharmaceutical and other industry partners. The company's stock is traded on the American Stock Exchange (AMEX) under the symbol DDD.

Q: Can you tell us a little about the history of SCOLR Pharma, Inc.?

A: The name SCOLR is an anagram for self-correcting oral linear release, just one of the important capabilities of our CDT oral drug delivery platform. The initial constituents of our platform were licensed from Temple University in 1998 while we were developing, manufacturing, and selling shelf-stable probiotics and animal health products. After evaluating our initial prototype CDT formulations and following the issuance of two licensed CDT patents, we completed the divestiture of our non-CDT-related businesses by December 2003

to focus exclusively on building a specialty pharmaceutical company based on our expanding CDT drug delivery platform.

Today, our CDT technology is composed of five issued patents and numerous patent applications. These form the basis of our growing portfolio of commercialized extended-release nutritional products and our differentiated pipeline of potential OTC, prescription, and consumer products. Currently, more than 200 million CDT-based nutritional tablets have been produced by our partners and distributed via large private label retailers. We have completed 18 validating human clinical trials for multiple pipeline-related product applications.



Mr. Daniel O. Wilds
President & CEO
SCOLR Pharma, Inc.

"Our innovative and patented CDT-based drug delivery technologies enable us to rapidly formulate tablets or capsules that release their active agents predictably and programmably over a specified timeframe of up to 24 hours. Our platform is designed to reduce the frequency of drug administration, improve the effectiveness of the drug treatment, ensure greater patient compliance with a treatment program, reduce side effects, and increase drug safety."

DRUG DELIVERY *Executive*

Q: What are some of the benefits of SCOLR's drug delivery platform, Controlled Delivery Technology (CDT)?

A: Our CDT suite of patented technologies enables a new generation of less complex, cost-effective controlled-release tablets and capsules and is applicable to a broad range of drug types, classes, and consumer products. Our technologies provide novel formulations with robust, predictable, and programmable drug release using generally regarded as safe (GRAS) ingredients. Typically, our CDT formulations are produced in a simple two- or three-step manufacturing process using standard granulation, blending, and tableting or encapsulation equipment.

In addition to extended-release applications, our platform can provide improved oral bioavailability and consistency without the use of costly or complex nano-crystallization, micro-milling, or coated particle technologies. CDT also allows for gastro-intestinal (GI) stability and can achieve a broad range of

release profiles often in a simple, eloquent monolithic tablet formulation.

Q: Can you briefly discuss your current licensing and development agreements?

A: We have developed multiple private label extended-release nutritional products incorporating our CDT platform that are sold by national retailers. In October 2005, we entered into a strategic alliance with a subsidiary of Perrigo Company for the manufacture, marketing, distribution, sale, and use of certain dietary supplement products in the United States. We receive royalty payments based on a percentage of Perrigo's net profits derived from the sales of products covered by our agreement.

We have a research collaboration with BioCryst Pharmaceuticals to develop an oral formulation of peramivir, a promising antiviral compound, using our CDT platform. Peramivir is a novel therapeutic being developed by BioCryst for treatment of seasonal and life-threatening influenza with a

focus on intravenous and intramuscular delivery. The goal of the collaboration is to develop an oral delivery system for peramivir that improves bioavailability.

We have also entered into a collaboration and license agreement with Dr. Reddy's Laboratories to pursue development and commercialization of an undisclosed oral prescription drug with significant potential for the cardiopulmonary market using our CDT technology.

In addition, we are developing other products that we have not disclosed for competitive reasons, and we are evaluating additional drugs as potential development candidates for expanding our growing portfolio of CDT applications.

Q: What makes SCOLR attractive as a formulation business partner?

A: Our innovative and patented CDT-based drug delivery technologies enable us to rapidly formulate tablets or capsules that release their active agents predictably and programmably

DRUG DELIVERY *Executive*

over a specified timeframe of up to 24 hours. Our platform is designed to reduce the frequency of drug administration, improve the effectiveness of the drug treatment, ensure greater patient compliance with a treatment program, reduce side effects, and increase drug safety. And as stated earlier, our technology can be incorporated into oral formulations to increase the oral bioavailability of previously non-soluble and sparingly soluble drugs without employing costly or complex nano-crystalization, micro-milling or coated particle technologies. We believe CDT offers significant advantages over traditional drug delivery systems and therefore makes SCOLR an attractive partner.

Q: What is SCOLR's strategy for growth going forward?

A: We intend to continue to utilize our broadly applicable CDT drug delivery platform to build a major specialty pharmaceutical company based on our growing portfolio of differentiated and patent-protected internal and partnered OTC, prescription, and nutritional

products. Consistent with our strategy, we continue to advance our lead product candidate, an OTC 12-hour, extended-release CDT-based formulation of ibuprofen. We are completing our pivotal trials with the intent to submit our first New Drug Application in 2008. Ibuprofen is an analgesic typically used for the treatment of pain, fever, and inflammation, and there are currently no extended-release formulations of ibuprofen approved for use in North America.

In addition, we have completed clinical trials for our OTC 12-hour, extended-release pseudoephedrine formulation that is one-third the size of the currently marketed reference product with an equivalent drug load. We are preparing supporting documentation for CDT-based pseudoephedrine for submission of our first Abbreviated New Drug Application in 2008. Pseudoephedrine is a decongestant that is widely used to relieve sinus pressure related to allergies and the common cold.

We are also engaged in developing CDT-based extended-release formulations of ondansetron, rivastigmine, and

risperidone, as well as an immediate-release formulation of raloxifene. Ondansetron is the active ingredient drug in Zofran[®], GlaxoSmithKline's product for anti-nausea and vomiting associated with chemotherapy and radiation treatments for cancer. Raloxifene is the active ingredient in Evista[®], Eli Lilly's product for osteoporosis which uses a different solubilization technology. Rivastigmine is the active ingredient in Exelon[®], the Novartis drug for management of Alzheimer's disease. Risperidone is the active ingredient in Risperdal[®], Janssen, L.P.'s product for the management of schizophrenia and bipolar mania.

We plan to continue to seek additional alliance and partnership agreements, while we advance our internal and existing partnered development portfolio. We intend to leverage the expertise and the established infrastructure of our partners for certain product applications as we advance and expand our own product pipeline and broaden our intellectual property position. ♦