PRESS RELEASE

ExonHit Therapeutics reports 2010 results

- Significant increase of revenues following the sub-licensing agreement between Allergan and Bristol-Myers Squibb
- Stable 2010 net results due to non-recurring expenses
- Introduction of AclarusDx™ in the French IVD market

2010 Key achievements

Therapeutics

- Sub-licensing by Allergan of EHT/AGN 0001 program to Bristol-Myers Squibb
- Inclusion of EHT/AGN 0003 into Allergan collaboration
- Identification of a blood-based transcriptomic signature associated with EHT 0202 treatment

Diagnostics

- Completion of key steps necessary for CE marking of AclarusDx™
- Patient recruitment for EHT Dx14 validation study

2011 Outlook

- Becoming a recognized player in Molecular Diagnostics via both internal and external growth
- CE marking of AclarusDx™ and initiation of a study in real clinical setting in France
- Developing new partnerships in both Diagnostics and Therapeutics
- Introduction of EHT Dx14 as an Investigational Use Only product

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2010 Results: Turnover of € 8.2 million and stable net result at € (7.7) million

Paris, France – March 15, 2011 – The Supervisory Board of ExonHit Therapeutics (Alternext: ALEHT) met on March 14 to close the consolidated financial results for the year ending December 31, 2010. These accounts were audited by the auditors.

Commenting on the results, Loïc Maurel, M.D., President of the Management Board of ExonHit Therapeutics, said: *"In a difficult 2010 market, two events had a special impact on the activity of ExonHit: the payment of US $ 4 million received from Allergan following the sub-licensing of the EHT/AGN 0001 program to Bristol-Myers Squibb in March, and the cancellation of the planned acquisition of RedPath. In 2011, for our diagnostic business, we will concentrate our efforts on our two most advanced diagnostic tests: introduction of AclarusDx™ (for Alzheimer's disease), which was just CE marked, and EHT Dx14 (for breast cancer) which will be made available to cancer centers. In Therapeutics, we will focus on developing new partnerships. We strive to become a key player in personalized medicine."*

Key figures

	2010 (million EUR)	2009 (million EUR)
Total revenues	**8.4**	**4.9**
R&D expenses	8.5	9.0
Other expenses	6.9	5.6
Operating result	**(7.0)**	**(9.7)**
Net result	**(7.7)**	**(7.7)**
Cash burn from operations*	(5.8)	(6.7)
Consolidated cash & cash equivalents at Dec. 31	**25.6**	**30.2**

**including research tax credit*

Significant increase of revenues and stable R&D expenses

Consolidated revenues rose to € 8.2 million, an increase of 67% compared to € 4.9 million in 2009. They include recurring R&D revenues corresponding mainly to the partnership with Allergan and non-recurring revenue generated by the milestone payment of $ 4 million (approximately € 3 million) received from Allergan in connection with the sub-licensing of EHT/AGN 0001 to Bristol-Myers Squibb. This sub-licensing agreement may potentially generate more future revenues in the form of development and commercialization milestones potentially amounting to $ 32 million over the next several years as well as royalties if the product is granted marketing approval.

ExonHit also benefited from a grant of $ 0.3 million (approximately € 0.2 million) in the context of the Qualifying Therapeutic Discovery Project Program created in 2010 by the U.S. Congress to foster innovation in the biotechnology sector in the US.

Research and Development expenses decreased to € 8.5 million in 2010 compared to € 9.0 million for the same period in 2009. This decrease is linked to lower clinical expenses following the completion of the EHT 0202 Phase IIa study and the AclarusDx™ validation study.

Marketing and Sales expenses slightly increased to € 1.3 million. These expenses were incurred mostly by the preparation for entry of AclarusDx™ in the French *in vitro* diagnostic market.

General and Administrative expenses amounted to € 5.6 million compared to € 4.3 million in 2009. This increase is entirely related to fees amounting to € 1.1 million, capitalized in the context of the planned acquisition of RedPath and following the decision to cancel this acquisition.

In total, the consolidated operating expenses increased by 6% to € 15.4 million in 2010 compared to € 14.6 million in 2009. In 2010, 55% of these expenses were dedicated to R&D compared to 62% in 2009.

Consequently, ExonHit's operating loss was significantly reduced to € 7.0 million in 2010 from € 9.7 million in 2009.

Interest expenses rose in 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 planned acquisition of RedPath, the Company granted a $ 1 million loan to RedPath. On October 25, 2010, when the decision to cancel the acquisition was made, this loan and payable interests were booked as interest expenses for an amount of € 0.7 million.

The estimated research tax credit amounts to € 1.3 million in 2010, compared to € 1.6 million for the same period in 2009.

As a consequence, ExonHit recorded a consolidated net loss of € 7.7 million in 2010, unchanged compared to 2009.

A strong balance sheet with € 25.6 million in cash

Total shareholders' equity amounted to € 19.2 million on December 31, 2010 vs. € 25.5 million on December 31, 2009. This decrease reflects primarily the consolidated net loss in 2010, partly offset by a capital increase completed in the context of the French TEPA law for an amount of € 1.4 million.

