PRESS RELEASE

ExonHit Therapeutics – Strong growth of half-year 2010 results

First half 2010 performance

- Solid growth of half-year revenues
- Significant reduction of operating loss

First half 2010 key highlights

- Start of a European initiative in Alzheimer's disease
- Out-licensing of EHT/AGN 0001 program to Bristol-Myers Squibb
- Inclusion of proprietary lead compounds into Allergan collaboration
- "Innovative Company" accreditation granted by OSEO
- Signature of an exclusive agreement with Genmab
- Announcement of the planned acquisition of RedPath
- New biomarkers to support development of EHT 0202

Outlook for remainder of 2010

- CE marking of AclarusDx™ in Q4 2010, and launch in France in Q1 2011
- Launch of EHT Dx14 in Q4 2010 as a 'research use only' product
- Objective of an acquisition in diagnostics maintained
- Completion of preclinical proof-of-concept studies for the EHT 107 program

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Strong growth of the half-year revenues at € 5.5 million

Paris, France – September 16, 2010 – The Supervisory Board of ExonHit Therapeutics (Alternext: ALEHT) met on September 15 to close the consolidated half-year accounts for the six month period ended June 30, 2010. These accounts were subject to a limited review by the auditors.

Commenting on the half-year results, Loïc Maurel, M.D., President of the Management Board of ExonHit Therapeutics said: *"In the first half of 2010, ExonHit posted a solid progression of revenues. This growth in revenues resulted mostly from the $4 million milestone payment from Allergan following the out-licensing of the EHT/AGN 0001 program to Bristol-Myers Squibb. This deal further validates the power of ExonHit's SpliceArray™ platform and demonstrates the ability of the company to discover and develop innovative medicines." He added: "We look towards the future with excitement as our ambition to grow as a Diagnostic company is getting closer, thanks to the upcoming launches of both EHT Dx14 and AclarusDx™, while maintaining our objective to acquire a revenue-generating diagnostic company."*

Key figures

	June 30, 2010 (million EUR)	June 30, 2009 (million EUR)
Total revenues	**5.5**	**2.5**
R&D expenses	4.1	5.4
Other expenses	3.1	2.8
Operating result	**(1.7)**	**(5.7)**
Net result	**(1.1)**	**(4.5)**
Cash burn from operations	2.3	3.4*
Consolidated cash & cash equivalents at June 30	**29.5**	**17.6**

**including research tax credit*

A strongly improved operational result

Consolidated revenues for first half 2010 amounted to € 5.5 million, an increase of 120% compared to the € 2.5 million achieved in first half 2009. On top of the R&D revenues corresponding mainly to the partnership with Allergan is added a non recurrent revenue linked to the milestone payment of $4 million (~ € 3 million) from Allergan related to the out-licensing of AGN/EHT 0001 to Bristol-Myers Squibb. This out-licensing agreement may potentially generate future revenues: development and commercialization milestones potentially amounting to $32 million as well as royalties.

Research and Development expenses decreased by 24% to € 4.1 million during the first half of 2010 compared to € 5.4 million for the same period in 2009, mainly as a result of reduced expenses in clinical trials with both the end of the Phase IIa trial for EHT 0202 in therapeutics and the completion of the clinical development of AclarusDx™ in diagnostics.

Marketing and Sales expenses amounted to € 0.7 million, a slight increase due to strengthened marketing efforts in the diagnostic field in anticipation of the planned launch of AclarusDx™ in 2011.

General and Administrative costs increased by € 0.2 million (+10%) to € 2.4 million for first half 2010.

As a result, the group's operating expenses decreased by 13% to € 7.2 million in first half 2010 compared to € 8.2 million in first half 2009.

Consequently, the Company posted an operating loss of € 1.7 million for first half 2010, compared to € 5.7 million for the same period in 2009.

