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CIT GAP FUNDS INVESTS IN INNOVATIVE BIOLOGICS, INC.

October 2, 2007 – Herndon, Va. – The Center for Innovative Technology (CIT) today announced that CIT GAP Funds is investing $100,000 in Innovative Biologics, Inc. (IBI), an anti-infective drug discovery and development company searching for new anti-microbial drugs targeting bacterial toxins. IBI, based in Sterling, Virginia, will use the investment to advance its Methicillin-resistant Staphylococcus aureus (MRSA) and Hepatitis C (HCV) preclinical candidates.

IBI combines a platform technology with therapeutic focus. IBI has developed the CycloPlex™ platform that significantly accelerates and reduces the cost of drug discovery. This platform is based on a novel approach to inhibit the actions of microbes producing pore-forming toxins. The technology focuses on blocking of the target pore with molecules having the same symmetry as the pore itself. IBI has successfully tested this approach on anthrax toxin which plays a key role in anthrax infection.

“The evolution of drug resistance among bacteria, particularly MRSA, represents a significant threat in both hospital and community acquired infection. Our novel approach provides an efficient path to the development of new therapeutic tools to combat infectious disease,” said Jeff Conroy, CEO of IBI. “CIT’s investment and guidance are essential to our development and commercialization efforts.”

Peter Jobse, CIT president and CEO said, “Both big pharmaceutical and big biotechnology companies continue to search for innovative technologies with the potential to speed the time to market for new compounds, and to minimize the cost associated with the identification and validation of new drug candidates. IBI has the ability to partner with these corporations to accelerate their adoption of new technologies.”

CIT GAP Funds is a family of venture funds designed to bridge the gap between "family and friends" funding and early-stage equity investments for Virginia-based technology and life science companies. CIT GAP Funds invests in seed-stage technology and life science firms with
a high potential for successful commercialization, rapid growth and downstream private equity financing.

"Innovative Biologics represents CIT GAP Funds’ twenty-second investment to date," noted Tom Weithman, CIT GAP Funds managing director. "Those investments have leveraged over another $12.7 million private equity investments in emerging Virginia companies, which accelerates innovation across the Commonwealth."

Summaries of the CIT GAP Funds portfolio companies are available at http://www.citgapfund/portfolio/gapfund1.html.

About the Center for Innovative Technology, www.cit.org
CIT is a nonprofit corporation that accelerates the next generation of technology and technology companies. CIT creates new technology companies through capital formation, market development and revenue generation services. To facilitate national innovation leadership and accelerate the rate of technology adoption, CIT creates partnerships between innovative technology start-up companies and advanced technology consumers.

Innovative Biologics, Inc., www.innovbio.com
Established in 2003, Innovative Biologics, Inc. (IBI) is an anti-infective small molecule drug discovery and development company targeting microbes producing pore-forming toxins, such as MRSA and Hepatitis C. Many pathogens utilize the formation of pores in the membranes of target cells in the process of infection. IBI has developed the CycloPlex™ platform to identify compounds which inhibit their action, based on blocking the target pore with molecules having the same symmetry as the pore itself, using β-cyclodextrin as a scaffold.

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