

Exonhit to Acquire Redpath Integrated Pathology, Inc. and Accelerate Growth in Molecular Diagnostics



Companies: EXONHIT THER. -A-

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PARIS--(BUSINESS WIRE)--Regulatory News:

- Acquisition of an oncology-focused molecular diagnostics company commercializing products with high growth commercial presence in the United States
- RedPath brings a CLIA laboratory, experienced management, regulatory/reimbursement expertise and established market presence
- Complementary fit between RedPath's DNA platform and ExonHit's RNA platform

ExonHit Therapeutics S.A. (Paris:ALEHT - News) ("ExonHit") announced today that it entered into a binding agreement to acquire RedPath Integrated Pathology, Inc. ("RedPath"), a privately held molecular diagnostics company, focused on cancer. RedPath will become a wholly owned subsidiary of ExonHit Therapeutics.

Headquartered in Pittsburgh, Pennsylvania, RedPath has a unique DNA-based technology platform, PathFinderTG®, which can lead to a more personalized patient clinical management decision. This powerful analytical tool improves the diagnosis of pre-cancerous conditions not identified by a conventional pathology examination.

RedPath successfully developed, launched, and earned reimbursement for the sophisticated PathFinderTG® molecular diagnostic assay. A second assay to differentiate primary from metastasis tumors is being launched. The company's other service lines include diagnostic development and several earlier stage development programs in oncology.

"The acquisition of RedPath is a significant milestone in ExonHit's strategy to become an internationally recognized molecular diagnostics company. This transaction will strengthen our presence in the USA which represents 55% of the multi-billion dollar molecular diagnostics market. I, as President of the Management Board at ExonHit Therapeutics, believe that this strategic move will give ExonHit a new dimension, with a focus on the fastest-growing segment in molecular diagnostics."

"We are very pleased with this outcome as it will benefit patients, clinicians and the employees of RedPath. Combining our DNA-based technologies, know-how and resources will help maximize the potential of both PathFinderTG® and AclarusDx™ platforms. I, as CEO of RedPath, believe that this transaction is good news for both the investors and the entire RedPath team who will remain committed to the commercialization of the PathFinderTG® line and constitute a key asset for the commercial success of AclarusDx™ in Europe. I am eager to bring the clinical solutions to the EU patients and clinicians who will benefit from the clinical utility of the assays."

The addition of RedPath's DNA platform to ExonHit's RNA-based platform is a synergistic addition that directly links the two platforms, altering the regulation of alternative splicing. It is currently estimated that greater than 10% of all described human genes are affected by alternative splicing. The combined approach will allow for the possibility of more accurate diagnostic tests with a strengthened IP position.

An integration team led by ExonHit's Chief Financial Officer Hervé Duchesne de Lamotte has been set to ensure a smooth transition for all stakeholders. ExonHit's global diagnostics division will be led by RedPath CEO Mark D. Myslinski, who will join ExonHit upon the transaction's close.

Terms of agreement

Under the terms of the combination agreement, ExonHit Therapeutics will pay an upfront of USD 12.5 million in cash. In 2012, RedPath's current shareholders may receive subsequent additional payments of up to USD 9.5 million depending on the achievement of certain targets. The transaction, which is subject to approval by ExonHit's shareholders at an upcoming Extraordinary General Meeting, is expected to close before mid-July 2010.

RedPath Integrated Pathology, Inc. is a privately owned diagnostic company whose investors include NewSpring Healthcare Partners and Inflexion Fund, L.P.

A meeting for institutional investors, analysts and journalists will be held by ExonHit's and RedPath's management team on Tuesday, April 27, 2010, at 9:30 am CET. Please contact Corinne Hoff (+33 6 66 63 47 98) for practical details.

About RedPath Integrated Pathology, Inc.

RedPath Integrated Pathology, Inc. is a US cancer-focused molecular diagnostic company that provides comprehensive diagnostic solutions to address the most challenging diagnostic dilemmas. The company's CLIA-licensed, CAP-certified laboratory delivers actionable diagnostic information to help patients make personalized, effective treatment decisions for their patients. RedPath is located in Pittsburgh, Pennsylvania. For more information, visit <http://www.redpathip.com>.

About PathFinderTG®

PathFinderTG® is a molecular analysis of mutations in genomic DNA for cases where traditional pathology results in inconclusive findings. Objective information can help resolve diagnostic dilemmas and lead to a more personalized treatment plan. This patented technology uses microsatellite markers to perform mutational analysis on many types of pathology specimens. Unlike tests for inherited genetic mutations, PathFinderTG® analyzes acquired genomic damage in an individual patient's tumor.

PathFinderTG® can differentiate metastatic, synchronous, and recurrent tumors in various organs such as breast, lung, and colon. PathFinderTG® works with a wide variety of standard pathology specimens - even minute solid samples and small fluid samples, including histology slides, cytology slides, fluid aspirates and brush samples.

About ExonHit Therapeutics

ExonHit Therapeutics (Alternext: ALEHT) is a fast-emerging healthcare player active in both therapeutics and diagnostics. The company's proprietary technology, based on the analysis of alternative RNA splicing, is used to develop innovative molecular diagnostic tests for neurodegenerative and cancer indications. ExonHit has a balanced investment strategy with in-house development and strategic partnerships, particularly with bioMérieux and Allergan.

ExonHit is headquartered in Paris, France and has U.S. offices in Gaithersburg, Maryland. The company is listed on the Alternext market. 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 performance, notably forward looking statements regarding the potential impact of the acquisition, including expected future sales or earnings and any potential synergies, strategic benefits or opportunities as a result of the acquisition.

management's current views and assumptions and involve known and unknown risks and uncertainties that could cause achievements, strategy, synergies or other events to differ materially from those anticipated.

In addition, ExonHit Therapeutics, its shareholders, and its affiliates, directors, officers, advisors and employees have representations or warranties in relation to, statistical data or predictions contained in this press release that were taken from industry publications, and such statistical data and predictions are used in this press release for information purposes

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

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