Interest expenses increased in the first half of 2010, mainly because of an accrual of € 1.25 million corresponding to the potential reimbursement premium of ExonHit's convertible bonds which mature in November 2011. In addition, in the context of the projected acquisition of RedPath, the Company converted into US dollars the amounts necessary for payment of a portion of the acquisition price. As of June 30, 2010, the Company recorded on these US dollar denominated holdings an exceptional currency exchange gain of € 0.4 million linked to the decrease of the euro compared to the US dollar during the first semester. Beyond June 30, the euro recovery reduced this gain.

The estimated research tax credit amounted to € 0.7 million for the first half 2010, compared to € 1.1 million for the same period in 2009.

As a consequence, ExonHit recorded a consolidated net loss of € 1.1 million in first half 2010, compared to € 4.5 million for first half 2009.

A strong balance sheet with a cash position amounting to € 29.5 million

As result of the capital increase completed in the framework of the French ISF-TEPA tax incentive during the first half of 2010 and the corresponding issuance of 463,097 new shares, total shareholder's equity increased to € 26.1 million on June 30, 2010 versus € 25.5 million on December 31, 2009.

As of June 30, 2010, short term debt increased substantially from € 2.7 million as at June 30, 2009 to € 5.5 million as at June 30, 2010. The main contributing factors are the research tax credit for € 0.7 million, expenses linked to the RedPath acquisition for € 0.6 million and the bridge loan extended to RedPath in the context of the planned acquisition for a total amount of € 0.8 million. The research tax credit will be reimbursed in the second half of 2010, while it was repaid to the Company during the first half of 2009.

As of June 30, 2010, the cash position of the Company amounted to € 29.5 million, compared to € 30.2 million at the end of 2009 and € 17.6 million on June 30, 2009. The cash of the Company is only invested in high quality funds with a reasonably guaranteed liquidity.

Hervé Duchesne de Lamotte, Chief Financial Officer of ExonHit Therapeutics, said: *"With the contribution of new revenues, strict cost control and efforts focused on activities accelerating growth and generating value for the Company, ExonHit has approximately 24 months of cash at mid-year. This provides the Company with the necessary resources to successfully launch AclarusDx™ on the in vitro diagnostic market and pursue its objectives of external growth."*

Update on the planned acquisition of RedPath

April 26, 2010: ExonHit announced the signature of a merger agreement for the acquisition of RedPath Integrated Pathology, Inc. (RedPath), a privately held US molecular diagnostics company, focused on cancer.

June 16, 2010: RedPath informed ExonHit that Highmark, a Medicare reimbursement regional antenna (Medicare is the US federal health insurance agency for elderly people), could in the near future discontinue coverage of PathFinderTG®, RedPath's lead product, contingent upon a complementary assessment of the utility of the product.

July 8, 2010: RedPath submitted to Highmark a dossier supporting the clinical utility of PathFinderTG® test, seeking maintenance of coverage.

The acquisition process is on hold awaiting Highmark's decision.

Significant progress in product development

- **Therapeutics**

Oncology: promising advances in internal programs and exclusive agreement with Genmab
The focus on oncology activities allowed the Company to make rapid progress in the development of the EHT 107 program, in which the current lead demonstrated broad low to sub-nanomolar activity across a panel of more than 70 cancer cell lines. This lead is currently undergoing preclinical testing with first proof-of-concept results expected by the end of 2010.

In June 2010, ExonHit announced the signing of an exclusive agreement with Genmab for a selection of novel splice variants that have the potential to be therapeutic targets for breast cancer. Genmab retains exclusive development and commercialization rights on 10 events out of a breast cancer database developed using ExonHit's genome-wide SpliceArray™ technology. ExonHit retains full rights on all future uses of the database.

EHT 0202: several ongoing initiatives to find a development partnership
EHT 0202, ExonHit's lead candidate in Alzheimer's disease and potentially first in a new class of disease modifying therapies, which stimulates the α-secretase pathway, successfully completed Phase IIa testing in the second half of 2009. In March 2010, ExonHit reported preliminary results from a study designed to determine whether patients who responded best to EHT 0202 during the Phase IIa study have a distinct blood-based expression profile. These results demonstrated that patients whose condition improved while on EHT 0202 have a different gene expression profile from those whose condition declined, and these gene expression profile differences are specific to EHT 0202. These data raise the possibility of identifying expression profiles that could stratify patients who will benefit from EHT 0202 therapy from those who will not, prior to study initiation. Efforts are ongoing to find a partner to continue the clinical development of the compound.

