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Quarterly information – 3rd quarter 2011

- AB Science revenues in the third quarter amounted to €254 thousand.
- Recruitment of the first patients in a phase 2B/3 study (rheumatoid arthritis) and a phase 3 study (progressive forms of multiple sclerosis).
- Granted FDA authorization (IND) to launch a phase 3 study in severe asthma.
- Recruitment of the final patient into a phase 2 study, in the treatment of gastro-intestinal stromal (GIST) cancer in failure to a first line of treatment with Gleevec.

AB Science SA (NYSE Euronext - FR0010557264 - AB), a pharmaceutical company specialized in research, development and commercialization of protein kinase inhibitors (PKIs), reports today its revenues for the third quarter 2011 and provides an update on its activities for this period.

I. Key events of the 3rd quarter of 2011

Over the course of the last quarter and since the end of the first quarter, AB Science continued to achieve significant progress in its development program.

Clinical development program

- **The first patients were enrolled in a new phase 2B/3 study, in rheumatoid arthritis.**

  This is an international, multicenter, randomized, double-blind, placebo-controlled study, which will enroll approximately 450 patients across 90 sites around the world to compare the efficacy and safety of masitinib at 3 or 6 mg/kg/day with that of methotrexate, in the treatment of patients with active rheumatoid arthritis. The primary response evaluation is the proportion of patients to achieve an improvement of 50% or more in their symptoms (ACR50) after 24 weeks of treatment.

  In rheumatoid arthritis, there are currently four tyrosine kinase inhibitors under phase 3 development: AB Science's masitinib, tofacinib developed by Pfizer, ruxolitinib developed by Eli Lilly, and fostamatinib developed by AstraZeneca. What singles out masitinib from those drug candidates are its selectivity and originality of the targets that it inhibits. This confers an edge to masitinib by the absence at this development stage of signs of cardiotoxicity or immunosuppression.

- **The first patients were included in a new phase 3 study, in progressive forms of multiple sclerosis.**

  This is an international, multicenter, randomized, double-blind, placebo-controlled study, which will enroll approximately 450 patients across 60 sites around the world to compare the efficacy and safety of masitinib at 6 mg/kg/day with placebo, in the treatment of patients with primary

progressive multiple sclerosis or relapse-free secondary progressive multiple sclerosis. The primary response evaluation will be the proportion of patients to achieve an improvement of at least 100% in their symptoms, as measured by the Multiple Sclerosis Functional Composite (MSFC) score, after 96 weeks of treatment. The study will also have as main co-variable the measure of improvement in quality of life after 96 weeks of treatment.

The treatment of multiple sclerosis is marked by the emergence of new oral treatments. In progressive forms, there are currently two drug candidates in phase 3 development stage: masitinib developed by AB Science and another drug developed by Novartis, which is not a tyrosine kinase inhibitor. Therefore, masitinib is positioned as the only targeted therapy developed in this disease.

- **AB Science received from the FDA (Food and Drug Administration) authorization (IND) to start its phase 3 study in severe asthma in the United States.**

  This is an international, multicenter, randomized, double-blind, controlled, phase 3 study, which will enroll around 300 patients across 60 sites around the world to compare the efficacy and safety of masitinib at 6 mg/kg/day with placebo, in the treatment of patients with severe persistent asthma uncontrolled with oral corticosteroids. The primary response evaluation will be the rate of exacerbations over 36 weeks of treatment.

  This study was already authorized and recruiting in Europe. The authorization from the FDA therefore allows the opening of new sites and to accelerate the recruitment of patients. Moreover, this authorization is also a testimony of FDA's favorable analysis on the potential of masitinib to bring a therapeutic solution in persistent severe asthma.

  There is no other drug being developed or commercialized for this disease. Masitinib is therefore the only drug candidate in this disease.

- **In addition, AB Science finalized the recruitment of a phase 2 study in the treatment of gastro-intestinal stromal (GIST) cancer in failure to a first line of treatment with imatinib (Gleevec).**

  This is a phase 2 study comparing the efficacy and safety of masitinib at 12 mg/kg/day with sunitinib, which is currently the treatment of reference in second line after failure with Gleevec. If this study gives satisfactory results, a phase 3 will be initiated. Masitinib would then be the only drug candidate under phase 3 development in second line of treatment to compete with sunitinib.

