USA
4819 Emperor Boulevard
Suite 400
Durham, North Carolina 27703
919-313-4760 (Phone)
919-313-4700 (Fax)

CANADA
3001 12th Avenue North
Sherbrooke, (Québec) J1H 5N4
819-820-6840 (Phone)
819-820-6841 (Fax)

URL: www.tranzyme.com

E-Mail: contact@tranzyme.com

RECENT HIGHLIGHTS

January 2006 Tranzyme initiates Phase I first-in-man study of TZP-101.

September 2005 Tranzyme appoints Gordana Kosutic, M.D. as Vice President of Clinical & Regulatory Affairs.

July 2005 Tranzyme presents positive *in vivo* data at the 20th International Symposium on Neurogastroenterology & Motility demonstrating that the potent and selective gastro-prokinetic activity of TZP-101 occurs without the release of growth hormone.

May 2005 Tranzyme completes $32 million private financing led by H.I.G. Ventures, Thomas, McNerney & Partners and Quaker BioVentures.

May 2005 Tranzyme presents positive preclinical efficacy data for its lead GI therapeutic, TZP-101, at Digestive Disease Week in Chicago.

December 2004 Tranzyme names two leading GI experts to its Clinical Advisory Board—Raj Goyal, M.D., Professor of Medicine, Harvard Medical School, and Henry P. Parkman, M.D., Professor of Medicine, Temple University.

tranzyme pharma

AT A GLANCE

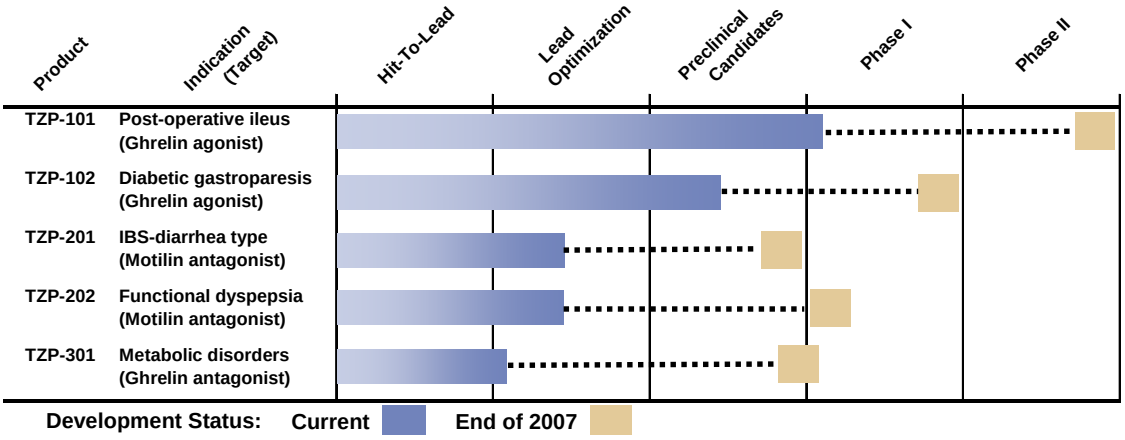
MECHANISM-BASED THERAPEUTICS

Tranzyme Pharma is a leading biopharmaceutical company developing novel small molecule therapeutics for the treatment of gastrointestinal (GI) and metabolic diseases. The Company's candidate drugs originate from its own discovery pipeline of proprietary compounds and exhibit high affinity for validated and "druggable" targets in the GI tract.

Tranzyme's unique clinical focus is on diseases associated with severe motility disorders of the GI tract. Tranzyme is developing first-in-class, mechanism-based therapeutic candidates directed at **ghrelin** (responsible for upper gut motility, appetite regulation, and energy balance) and **motilin** (responsible for regulation of GI transit). Clinical indications for these compounds include GI diseases such as post-operative ileus (POI), diabetic gastroparesis, obesity, irritable bowel syndrome-diarrhea-type (IBS-d), and functional dyspepsia.

Tranzyme's lead clinical candidate, TZP-101, is a potent and selective ghrelin receptor agonist for the treatment of impaired gastric emptying associated with POI and gastroparesis. TZP-101 will accelerate normalization of gut function after major surgery, thereby enabling rapid discharge from the hospital and significant pharmacoeconomic benefits. Tranzyme is also developing a ghrelin agonist (TZP-102) to address chronic and acute instances of gastroparesis, a common affliction among diabetics, for which this compound is especially applicable with its excellent oral bioavailability. Tranzyme has initiated Phase I trial for TZP-101 and is on track to enter the clinic with TZP-102 by the first quarter of 2007.