Collaboration with Allergan: outlicensing of the most advanced program to Bristol-Myers Squibb
EHT/AGN 0001, the lead compound in the most advanced program of the Allergan collaboration, as well as EHT/AGN 0002 and its associated back-up compounds were out-licensed by Allergan to Bristol-Myers Squibb in March 2010.

In February 2010, ExonHit announced the inclusion into the Allergan collaboration of proprietary lead compounds, which were derived from one of its internal medicinal chemistry programs. The compounds are active against a new enzyme target potentially useful for therapeutic development in ophthalmology and neurodegenerative indications. Milestone and royalty terms of the existing collaboration agreement apply to these compounds and their derived products.

- **Diagnostics**

AclarusDx™: CE marking on track for Q4 2010
AclarusDx™ is a blood-based test designed to help in the diagnosis of Alzheimer's disease (AD). It detects biomarkers specific for AD in peripheral blood and is to be used in association with standard methods of assessment to help memory clinic experts in the diagnosis of AD. ExonHit is on track for a CE marking at the end of Q4 2010 and is preparing the launch of AclarusDx™ in the clinical *in vitro* diagnostic market in France, in the course of the first quarter of 2011. To support the French launch, ExonHit set up a well-recognized Scientific Advisory Board chaired by Professor Françoise Forette. Regarding US market entry, ExonHit is currently assessing different options from "Laboratory developed test" to FDA clearance.

EHT Dx14: launch as a research use only product in Q4 2010
EHT Dx14, a novel breast cancer diagnostic biomarker developed using ExonHit's SpliceArray™ platform, was licensed from Institut Gustave Roussy in May 2009. When assessing a suspicious mass discovered during mammography, the EHT Dx14 test should allow the accurate reading of samples obtained by fine-needle aspiration (FNA) in cases where the standard analysis returns an inconclusive result. The performance of EHT Dx14, which, at the beginning of its development, showed the ability to differentiate, in 96% of the cases, benign breast tumors from malignant tumors, is currently being evaluated in the targeted population, i.e. the patients for whom the standard FNA sample assessment does not allow a definitive diagnosis. ExonHit plans to launch the test as a 'research use only' product for oncology centers in Q4 2010.

The collaboration with **bioMérieux** to develop blood-based biomarkers for the detection of prostate cancer is ongoing.

Participation to the European Innovative Medicines Initiative (IMI) consortium on Alzheimer's disease
In February 2010, ExonHit announced that it was chosen to participate in the European IMI consortium focused on identifying biomarkers for Alzheimer's disease (PharmaCog). This is the most ambitious European project for tackling bottlenecks in Alzheimer's disease research and drug discovery.

- **Numerous patent applications granted in the first half 2010**

During the first half of 2010, ExonHit expanded further its intellectual property (IP) position by filing 4 new patent applications. In addition, 26 patent applications were granted. Overall, the Company now has 261 patent applications and 107 granted patents worldwide.

ExonHit's solid IP position was achieved by systematically seeking patent protection whenever possible and through determined enforcement of granted patents either through license grants (EHT 1864 compound), or through infringement lawsuit resulting in confirmed patent validity and resolution (dispute with Jivan Biologics Inc. regarding SpliceArray™ design). The Company also contributed innovations to strategic partners' drug development (Allergan and ExonHit jointly-owned patent applications licensed to Bristol-Myers Squibb).

