HYBRIGENICS

Press Release

2009 first-half results show substantial improvement

Revenue 74% higher; operating loss 58% lower.
Very encouraging initial results with inecalcitol.

Paris, October 23 2009 – Hybrigenics (ALHYG), a bio-pharmaceutical company with a focus on research and development of new cancer treatments and specialized in protein interactions, today announces its results for the first half of 2009.

• **Results for the first half of 2009**

EUR thousands	**H1 2009**	**H1 2008**
Revenue	**2,159**	**1,243**
of which Hybrigenics Pharma	*600*	*234*
of which Hybrigenics Services	*1,559*	*1,009*
Other operating revenue	119	293
Total operating revenue	**2,278**	**1,536**
Operating costs	**4,310**	**6,320**
of which other purchases / external costs	*2,019*	*3,365*
Operating profit / loss	**-2,032**	**-4,784**
Net profit / loss	**-1,674**	**-3,940**

As announced on July 27 2009, revenue for the first half of the current financial year recorded a substantial increase of +74 per cent to EUR 2.16 million. The Pharma division benefited from a EUR 0.6 million revenue from the research agreement with Servier laboratories, whilst Hybrigenics Services recorded its fourth consecutive quarter of growth with revenue of EUR 1.56 million, an increase of +55 per cent on the same period in 2008.

Even with this buoyant increase in activity and the enrolment of a significant number of new patients into the Phase II clinical trial of inecalcitol, operating costs were down -32 per cent from the first half of 2008, at EUR 4.3 million. These very significant savings were essentially due to the end of regulatory toxicology studies and of chemical and pharmaceutical developments carried out on inecalcitol in 2008, in parallel to the Phase II clinical trial. Furthermore, strict and efficient control of other costs also led to the improvement in half-year business performance.

As a result of the combination of increased revenues and reduced operating costs, Hybrigenics reported an operating loss down by more than half (-58 per cent) for its first half, at EUR -2 million for H1 2009 compared to EUR -4.8 million a year earlier. The net loss was EUR -1.7 million euros versus EUR -3.9 million for the respective periods.

Due to a reduction in the amount of cash used to EUR 0.57 million over the period, the net cash position on June 30 2009 stood at EUR 1.77 million, *vs.* EUR 2.34 million on December 31 2008.

• A first-half year rich in major strategic breakthroughs

→ Services: a growing and diversified client base

The Hybrigenics Services division recorded an excellent first half, reflecting the interest of academic as well as industrial researchers from all biological fields in this highly-sophisticated technology despite the poor economic situation. The signing of a new EUR 2.1 million dollar 3-year contract with an American life science multinational company in September 2009 is further proof of Hybrigenics' excellent reputation as a technology service expert in the field of protein interactions.

→ Inecalcitol: excellent tolerance to high daily oral doses and very encouraging response to treatment in hormone-refractory prostate cancer patients

The inecalcitol Phase II study has been conducted highly efficiently, with 6 different oral dose levels being tested on a total of 42 patients over 18 months. The results of this tolerance study are very positive, with no changes in calcium parameters observed in any of the patients, even at the highest dose of 1,000 µg/day (i.e. one milligram per day). Simultaneously, a decrease in Prostate Specific Antigen (PSA) levels of more than 30 per cent within three months of initiation of treatment was observed for 87 per cent of patients. This high PSA response rate to the combination of inecalcitol and Taxotere® is very encouraging in terms of presumption of efficacy.

The 2 mg/day dosage has begun to be assessed since August amongst a further three patients, with no sign of hypercalcemia thus far. It should be noted that this possibility of administering high daily oral doses of inecalcitol has been the matter of the filing of a new patent application covering its future therapeutic uses by Hybrigenics.

During a meeting with the United States Food and Drug Administration (FDA) in the spring of 2009, the entire pharmaceutical, preclinical and clinical file was assessed. In the written minutes of this meeting, the FDA clearly indicated its preference for a Phase IIb clinical efficacy study to be followed by a wider-scale pivotal registration Phase III study against hormone-refractory prostate cancer.

• Equity facility agreement

On September 14, Hybrigenics announced the signing of a 3-year equity facility agreement with Yorkville, an American financial firm, that allows for a maximum total funding of EUR 5 million, in the form of tranches of a maximum of EUR 200,000 in exchange of newly issued Hybrigenics shares. This agreement is subject to approval by Hybrigenics' Extraordinary General Meeting held today.

Rémi Delansorne, CEO of Hybrigenics, concludes: "*We are very proud of the major strategic achievements obtained over the first six months of the year, while still keeping expenses within a tightened budget. These breakthroughs have been possible thanks to the resilience and strong implication of all the team focused on our cutting-edge technology and high potential pharmaceutical R&D programs, such as the clinical development of inecalcitol.*"

About Hybrigenics

Hybrigenics (www.hybrigenics.com) is a bio-pharmaceutical company listed (ALHYG) on Alternext (NYSE-Euronext) in Paris, focusing its internal R&D programs on innovative targets and therapies for the treatment of cancer. Hybrigenics' development program is based on inecalcitol, a vitamin D analogue, for the treatment of hormone-refractory prostate cancer in combination with Sanofi-Aventis' Taxotere®, which is the current gold-standard chemotherapeutic treatment for this indication. Hybrigenics' research program explores the role of enzymes known as ubiquitin-specific proteases (USP) in the degradation of onco-proteins, and the effectiveness of proprietary USP inhibitors in treating various types of cancer.

Hybrigenics is also the market leader in Yeast-Two Hybrid (Y2H) and related services to identify, validate and inhibit protein interactions for researchers in all areas of life sciences, using its ISO 9001-certified high-throughput Y2H screening platform, its sophisticated bioinformatics tools and extensive database, along with its chemical library and chemical screening platform.

HYBRIGENICS is listed on the Alternext by NYSE Euronext

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