

Major Player in the Life Sciences Sector: Solidarity Fund QFL Invests in Vaccine Developer Medicago Inc.

Montréal, November 30, 2009 – A key venture and development capital player in Québec, the Solidarity Fund QFL (the “Fund”) continues to fulfill its role as a long-term investor in the life sciences industry, concluding a \$1 million investment in Medicago Inc. as part of an C\$11,6 million financing round. A new partner for the Fund, Medicago Inc. is developing innovative vaccines based on proprietary technologies that use plants.

“In an economic context where capital is increasingly hard to come by, the Fund remains dedicated to growing and supporting Québec’s life sciences firms. As a financial partner, the Fund invests either directly or indirectly through specialty funds. In the last few months, the Fund has committed over \$100 million to various initiatives in order to encourage the creation of new Québec venture capital funds. We believe in this industry and will continue backing its companies, which need recurrent investments as they develop. Our recent investments, for example Enobia Pharma Corp., Lab Research Inc. and BioSyntech Inc., show just how active our specialized team is,” said Janie Béïque, the Fund’s Senior Vice-President, New Economy, and Co-president of Réseau capital.

Headquartered in Québec City, Medicago inc. is building success by using innovative technology. The company is developing vaccines based on protein expression in plant leaves. This technology has the potential to offer speed and cost advantages over traditional egg-based and cell-based production systems. Medicago inc. is currently using the leaves of tobacco plants to develop pandemic (avian influenza) and seasonal flu vaccines. Thanks to the Fund’s investment, the company will be able to continue its R&D work and, in the medium term, expand its talent pool from 64 to more than 85 employees.

The Fund: a major partner in the life sciences industry

The Fund has also invested \$5 million in Enobia Pharma Corp., a developer of therapies to treat bone disorders. The company will use the funds to complete research on its lead product, designed to treat hypophosphatasia, a rare genetic and sometimes fatal metabolic bone disease for which there is no cure. The Fund’s backing will help the company continue its clinical development and optimize production. Located in Montréal, Enobia employs about 20 people, mostly researchers.

LAB Research Inc., a preclinical service company that offers drug development services, obtained a \$7.5 million investment from the Fund as part of a \$14.2 million rights offering. Some of the proceeds will be used to purchase new equipment. LAB Research employs about 320 scientists, technicians and administrative staff in Laval.

Also based in Laval, BioSyntech Inc. creates, develops and manufactures biotherapeutic thermogels for regenerative medicine (tissue repair). These gels are injected or applied to specific local sites and offer therapeutic properties for the local repair of damaged tissue such as cartilage, bone and chronic wound. In October, the Fund added \$1.2 million to the \$7.4 million already invested in order to allow BioSyntech to pursue its pivotal Canadian-European trial of BST-CarGEL, the company's key cartilage repair product, and to move ahead with its strategic review process.

The booming life sciences sector

"With the industry booming all around the world, the stakes are high for life sciences firms. For example, the global market for pharmaceutical products will exceed \$1 billion by 2013, meaning growth of 4% to 7% per year.¹ Québec is a major player, ranking among the top 10 life sciences hubs in North America. Québec companies must therefore continue to carve a place in this huge market. Without the Fund's help, companies like Biochem Pharma Inc., ViroChem Pharma Inc. and CryoCath Technologies Inc. would not have achieved the same level of worldwide success and Québec would not be as well positioned in this market as it is today," concluded Mrs. Béïque.

About the Solidarity Fund QFL

The Solidarity Fund QFL helps drive our economy. With net assets of \$6.4 billion as at May 31, 2009, the Fund is a development capital company that through its RRSP channels the savings of Quebecers into investments in all sectors of the economy to help create and maintain jobs and to further Québec's economic growth. The Fund is a partner, either directly or through its network members, in 2,000 companies. It currently has nearly 571,000 shareholders and has helped, on its own or with other financial partners, to create, maintain and protect nearly 143,000 jobs. For more information, visit www.fondsftq.com.

¹ IMS Forecast Global Pharmaceutical Market Growth, October 7, 2009. www.imshealth.com

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Note: The telephone number provided below is for the exclusive use of journalists and other media representatives.

Source: Josée Lagacé
Senior Advisor, Press Relations and Communications
Solidarity Fund QFL
Telephone: 514 850-4835