

NEWS

FOR IMMEDIATE RELEASE:

The GI Company to Present Corporate Update at BIO-Europe Spring

Company completes Phase I and Phase II clinical studies of oral mucositis therapeutic, plans to publish data for peer review later in 2008

Framingham, MA – February 12, 2008 – The GI Company, Inc., a privately held developer of gastrointestinal therapeutics, today announced that Nicholas Barker, Ph.D., President and Chief Executive Officer, has been invited to present a corporate update at *BIO-Europe Spring 2008*. The conference will take place April 7-9, 2008 at the Palacio Municipal de Congresos in Madrid, Spain. *BIO-Europe Spring* features private, pre-arranged meetings between senior-level executives. Dr. Barker will be available for meetings during the conference.

The GI Company recently announced the retention of Burrill & Company to evaluate strategic alternatives including the selection of a transaction partner.

The GI Company's lead Phase II clinical candidate, Intestinal Trefoil Factor (ITF), is in development to treat oral mucositis (OM), a common, debilitating complication resulting from high-dose chemotherapy and/or radiotherapy. There are no approved treatments to prevent OM's effects or to shorten its duration.

The GI Company also announced today that it has completed and expects to publish the following Phase I and Phase II studies, in peer reviewed fora in 2008:

A Phase II study, 2006-ITF-009: A Phase II multi-center, randomized, dose-ranging, double-blind, placebo-controlled clinical study to investigate the efficacy and safety of recombinant ITF for the treatment of oral mucositis in patients with colorectal cancer receiving chemotherapy.

A Phase I study, 2006-ITF-011: A Phase I single-center, healthy volunteer clinical study of the buccal disposition of recombinant ITF oral spray as used in the treatment of chemotherapy-associated oral mucositis.

For more information about *BIO-Europe Spring*, please visit www.ebdgroup.com/bes/index.htm

About Intestinal Trefoil Factor

Intestinal Trefoil Factor is an endogenous protein found primarily on mucosal surfaces throughout the gastrointestinal tract, including the mouth, esophagus and intestines, as well as in other tissues such as the eye and lungs. The protein is known to promote mucosal restitution and repair and is therefore being developed as a therapeutic having numerous clinical indications such as colitis, gastritis, corneal injury in addition to the lead indication chemotherapy-induced mucositis. The GI Company's ITF mucositis therapeutic is designed to alleviate damage to the soft tissues of the oral cavity by providing ITF to the cells of the mouth and throat via a proprietary buccal (oral) delivery system. This therapeutic target is backed by proven biology and compelling efficacy data on ITF in numerous *in vivo* models of mucosal damage.



The GI Company's proprietary, directional, oral-delivery system is designed to deliver ITF directly to affected tissue in the oral cavity

About Oral Mucositis

Oral mucositis, also called stomatitis, is a common, serious complication resulting from high-dose chemotherapy and/or radiotherapy. These cytotoxic therapies are used to kill cancer cells, but they also indiscriminately kill other fast-growing cells such as those lining the inside of the mouth and throat. Oral mucositis is an inflammation of the mucosa of the mouth which ranges from redness to severe ulcerations on the inner cheek, tongue and lips. These debilitating oral sores further diminish quality of life by preventing patients from eating, drinking, or talking for weeks at a time. These conditions can reappear after every course of treatment. In addition to extremely painful open oral sores, patients with oral mucositis typically have diminished

immunity resulting from chemotherapy and/or radiotherapy and are prone to serious life-threatening opportunistic infections. Currently, there is no effective treatment approved to prevent oral mucositis or shorten its duration. This condition can affect as many as 80 percent of bone marrow / blood stem cell transplant patients and 40 percent of chemotherapy / radiotherapy patients. OM represents a market with large, unmet medical needs with an estimated annual market opportunity of \$1B in the U.S. alone.

About The GI Company, Inc.

The GI Company is a clinical-stage biotechnology company highly specialized at developing drugs to treat gastrointestinal and related diseases. The company's lead clinical candidate is Intestinal Trefoil Factor (ITF) which is being developed for the treatment of oral mucositis. Phase II clinical results are expected to be released in a peer-review forum in the first half of 2008. The GI Company also has pre-clinical development projects in Enteritis / Proctitis, Inflammatory Bowel Disease, Erosive Gastroesophageal Reflux Disease, Peptic Ulcer disease and gastrointestinal motility disorders as well as clinical programs in Erosive Gastritis (NSAID induced), Ulcerative Colitis and Corneal wound healing. The company is funded through a private equity financing consortium and has raised over \$20M to date. For more information, please visit www.thegicompany.com.

About Burrill & Company

Founded in 1994, Burrill & Company is a San Francisco-based global leader in life sciences with activities in Private Equity, Venture Capital, Merchant Banking and Media. The Burrill family of venture capital funds has over \$950 million under management and its merchant banking business is one of the industry leaders in life sciences transactions. The company's 60 person scientific and business team, supported by its 40-person Advisory Boards, the strategic and financial network of its limited partners, and the close relationships developed with numerous life sciences companies and management, provide Burrill with unparalleled access and insight. For more information please visit www.burrillandco.com.

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Contacts:

Bryan Murphy
LaVoie Group
978.745.4200 x 105
bmurphy@lavoiegroup.com

Anton Gueth
Burrill & Company
415.591.5461
agueth@b-c.com

Randy Guggenheimer
Burrill & Company
914.304.4265
rguggenheimer@b-c.com