RXi Pharmaceuticals Awarded $1 Million in IRS Grants to Advance RNAi Therapeutics

WORCESTER, Mass., Nov 02, 2010 (BUSINESS WIRE) – RXi Pharmaceuticals Corporation (Nasdaq: RXII), a recognized leader in RNAi-based therapeutic discovery and development, today announced that it was awarded four Therapeutic Discovery Project (TDP) grants, totaling $977,917, by the United States Internal Revenue Service (IRS) as part of the Patient Protection and Affordable Care Act of 2010.

“This unique program provides much needed financial support for innovative biotechnology research and development that is critical for the advancement of breakthrough therapies,” said Noah D. Beerman, President and Chief Executive Officer of RXi Pharmaceuticals. “This funding provides RXi with additional resources for the development of novel RNAi therapeutics in a number of important disease areas using our comprehensive RNAi platform. We are honored to have received these awards and look forward to continuing to advance our therapeutic pipeline.”

RXi submitted and received funding for four Therapeutic Discovery Projects, which were reviewed by the IRS and the Department of Health and Human Services (HHS). Allocation of the award took into consideration which projects show the greatest potential to create and sustain high-quality, high-paying U.S. jobs and to advance U.S. competitiveness in life, biological and medical sciences.

RXi’s Therapeutic Discovery Projects were entitled:

1. Development of self-delivering RNA Interference (RNAi) therapeutic for fibrotic disease
2. Self-Delivering RNA Interference Therapeutic for Age-Related Macular Degeneration (AMD)
3. Self-Delivering RNA Interference Therapeutic for ALS (Lou Gehrig’s Disease)
4. Oral Delivery of Glucose Encapsulated siRNAs for Rheumatoid Arthritis (RA)

Each of the four grants was approved for $244,479.25 in funding. $792,234.59 of the tax free grant will be received by the end of 2010, and the remaining $185,682.41 will be received in January 2011.

RNA interference (RNAi) is a gene-silencing technique that has the potential to block disease causing proteins before they are produced and to selectively inhibit the activity of any human gene.

About RXi Pharmaceuticals Corporation

RXi Pharmaceuticals is a recognized leader in RNAi-based therapeutic discovery and development with a comprehensive therapeutic platform that includes both RNA interference (RNAi) compounds and delivery methods. The company is leveraging this broad and integrated RNAi therapeutic platform to build a pipeline of RNAi therapeutics for the treatment of a number of disease areas, including its core focus of developing treatments for anti-scarring and retinal disorders as well as a continued interest in oncology and indications accessible by spinal cord delivery. RXi Pharmaceuticals believes it is well positioned to compete successfully in the RNAi therapeutics market based on the strength of its next generation therapeutic platform, experienced management team, accomplished Scientific Advisory Board, including Nobel Laureate, Dr. Craig Mello, and its broad intellectual property position in RNAi chemistry and delivery. www.rxipharma.com

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about future expectations, plans and future development of RXi Pharmaceutical Corporation’s products and technologies. These forward-looking statements about future expectations, plans and prospects of the development of RXi Pharmaceutical Corporation’s products and technologies involve significant risks, uncertainties and assumptions, including the risk that the development of our RNAi-based therapeutics may be delayed or may not proceed as planned and we may not be able to complete development of any RNAi-based product, the risk that the FDA approval process may be delayed for any drugs that we develop, risks related to development and commercialization of products by our competitors, risks related to our ability to control the timing and terms of collaborations with third parties and the possibility that other companies or organizations may assert patent rights that prevent us from developing our products. Actual results may differ materially from those RXi Pharmaceuticals Corporation contemplated by these forward-looking statements. RXi Pharmaceuticals Corporation does not undertake to update any of these forward-looking statements to reflect a change in its views or events or circumstances that occur after the date of this release.

SOURCE: RXi Pharmaceuticals Corporation