

NEWS

FOR IMMEDIATE RELEASE:

The GI Company to Present Phase I / II Oral Mucositis Data on rhITF at MASCC / ISOO Annual Meeting

Framingham, MA – June 16, 2008 – The GI Company, Inc., a privately held developer of gastrointestinal therapeutics, today announced that combined results from Phase I / II clinical trials of the company's lead clinical compound, recombinant human Intestinal Trefoil Factor (rhITF), for the treatment of chemotherapy-induced oral mucositis, will be presented at the *Multinational Association of Supportive Care in Cancer's and the International Society of Oral Oncology's 2008 International Symposium on Supportive Care in Cancer (MASCC / ISOO)*. The symposium takes place June 26 - 28, 2008 at the Hilton Hotel Houston, Texas.

The MASCC / ISOO abstract is titled, "*Recombinant human intestinal trefoil factor (rhITF) oral spray for prophylaxis of chemotherapy-induced oral mucositis.*" Douglas E. Peterson, DMD, Ph.D., a recognized thought leader in the field of oral and gastrointestinal mucosal injury, is the senior author of this study and will present the information as a poster on Thursday, June 26, from 7:00 – 7:45 PM in the Lanier Grand Ballroom. The poster will feature Phase I data supporting the dosing schedule used in the Phase II patient study disclosed by The GI Company at ASCO 2008. Previously unpublished Oral Mucositis Assessment Scale (OMAS) data, which relies on an objective assessment of oral tissue damage obtained in the Phase II study, will also be presented.

This presentation builds on Phase II rhITF data recently presented at the at the *ASCO 2008 Annual meeting*. As presented at ASCO, this Phase II study met its primary efficacy endpoint as measured by a statistically significant reduction ($p < 0.001$) in the proportion of patients developing World Health Organization Scale (WHO Scale) grade ≥ 2 oral mucositis (low dose arm 81% / high dose arm 75% decrease) compared to placebo. The study also met its secondary endpoints in mean / median peak oral mucositis scores (WHO Scale and Oral Mucositis Assessment Scale: OMAS). rhITF oral spray was also shown to be safe and well tolerated with no serious adverse events and very few mild-to-moderate adverse events reported.

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There were also statistical differences noted in the patient diary parameters of placebo patients, most notably increased occurrences of oral discoloration, mouth soreness and overall preference for semi-solid food.

The GI Company's lead Phase II clinical candidate, Intestinal Trefoil Factor (ITF), is an endogenous protein in development for the treatment of oral mucositis, a common, debilitating complication resulting from high-dose chemotherapy and / or radiotherapy. The GI Company has retained Burrill & Company to assist in the selection of a transaction partner for its clinical programs.

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. ITF mucositis therapy is designed to alleviate damage to the soft tissues of the oral cavity by providing ITF to the cells of the mouth and throat using 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.

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. This market represents a \$1B annual market opportunity in the U.S. alone.

About MASCC

The Multinational Association of Supportive Care in Cancer (MASCC) is an international, multidisciplinary organization with members representing over sixty (60) countries and five continents. Founded in 1990, MASCC is dedicated to research and education in all aspects of supportive care for patients with cancer, regardless of the stage of their disease. In 1998 MASCC joined forces with the International Society of Oral Oncology (ISOO), an organization that addresses the management of complications arising in oral tissues secondary to cancer and its treatment. For more information, please visit <http://www.mascc.org/>.

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. 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.

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