  As a reminder, in GIST, masitinib is also being developed in phase 3 in first line of treatment, comparing masitinib at 7.5 mg/kg/day with Gleevec, which is the treatment of reference in first line. Masitinib is the only drug candidate under phase 3 development to compete with Gleevec in first line of treatment.

- **Masitinib is currently being evaluated in over ten phase 2 studies, and seven phase 3 studies. Among those seven phase 3 studies, three are in oncology (pancreatic cancer, gastro-intestinal stromal tumor a.k.a. GIST, and metastatic melanoma bearing the juxta-membrane mutation of c-Kit), three in inflammatory pathologies (mastocytosis is an orphan disease, severe persistent asthma, and rheumatoid arthritis), and in one neurodegenerative disease (progressive forms of multiple sclerosis).**

Other events

- As a reminder, a bond loan agreement, convertible or reimbursable in ordinary shares, for a nominal amount of € 7,539,400 which was approved on 23 May 2011 by the general assembly, has been fully subscribed and issued on 19 August 2011. The Bonds bear 1.25% interest to be paid annually. They will also bear 4.75% accrued interest to be paid only in case of reimbursement of the loan in cash. The Bonds may be reimbursed by anticipation in cash at the option of AB Science under certain conditions. They will be repayable in full on the seventh anniversary of the issue date at their nominal value.

  The Bonds are convertible in shares at any time at the initiative of the Bondholder at the price of €12.65 per share. The Bonds are automatically reimbursed in shares, if after December 31st 2013, the three-month moving average share price of the Company with a 0.01 € nominal value is greater or equal to 18€, effective on the first business day following the last day of the reference three-month period.

II. Third quarter sales of 2011

AB Science revenues in the third quarter amounted to €254 thousand, vs. €240 thousand in the third quarter of 2010, up 6%.

In Europe, direct sales by AB Science are stable, despite the continued the development of a competing product from Pfizer, which was introduced to Europe a year ago with supply of free stock products to vets. AB Science sales to distributors are growing in Spain, but have declined in Italy due to the sale price being too high. In the United States, sales increased 70% over the same period in 2010 during which time a 'compassionate use' program had charged a nominal fee for each dog treated. These U.S. sales converted to Euros are penalized by a negative currency impact over this period.

AB Science has focused on direct sales to oncology specialists with a sales force of eight staff, and so far covers 10% of all European veterinary practitioners and 5% of veterinarians in the United States. Through recognition by specialists of masitinib's very good risk / benefit ratio in oncology, masitinib still represents a largely untapped potential within the wider veterinary community. Discussions are underway with key allied promoters / distributors, possibly by country.

Globally, AB Science posted €793 thousand in revenues since the first 9 months of 2011, vs. €663 thousand over the first 9 months of 2010, an increase of 19.6%.

III. Update on financial situation as of 30 September 2011

AB Science Cash[1] was €23.1 million as of 30 September 2011, vs. €18.4 million on 30 June 2011. The cash utilization stands at €5.9 million for the first 9 months of 2011 vs. €5.4 million for the same period in 2010.

AB Science also has at its disposal a €1.2 million credit line, not drawn down with maturity in February 2016.

About AB Science
Founded in 2001, AB Science is a pharmaceutical company specializing in the research, development and commercialization of protein kinase inhibitors (PKIs), a new class of targeted molecules whose action is to

1 Cash: available cash, cash equivalent and financial assets invested in certificates of deposit.

modify signaling pathways within cells. Through these PKIs, the Company targets diseases with high unmet medical needs (cancer, inflammatory diseases and central nervous system diseases), in both human and veterinary medicines. Thanks to its important research and development capabilities, AB Science has developed its own portfolio of molecules including masitinib, which has already been registered in veterinary medicine in Europe and in the USA, and is pursuing nine phase 3 studies in human medicine, including seven studies on-going in pancreatic cancer, GIST, in metastatic melanoma expressing JM mutation of c-Kit, in mastocytosis, severe persistent asthma, rheumatoid arthritis, and in progressive forms of multiple sclerosis.

Further information is available on AB Science's website: www.ab-science.com

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