Outlook: moving to commercialization

- **Strengthening the teams to prepare for the launch of AclarusDx™ and EHT Dx14**

In anticipation of the launch of AclarusDx™ in France in 2011 and the launch of EHT Dx14 as a 'research use only' product at the end of 2010, ExonHit strengthened the marketing department of its Diagnostic Division with the recruitment of Isabelle Barber, Ph.D., as Senior Vice President, Global Marketing and Jacques Bonte as Vice President, Neurosciences. Isabelle has a strong knowledge of the diagnostic industry, drawing on her experience in various positions at Ortho Clinical Diagnostics, a Johnson & Johnson Company, in customer support, market access strategy and global marketing on both sides of the Atlantic. She also knows the biotech world based on her R&D and production roles at Isis Pharmaceuticals and Genset. Jacques has over 25 years of experience in the pharmaceutical industry and has extensive experience in market access and launch strategy, with particular expertise in Alzheimer's disease.

- **A specific development strategy**

ExonHit's strategy can be summarized around 3 themes:

- **Partnering in Therapeutics and developing independently in Diagnostics**
  ExonHit Therapeutics will continue both its diagnostic and therapeutic activities. These two fields have distinct risks and returns on investment.
  In Diagnostics, ExonHit intends to develop directly by self-financing with a growing emphasis on the development of biomarkers and companion diagnostics alongside therapeutic products.
  Conversely, in Therapeutics, the Company intends to build on the success of the Allergan collaboration, to further leverage its discovery capabilities and expand its portfolio by pursuing additional research collaborations. For its internal programs, the strategy of the Company is to partner early R&D programs or out-license drug candidates at the latest when proof-of-concept in human studies has been established.

- **A diversified portfolio with products at various maturity stages**
  ExonHit's current revenues come mainly from R&D collaborations. ExonHit plans to start generating revenues from commercialization in 2011 through the French launch of AclarusDx™ in the clinical *in vitro* diagnostic market.

- **Accelerating organic development through external growth**
  To accelerate its development as an internationally recognized diagnostic player, ExonHit is committed to pursue its strategy of development via external growth and maintains its objective to acquire a revenue-generating molecular diagnostic company.

In April 2010, ExonHit announced that it was granted "Innovative Company" accreditation by the French State innovation agency OSEO. French innovation-focused mutual funds (FCPI) can now make tax-efficient equity investments in ExonHit Therapeutics for renewable 3-year periods.

A meeting for institutional investors, analysts and journalists will be held by ExonHit's management team today, Thursday, September 16, 2010 at 16:00 CET. Please contact Corinne Hoff (+33 6 66 63 47 98) for practical details.

2011 Financial Calendar

2010 Annual Results: March 2011

About ExonHit Therapeutics

ExonHit Therapeutics (Alternext: ALEHT) is a fast emerging healthcare player active in both therapeutics and diagnostics. The Company is applying its proprietary technology, based on the analysis of alternative RNA splicing, to develop innovative molecular diagnostic tests and therapeutics for Alzheimer's disease and cancer indications. ExonHit has a balanced investment strategy with internal development programs and strategic collaborations, in particular with bioMérieux and Allergan.

ExonHit is headquartered in Paris, France and has U.S. offices in Gaithersburg, Maryland. The Company is listed on Alternext of NYSE Euronext Paris. For more information, please visit http://www.exonhit.com.

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Finally, this press release may be drafted in the French and English languages. In an event of differences between the texts, the French language version shall prevail.

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EXONHIT THERAPEUTICS S.A.

CONSOLIDATED INCOME STATEMENT

(in thousands of euros, except per share data)

**unaudited*	6 months June 30, 2010*	6 months June 30, 2009*	12 months December 31, 2009
Research and Development revenues	5 412	2 491	4 892
Other products	62	-	
Total revenues	**5 474**	**2 491**	**4 892**
Research and Development expenses	(4 080)	(5 407)	(8 984)
Marketing and Sales expenses	(703)	(635)	(1 239)
General and Administrative expenses	(2 402)	(2 190)	(4 329)
Total operating expenses	**(7 185)**	**(8 232)**	**(14 552)**
Loss from operations	**(1 711)**	**(5 741)**	**(9 659)**
Interest expense	(1 371)	(161)	(277)
Interest income	153	323	690
Exchange gain (loss) - net	1 118	(26)	(70)
Income (loss) before tax	(1 812)	(5 604)	(9 317)
Tax benefit	722	1 126	1 616
Net income (loss)	**(1 090)**	**(4 478)**	**(7 701)**
Weighted average number of shares outstanding	32 838 630	27 621 848	28 135 020
Net loss per share	(0.03)	(0.16)	(0.27)
Net loss per share (diluted)	(0.03)	(0.16)	(0.27)

EXONHIT THERAPEUTICS S.A.

