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# GLIATECH RAISES \$12.4 MIL. IN VENTURE CAPITAL FROM SMITHKLINE BEECHAM's

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## Executive Summary

GLIATECH RAISES \$12.4 MIL. IN VENTURE CAPITAL FROM SMITHKLINE BEECHAM's venture capital fund and several other investors. John Gill, an executive from SmithKline's \$100 mil. S.R. One venture capital fund, will join Gliatech's board of directors. The other investors participating in the deal include: Vector Securities International, Oppenheimer's Medical Venture Holdings, Primus Venture Partners, New York Life Insurance, Medquest General Partnership, Montgomery Securities and the Japanese venture capital fund JAFco American Ventures, Gliatech announced March 3. The cash infusion, Gliatech's third round of financing, brings the total amount of venture capital raised by the neuroscience company to date to \$19.5 mil. Cleveland-based Gliatech was founded in 1988 to develop commercial products from neuroglial cell-based technology. The firm has an exclusive license to the technology from Case Western Reserve University Medical School. Gliatech has two glial-cell based pharmaceutical projects in early development: an Alzheimer's drug to halt progression of the disease and enhance cognition and a compound to inhibit the growth of nervous system tumors. For the Alzheimer's project, the company hopes to license marketing rights to a major pharmaceutical firm in exchange for R&D funding. Gliatech hopes to begin clinical trials this spring for its lead product, a disc surgery anti-scar gel called ADCON-L. The gel, which may be regulated as a medical device, is designed to prevent the formation of undesirable scar tissue following disc surgery. The scar tissue can cause a painful condition known as "failed back surgery syndrome," Gliatech said. The product is also being evaluated for use after cardiac, abdominal and pelvic surgery. Gliatech plans to develop and market ADCON-L on its own. On Feb. 10, Gliatech announced the hiring of Stanley Rose, PhD, as VP-business development for the Alzheimer's program and the ADCON-L development. Before joining Gliatech, Rose headed up the reagents sector of Perkin-Elmer/Cetus, a polymerase chain reaction firm. In his new post, Rose will be responsible for forming "strategic alliances with major health care companies" and creating and implementing a strategy "to develop a post-surgical adhesion prevention business." Gliatech is headed by President and CEO Thomas Oesterling, who previously served as president of Collaborative Research. Senior VP-R&D Robert Frederickson joined from G. D. Searle, where he was senior

director of central nervous system research. Gliatech's 20 employees (including 15 researchers) operate out of the company's 10,000 sq. ft. office and lab facilities in the Cleveland suburb of Beachwood, Ohio.

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