As of December 31, 2010, short term debt remained stable at € 3.7 million in 2010 compared to € 3.8 million in 2009.

As of December 31, 2010, provisions for risks increased to € 1.5 million compared to € 0.3 million on December 31, 2009, mainly because of the accrual made in the context of the potential reimbursement of the Company's convertible bonds which mature in November 2011.

As of December 31, 2010, the cash position of the Company amounted to € 25.6 million, compared to € 30.2 million at the end of 2009. Company's cash is only invested in securities with a reasonably guaranteed liquidity.

Hervé Duchesne de Lamotte, Chief Financial Officer of ExonHit Therapeutics, said: *"ExonHit ended the year 2010 with a strong cash position following a TEPA capital increase associated with US Federal Government grants and an upfront payment received in connection with the sub-licensing agreement between Allergan and Bristol-Myers Squibb. With this key asset, we are entering 2011 with confidence and are looking forward to a successful market entry of our diagnostic tests, AclarusDx™ in IVD and EHT Dx14 in IUO."*

2010 progress of the product pipeline

- **EHT 107 Program: lead optimization is ongoing**

Following promising *in vitro* results for this program aiming to develop a new therapeutic for treatment-resistant tumors, 2 series of compounds are in lead optimization. Animal proof-of-concept studies, currently ongoing, will allow potential selection and nomination of a compound for pre-development.

- **EHT 0202: several ongoing initiatives to support progressing the compound into Phase IIb**

EHT 0202, ExonHit's lead candidate in Alzheimer's disease, has successfully completed Phase IIa testing. The data was accepted for publication in *Current Alzheimer Research* at the end of 2010 and should be published in the upcoming months.
In 2010, ExonHit identified a blood-based transcriptomic signature that could allow pre-treatment stratification of patients who would benefit from EHT 0202 treatment from those who would not respond. The use of such a signature during further clinical development could significantly increase the likelihood of successfully achieving study endpoints and will help to identify the most relevant patient populations for EHT 0202.
An outside consulting firm was contracted to broaden the search for a partner to support further clinical development of EHT 0202.

- **Collaboration with Allergan: sub-licensing of the most advanced program to Bristol-Myers Squibb**

ExonHit successfully continues its collaboration with Allergan dedicated to the identification, development and commercialization of drugs for the treatment of neurodegenerative diseases, pain and ophthalmology.
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 sub-licensed by Allergan to Bristol-Myers Squibb in March 2010.
EHT/AGN 0003, an ExonHit internal neuro-related program, was added to the collaboration in February 2010.

- **AclarusDx™: CE marking and initiation of a study in real clinical setting in France**

AclarusDx™ is a blood-based test intended to help in the diagnosis of Alzheimer's disease (AD). It detects biomarkers specific for AD in peripheral blood. ExonHit just announced its CE marking and is preparing in France a study in a real clinical setting which could support use of AclarusDx™ among the diagnostic algorithm currently used by Memory Centers to diagnose AD. To support the French launch, ExonHit has 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: clinical validation is ongoing before its introduction as an Investigational Use Only product for cancer centers in 2H 2011**

EHT Dx14 is a novel breast cancer diagnostic biomarker. When assessing a suspicious mass discovered during mammography, the EHT Dx14 test should allow the accurate reading of samples obtained by fine-needle aspiration in cases where the standard analysis returns an inconclusive result. The validation of EHT Dx14 is ongoing. This validation is made in two steps. First, the initial performances of the test (as published in *Lancet Oncology (1)*) are being validated on samples that are either positive or negative according to the standard analysis. In a second step, it will be necessary to evaluate the added value of the test in inconclusive samples. At the end of this second step, ExonHit plans to put EHT Dx14, as an Investigational Use Only product, at the disposal of major cancer centers in France, in the second half of 2011.

- **Collaboration with bioMérieux**

Study design for new prostate cancer biomarkers is under discussion.

2011 Outlook: Focus on implementation

Being present both in diagnostics and therapeutics enables ExonHit to operate with great synergy between its competencies in these two domains. 2011 will be focusing on two objectives:

- **The first market introductions of diagnostic products:** it is a new chapter in the history of ExonHit with, in addition to its current R&D activities, the beginning of marketing for its first diagnostic tests. In 2011, ExonHit will focus its efforts on the introduction of AclarusDx™ in the French IVD market and of EHT Dx14 as an Investigational Use Only product for cancer centers.

- **Becoming a key player in molecular diagnostics:** thanks to its unique Genome-Wide SpliceArray™ discovery platform, ExonHit intends to focus more and more on securing new partnerships. With its know-how, ExonHit can offer to key pharmaceutical industry players custom development of biomarkers and companion diagnostics to reduce both the duration and the risk of the clinical studies of their drug candidates.

A meeting for institutional investors, analysts and journalists will be held by ExonHit's management team today, Tuesday, March 15, 2011 at 17:30 CET. Please contact Corinne Hoff (+33 6 66 63 47 98) for practical details.

