

Press release

Epigenomics AG: Full Year Results for the Year Ended 31 December 2010

- *Continuing to build European market and expanding beyond.*
- *Focus 2010/2011 on U.S. product development and FDA submission.*
- *Launch of Epi proColon® 2.0 in Europe planned for 2011*

Berlin, Germany, and Seattle, WA, U.S.A., April 7, 2011 - Epigenomics AG (Frankfurt Prime Standard: ECX), the cancer molecular diagnostic company, today announced its full year results for the year ended 31 December 2010 and gave an outlook on the priorities for 2011.

Key Financials 2010 and Prognosis 2011

- Revenue for the full year of EUR 1.8 million (2009: EUR 4.3 million) generated from product sales of Epi proColon® kits and out-licensing and partnering activities;
- Decrease in revenues is due to recognition of non-recurring revenue from R&D support for partners in 2009;
- Costs of sales accordingly significantly dropped to EUR 0.5 million (2009: EUR 2.8 million)
- Overall operating costs decreased by 5% in 2010 due to further streamlining operations and commercially focused strategy execution.
- Costs for external R&D and for biological samples decreased significantly due to the finalization of the academic PRESEPT study in Q1/2010;
- Operating (EBIT) loss increased by 12% to EUR 11.5 million (2009: EUR 10.2 million);
- Net loss for the year amounted to EUR 11.5 million (2009: EUR 10.2 million);
- Cash consumption improved with EUR 10.3 million in 2010 compared to EUR 11.3 million in 2009;
- Financial position substantially strengthened by capital increase in Q1/2010 resulting in gross proceeds of EUR 33.1 million;
- Cash and cash equivalents at year end 2010 amounted to EUR 24.6 million in (2009: EUR 4.0 million);
- 2011 financial guidance: EBIT, net loss and cash consumption for 2011 expected to be at similar levels compared to 2010;
- Accrued losses expected to surpass 50% of share capital in German statutory accounts (HGB) in H2 2011 and if so, will require an extraordinary shareholder meeting pursuant to Sec. 92 para 1 AktG (German Stock Corporation Act).

Operational Highlights in 2010 and 2011 YTD

- Epigenomics accelerated sales of its blood-based Septin9 test, Epi proColon®, for the early detection of colorectal cancer. The test is now broadly available in Germany and Switzerland and the Company further expanded its commercial network into new markets, including Austria, France, Israel, Turkey and the Middle East. In parallel, the Company is working towards guideline inclusion and reimbursement in Germany and other key markets.
- The Company in 2010 significantly progressed development of its 2nd generation colorectal cancer blood test, Epi proColon® 2.0. A prototype demonstrated excellent clinical performance of 91%

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sensitivity at 87% specificity. The new assay is easier to use, faster and compliant with FDA manufacturing and quality requirements.

- Submission of Epi *proColon*[®] 2.0 for FDA premarket approval (PMA) in the U.S. is planned for Q4 2011, the launch of Epi *proColon*[®] 2.0 in Europe is expected in the same time frame.
- In parallel, the Company has started developing and implementing a strategy to obtain U.S.-guideline inclusion and reimbursement following the potential approval and launch of an FDA-approved Epi *proColon*[®] test in the U.S.
- With the announcement of a new CEO of the U.S. subsidiary Epigenomics Inc. in due course, the Company will also start building a core commercial team to prepare the launch of a future U.S. product in the event of approval by the FDA. The Company will inform on the new head of the U.S. operation in a separate communication.
- Epigenomics made significant progress its lung cancer program, with a successful launch of Epi *proLung*[®] in July 2010 in Europe. The focus is now on building awareness and generating acceptance for the product among European key opinion leaders through clinical studies.

Geert Nygaard, Chief Executive Officer of Epigenomics commented:

“In 2010 we have continued evolving Epigenomics into a commercially-oriented, product-driven company, and this will continue to be the primary aim of our strategy going forward. We have continued to pursue a successful dual strategy with our own product, Epi *proColon*[®], and with our partners and their colorectal cancer blood tests using our ^mSEPT9 biomarker available around the world. After about a year in the market, we and our partners have started seeing the first commercial traction with these products and, most importantly, success stories of cancer cases detected by our test that otherwise might have gone unnoticed - with potential fatal consequences for the patients affected. Our main focus in 2011 will be on the strategically most important U.S. market. Great progress is being made with the development of our U.S. product and we believe we are still on plan for filing with the FDA within 2011. We align our activities here closely with our partner Abbott. As we are progressing with the development of our second generation product for the U.S. market, we have also made progress in building a commercial core team for the U.S. and will announce a new head of our Seattle-based U.S. operations shortly. In parallel we have initiated a project focused on U.S. reimbursement and screening guideline recognition.”

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Conference calls for press and analysts

The complete Annual Report 2010, which was released today, can be obtained from Epigenomics' website at: <http://www.epigenomics.com/en/news-investors/investors/financial-reports.html>.

Epigenomics will host a annual press conference in Frankfurt Main, Germany in German language at 11 am CET today. The company will also be hosting a conference call and audio webcast on the same day for analysts at 3pm CET today. Details of both events will be available on Epigenomics' website at <http://www.epigenomics.com/en/news-investors.html>.

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About Epigenomics

Epigenomics (www.epigenomics.com) is a molecular diagnostics company developing and commercializing a pipeline of proprietary products for cancer. The Company's products enable doctors to diagnose cancer earlier and more accurately, leading to improved outcomes for patients. Epigenomics' lead product, Epi *pro*Colon®, is a blood-based test for the early detection of colorectal cancer, which is currently marketed in Europe and is in development for the U.S.A. The Company's technology and products have been validated through multiple partnerships with leading global diagnostic companies including Abbott, QIAGEN, Sysmex, and Quest Diagnostics. Epigenomics is an international company with operations in Europe and the U.S.A.

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