Product Development Pipeline



NOVEL SMALL MOLECULE CHEMISTRY TECHNOLOGY

Marcrocylic Template Chemistry (MATCH™): Tranzyme Pharma's small molecule chemistry is a particularly rich source for novel drug candidates as it maintains the favorable characteristics exhibited by large biomolecules, such as tight receptor binding for high potency and selectivity, while eliminating the drawbacks associated with peptide and protein drugs, i.e. poor metabolic stability, low oral bioavailability, lack of membrane permeability, high manufacturing costs, and antigenicity.

The major advantageous of MATCH include:

- Exploits an unique compound class, macrocyclic small molecules (MW ~500), with exceptional flexibility for interacting with multiple target types
- Proven effective on major druggable target classes (GPCRs, protein kinases, etc.)
- Produces orally bioavailable compounds
- Ability to find both agonists and antagonists
- Produces information-rich primary hits
- Designed for accelerated, resource-efficient lead optimization

November 2004 Tranzyme selects lead GI therapeutic and presents positive preclinical data at the Fifth International Symposium on Growth Hormone Secretagogues in Italy.

December 2003 Tranzyme raises $6 million in conjunction with its merger with Neokimia to create Tranzyme Pharma. The company will use the proceeds for optimization and preclinical development of its lead product candidates.

December 2003 Tranzyme and Neokimia announce business combination to form a fully integrated drug discovery and development company.

NEAR-TERM MILESTONES

- Begin Phase I trial for first product (TZP-101) in first quarter of 2006
- Advance multiple products into Phase I trails in 2007
- TZP-101 Phase II data available by the end of 2007
- Establish additional drug discovery and development partnerships

BUSINESS STRATEGY

Build a pipeline of candidates in various stages of development. Tranzyme Pharma is developing products focused on GI and metabolic diseases in various stages of development. Diseases of the GI tract are characterized by large, underserved markets with few or poor performing therapies for most indications. Tranzyme's strategy is to have one product in Phase II trials and multiple products in Phase I by 2007. The Company also has identified potent lead compounds that are ready for lead optimization in conjunction with a suitable pharmaceutical partner, including ghrelin antagonists and melanocortin-4 agonists for obesity and diabetes and motilin agonists for GERD.

Develop internal products to value-added clinical endpoints. Tranzyme Pharma's strategy is to increase the likelihood of a successful commercial introduction of its internal products while maximizing return. Tranzyme will develop its therapeutic products to late-stage clinical trials, seeking pharmaceutical partners for further development and commercialization. Tranzyme will seek partnerships for disease indications that require large sales and marketing efforts and retain select opportunities that can be exploited more directly.

Seek drug development partnerships in multiple disease categories. Tranzyme is seeking drug discovery and development partnerships for its proprietary chemistry technology in a variety of therapeutic areas. The Company is providing access to its HitCREATE Library of diverse compounds for drug screening against validated pharmaceutical targets. Upon the identification of hits from initial screening, MATCH can be employed to construct focused libraries for rapid optimization, resulting in high value clinical candidates.

STRATEGIC PARTNERSHIPS

Tranzyme Pharma is seeking partnerships in multiple GPCRs and target classes including:

Ghrelin	Ion Channels
Motilin	GnRH
GLP-1	

MANAGEMENT TEAM

Tranzyme Pharma has assembled an experienced scientific and management team to support drug discovery and corporate development. Their collective industry experience includes launching early-stage companies, negotiating strategic collaborations and licenses for large and small companies, clinical trial design and implementation, medicinal chemistry, pharmacology, toxicology, GMP manufacturing, and filing Investigational New Drug applications.

Vipin K. Garg, Ph.D.
President & CEO
(919) 313-4764
vgarg@tranzyme.com

Gordana Kosutic, M.D.
VP, Clinical & Regulatory Affairs
(919) 313-4765
gkosutic@tranzyme.com

Graeme L. Fraser, Ph.D.
VP, Pharmacology & Drug Discovery
(819) 820-6842
gfraser@tranzyme.com

Mark L. Peterson, Ph.D.
VP, IP & Operations
(819) 820-6845
mpeterson@tranzyme.com

Richard I. Eisenstadt, MBA
VP, Finance & CFO
(919) 313-4762
reisenstadt@tranzyme.com