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Epistem announces collaboration with sanofi-aventis

MANCHESTER, UNITED KINGDOM – (Marketwire- March 17 2011) - Epistem plc (LSE: EHP), the UK biotechnology and personalised medicine company today announced a collaboration with sanofi-aventis U.S. Inc. relating to the use of Epistem's proprietary biomarker gene expression profiling and immunohistochemistry technologies. Under the terms of the agreement sanofi-aventis has entered into a 3 year collaboration with Epistem to provide discovery through to clinical biomarker support to oncology programmes of sanofi-aventis and its affiliates.

The collaboration is expected to inform sanofi-aventis oncology programmes with a biomarker strategy aimed at identifying biological responses to drugs in relevant tissues. The translational nature of this relationship means activities will cover preclinical, ex vivo and clinical support. Epistem may receive up to 4 million U.S. dollars in research support payments including reimbursement of certain costs, over the 3 year period.

Matthew Walls Chief Executive Officer of Epistem said “We are excited at the prospect of working across a range of oncology programmes and of applying our technology in collaboration with the team at sanofi-aventis. This collaboration represents an important milestone for the Company as we continue to exploit our biomarker technologies which are well positioned to support and streamline the drug development process”

For further information on Epistem please visit www.epistem.co.uk or contact:

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About Epistem

Epistem is a biotechnology and personalised medicine company commercialising its expertise in epithelial stem cells in the areas of oncology, gastrointestinal diseases and dermatological applications. Epistem develops innovative therapeutics, biomarkers, diagnostics and provides contract research services to drug development companies. The Group's expertise is focused on the regulation of adult stem cells located in epithelial tissue, which includes the gastrointestinal tract, skin, hair follicles, breast and prostate. Epistem does not conduct research in the areas of embryonic stem cells or stem cell transplantation. The Group also has specialist knowledge of the effects of radiation on adult epithelial stem cells and tissue and is developing novel therapies for treatment of mucositis and radiation sickness (acute radiation syndrome) alongside its proprietary preclinical models.

Epistem operates three distinct business divisions, Contract Research Services, Novel Therapies and Personalised Medicine (Biomarkers and Diagnostics).

Biomarkers

Biomarker is a sub-division of Personalised Medicine and provides services to drug development companies using its GenetRx™ its novel biomarker technology. The Company's knowledge of the behaviour of epithelial cells and drug-induced gene expression change is used to measure drug effects during treatment. Changes in gene expression can be detected within hours and at low levels of chemotherapy or radiation. The highly sensitive GenetRx™ Biomarker technology is based on extracting mRNA from tissue biopsies, blood and small amounts of surrogate tissue to measure drug-induced gene expression change.