CONSOLIDATED BALANCE SHEET

(in thousands of euros)

**unaudited*

ASSETS	**June 30, 2010***	**December 31, 2009**
Intangible assets, net	161	187
Property and equipment, net	1 609	1 784
Other long term assets	351	336
Total long-term assets	**2 121**	**2 307**
Accounts and grants receivable	1 265	1 106
Other short term assets	5 728	2 890
Cash and cash equivalents	29 505	30 245
Total short-term assets	**36 498**	**34 242**
TOTAL ASSETS	**38 619**	**36 549**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	533	524
Additional paid-in capital	95 432	94 230
Accumulated deficit	(71 142)	(70 052)
Other	1 273	756
Shareholders' equity	**26 096**	**25 458**
Convertible bonds	**6 522**	**6 522**
Provisions for risks	1546	344
Long-term debt less current portion	30	81
Long-term portion of deferred income	58	119
Total long-term liabilities	**88**	**200**
Current portion of long-term debt	220	107
Current portion of capital lease obligations	116	129
Accounts payable	1 006	1 302
Accrued liabilities	1 745	1 375
Deferred income short-term	1 279	1 111
Total short-term liabilities	**4 366**	**4 024**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**38 619**	**36 549**

EXONHIT THERAPEUTICS S.A.

CONSOLIDATED CASH FLOW STATEMENT

(in thousands of euros)

**unaudited*	6 months ending June 30, 2010*	6 months ending June 30, 2009*	Year ending Dec 31, 2009
OPERATING ACTIVITIES			
Net loss	(1 090)	(4 478)	(7 701)
Less:			
Depreciation and amortization of property & equipment	269	316	633
Depreciation of intangible assets	64	62	126
Allowance for bad debts	62		45
OSEO loan forgiveness	-		(774)
Retirement liability accrual and other	(52)	(219)	(99)
Other accruals/ Convertible bonds reimbursement premium	1 254		
Capitalized interests on convertible bonds	113		36
Gain (loss) on sales	-	-	292
Increase (decrease) in cash from:			
Inventory	4	(83)	1
Accounts receivable	(215)	31	(96)
Research tax credit receivable	(722)	2 377	1 887
Prepaid expenses and other assets	(1 268)	(143)	(88)
RedPath's bridge loan	(827)		
Accounts payable and accrued expenses	(317)	(845)	(762)
Accrued compensation	338	(220)	(41)
Deferred income, short term	168	(116)	(39)
Deferred income, long term	(61)	(63)	(125)
Net cash used in operating activities	**(2 279)**	**(3 381)**	**(6 706)**
INVESTING ACTIVITIES			
Purchase of property and equipment	(15)	(356)	(343)
Payment of patent and acquisition of other intangibles		292	
Net cash used in investing activities	**(15)**	**(64)**	**(343)**
FINANCING ACTIVITIES			
Issuance of shares (net of fees)	1 194	8 345	23 532
Capital increase receivable		(1 383)	
Proceeds from loan	(64)	(6 907)	(7 199)
Net cash provided by (used in) financing activities	**1 130**	**55**	**16 333**
Net increase (decrease) in cash and cash equivalents	(1 164)	(3 390)	9 284
Effects of exchange rate on cash	423	(16)	(89)
Cash and cash equivalents, beginning of period	30 245	21 050	21 050
Cash and cash equivalents, end of period	**29 505**	**17 644**	**30 245**