



Alder Biopharmaceuticals Inc. Completes Series B Financing

Bothell, Washington, July 11, 2006—Alder Biopharmaceuticals Inc., an emerging antibody therapeutics company, today announced the closing of its Series B financing. H.I.G. Ventures led the \$16 million round and was joined by existing investors Sevin Rosen Funds, Ventures West, and WRF Capital. Aaron Davidson, managing director of H.I.G. Ventures, is joining Alder’s board of directors.

“This additional funding represents another vote of confidence in Alder’s proprietary antibody technologies and therapeutic products,” said Dr. Randall Schatzman, CEO and an Alder co-founder. “We plan to use the funds to advance our lead antibody therapeutic through multiple proof-of-concept trials, broaden our product pipeline, and continue to build on our proprietary antibody discovery and manufacturing technologies.”

Alder’s unique approach has a considerable effect on the way companies discover and manufacture biotherapeutics, shortening development cycles from years to months, while at the same time providing an inexpensive and rapid route through product manufacturing. At a time when the healthcare industry as a whole is under continued pressure to reduce prescription drug costs, Alder is providing a solution that allows biopharmaceutical companies to develop novel antibody-based therapies faster and deliver them to the clinic and the patients at an unprecedented rate. The company’s therapeutic focus is centered in autoimmune and inflammatory diseases with extensions into certain forms of cancer.

"The team and technology at Alder have true potential to change the game in antibody therapeutics development. The diversity and richness of their lead program candidate library, which they generated in weeks rather than months, validates the potential of their proprietary discovery engine," said H.I.G. Venture’s Aaron Davidson. “Combine that engine with their unique manufacturing technology, and there’s a much higher probability that highly optimized antibody therapeutics can be produced in a fraction of the normal time and cost."

For more information or to set up a non-disclosure agreement to learn about Alder’s proprietary technologies in more detail, please contact Mark Litton, Chief Business Officer, at 425.205.2920 or litton@alderbio.com.

About Alder Biopharmaceuticals

Founded in January 2004, Alder Biopharmaceuticals uniquely identifies, develops, and manufactures novel antibody therapeutics to alleviate human suffering in the autoimmune and inflammatory disease areas. Alder’s management team combines decades of industry experience with a proven track record for identifying and developing novel antibody therapeutics. The company acquired early funding from the United States Army in June of 2004 to explore the development of new production technologies for humanized antibodies. That early success was followed by seed funding from WRF Capital and other private investors in the Fall of 2004, and Series A financing led by Sevin Rosen Funds and other investors in the Summer of 2005. Today

the company is actively engaged in developing its own proprietary therapeutics and enabling partners through out-licensing of its technologies. For more information, visit www.alderbio.com.

About H.I.G. Ventures

H.I.G. Ventures partners with entrepreneurs to provide the capital, expertise and relationships necessary to build market-leading businesses. With over \$550 million in dedicated venture capital under management, the firm's team invests nationally in early to mid-stage information technology and life sciences businesses. H.I.G. Ventures is the venture capital affiliate of H.I.G. Capital, a leading private equity investment firm with over \$2.5 billion of capital under management and offices in Atlanta, Boston, Miami and San Francisco. For more information, visit www.higventures.com.

About Sevin Rosen Funds

Sevin Rosen Funds is a top-tier venture capital firm with a track record of funding successful companies since 1981. The partnership has consistently made early-stage investments in pioneering technologies and companies with the potential to create new markets. The partners' broad range of venture and operating experiences in successful technology companies translates into a sustained commitment and contribution to the development of the ventures funded. Compaq, Lotus, Cypress, Cytokinetics, ArQule, SGI, Citrix and ViroPharma are representative of some of the firm's successful IPOs. The firm has offices in Dallas, Palo Alto, Austin, and San Diego. For more information, please visit www.srfunds.com.

About Ventures West

Ventures West Management Inc., a private venture capital investment group, is one of Canada's leading investors in early stage technology companies. Since its founding in 1968, Ventures West has formed eight venture capital funds which total over \$700 million and has invested in more than 130 companies. Ventures West has the people, the expertise, and the capital to help entrepreneurs develop emerging technology companies into market leaders. Examples of Ventures West portfolio companies in Biotechnology include MacroGenics Pharmaceuticals Inc., Celator Pharmaceuticals Inc., Novadaq Technologies Inc. and Oncogenex Technologies Inc. For more information, visit www.ventureswest.com.

About WRF Capital

WRF Capital is the venture investment arm of the Washington Research Foundation, an independent organization founded in 1981 to support research and scholarship at Washington state research institutions. A leading early-stage investor, WRF Capital partners with entrepreneurs, local universities, and research institutions to develop leading technology companies. Examples of WRF Capital's life science companies include Amnis, Corus Pharma, Ekos, Ikaria, Therus, Lumera, Teranode, and Vanson Halosource. For more information, visit www.wrfcapital.com.

Media and Industry Inquiries:

Mark Litton, Ph.D.

Chief Business Officer, Alder Biopharmaceuticals Inc.

425.205.2920

litton@alderbio.com

Investor Relations:

Randall Schatzman, Ph.D.

CEO, Alder Biopharmaceuticals Inc.

425.205.2910

schatzman@alderbio.com

© 2006 Alder Biopharmaceuticals, Inc. Data subject to change.