2011 Financial Calendar

Annual General Meeting: April 27
2011 Half-year results: September 13

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 and is part of the NYSE Alternext OSEO innovation index. For more information, please visit http://www.exonhit.com.

Disclaimer

This press release contains elements that are not historical facts including, without limitation, certain statements on future expectations and other forward-looking statements. Such statements are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those anticipated.

In addition, ExonHit Therapeutics, its shareholders, and its affiliates, directors, officers, advisors and employees have not verified the accuracy of, and make no representations or warranties in relation to, statistical data or predictions contained in this press release that were taken or derived from third party sources or industry publications, and such statistical data and predictions are used in this press release for information purposes only.

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.

References

(1) André et al. Exonic expression profiling of breast cancer and benign lesions: a retrospective analysis. *Lancet Oncology* 2009; 10:381-90

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EXONHIT THERAPEUTICS S.A.

CONSOLIDATED INCOME STATEMENT

(in thousands of euros, except per share data)

	12 months December 31, 2010	12 months December 31, 2009
Research and Development revenues	8 077	4 844
Other products	94	48
Research & Development grants	247	-
Total revenues	**8 418**	**4 892**
Research and Development expenses	(8 480)	(8 984)
Marketing and Sales expenses	(1 334)	(1 239)
General and Administrative expenses	(5 578)	(4 329)
Total operating expenses	**(15 392)**	**(14 552)**
Loss from operations	**(6 974)**	**(9 659)**
Interest expense	(2 230)	(277)
Interest income	271	690
Exchange gain (loss) - net	(144)	(70)
Income (loss) before tax	(9 077)	(9 317)
Tax benefit	1 329	1 616
Net income (loss)	**(7 748)**	**(7 701)**
Weighted average number of shares outstanding	33 082 489	28 135 020
Net loss per share	(0.23)	(0.27)
Net loss per share (diluted)	(0.23)	(0.27)

EXONHIT THERAPEUTICS S.A.

CONSOLIDATED BALANCE SHEET

(in thousands of euros)

ASSETS	**December 31, 2010**	**December 31, 2009**
Intangible assets, net	142	187
Property and equipment, net	1 282	1 784
Other long term assets	347	336
Total long-term assets	**1 772**	**2 307**
Accounts and grants receivable	1 173	1 106
Other short term assets	2 710	2 890
Cash and cash equivalents	25 607	30 245
Total short-term assets	**29 490**	**34 242**
TOTAL ASSETS	**31 261**	**36 549**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	533	524
Additional paid-in capital	95 432	94 230
Accumulated deficit	(77 801)	(70 052)
Other	1 027	756
Shareholders' equity	**19 191**	**25 458**
Convertible bonds	**6 522**	**6 522**
Provisions for risks	**1 534**	**344**
Long-term debt less current portion	15	81
Long-term portion of deferred income	-	119
Total long-term liabilities	**15**	**200**
Current portion of long-term debt	107	107
Current portion of capital lease obligations	66	129
Accounts payable	904	1 302
Accrued liabilities	1 736	1 375
Deferred income short-term	1 185	1 111
Total short-term liabilities	**3 999**	**4 024**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**31 261**	**36 549**

EXONHIT THERAPEUTICS S.A.

CONSOLIDATED CASH FLOW STATEMENT

(in thousands of euros)

	Year ending Dec 31, 2010	Year ending Dec 31, 2009
OPERATING ACTIVITIES		
Net loss	(7 748)	(7 701)
Less:		
Depreciation and amortization of property & equipment	577	633
Depreciation of intangible assets	130	126
Allowance for bad debts	93	45
OSEO loan forgiveness	-	(774)
Retirement liability accrual and other	(64)	(99)
Other accruals/ Convertible bonds reimbursement premium	1 254	-
Capitalized interests on convertible bonds	-	36
Gain (loss) on sales	-	292
Other	30	-
Increase (decrease) in cash from:		
Inventory	(16)	1
Accounts receivable	(154)	(96)
Research tax credit receivable	287	1 887
Prepaid expenses and other assets	(81)	(88)
Accounts payable and accrued expenses	(410)	(762)
Accrued compensation	343	(41)
Deferred income, short term	75	(39)
Deferred income, long term	(119)	(125)
Net cash used in operating activities	**(5 803)**	**(6 706)**
INVESTING ACTIVITIES		
Purchase of property and equipment	(220)	(343)
Payment of patent and acquisition of other intangibles	84	
Net cash used in investing activities	**(135)**	**(343)**
FINANCING ACTIVITIES		
Issuance of shares (net of fees)	1 238	23 532
Capital increase receivable		
Proceeds from loan	(129)	(7 199)
Net cash provided by (used in) financing activities	**1 109**	**16 333**
Net increase (decrease) in cash and cash equivalents	(4 829)	9 284
Effects of exchange rate on cash	191	(89)
Cash and cash equivalents, beginning of period	30 245	21 050
Cash and cash equivalents, end of period	**25 607**	**30 245**