

July 2008

## OVERVIEW

ARYx is a biopharmaceutical company focused on developing novel drugs that eliminate known safety issues associated with well-established, commercially successful drugs. We use proprietary technologies to design structurally unique and patentable molecules that retain the efficacy of these original drugs but are metabolized through a potentially safer pathway to avoid specific adverse side effects associated with these compounds. We are developing a portfolio of product candidates aimed at large, chronic, oral markets.

## COMPANY

HEADQUARTERS  
Fremont, California

EMPLOYEES  
72, including 23 M.D.s/Ph.D.s

NASDAQ TRADING SYMBOL  
ARYX

## ADVANCED PIPELINE

We currently have four drug candidates in the clinic and additional leads for future programs undergoing optimization. **ATI-5923** is a patented molecule based on the drug warfarin and has recently completed a Phase 2 clinical trial for use as an anticoagulant to treat patients at risk for the formation of dangerous blood clots. **ATI-2042** is a patented molecule based on the drug amiodarone and is in Phase 2 clinical trials for the treatment of atrial fibrillation, a form of irregular heartbeat. **ATI-9242** is an oral antipsychotic agent for the treatment of certain psychiatric disorders including schizophrenia and is in Phase 1 clinical trials. **ATI-7505** is a patented molecule based on the drug cisapride and has completed Phase 2 clinical trials for the treatment of gastroesophageal reflux disease, constipation, and symptoms associated with chronic constipation.

## 2007 FINANCIAL DATA

CASH & SHORT TERM  
INVESTMENTS AS OF DEC 31, 2007  
\$63.1 million

NET PROCEEDS FROM IPO  
DATED NOV 7, 2007  
\$43.8 million

SHARES OUTSTANDING  
AT IPO (PRO FORMA)  
17.7 million

## SIGNIFICANT MARKET OPPORTUNITIES

### GI DISORDERS

- \$17B spent annually (WW) on GERD
- Est. 35-44M people (US) with functional dyspepsia
- Est. 5M patients (US) with gastroparesis
- Est. 36-57M people (US) with chronic constipation

### ANTICOAGULATION

- Greater than 3.2M patients (US) with AFIB, venous thromboembolism, or mechanical heart valves
- 33.6M prescriptions for warfarin written in 2006 (US)
- Approx. 80% of overall market is chronic use

### ATRIAL FIBRILLATION

- Most common form of cardiac arrhythmia affects >6.4M people (US, Europe and Japan)
- Approx. 2M patients (US) treated in 2006
- Est. one-third of treated AFIB patients (US) receive amiodarone

**ATI-7505**  
Gastrointestinal Disorders

**ATI-2042**  
Atrial Fibrillation

**ATI-5923**  
Anticoagulation

**ATI-9242**  
Psychiatric Disorders

DISCOVERY

PRECLINICAL

PHASE 1

PHASE 2

PHASE 3

March 2008

## DESIGNING IDEAL METABOLITES FOR SAFER DRUGS



Key to our RetroMetabolic Drug Design technology is the creation of a novel, pharmacologically inactive, nontoxic, easily excreted end product.

## COMMERCIALIZATION STRATEGY

We plan to retain the rights to each of our products at least until we have established proof-of-concept in clinical trials, after which we will consider licensing our products to large pharmaceutical companies to complete clinical development and prepare for commercialization. We also intend to forward-integrate commercially by developing sales and marketing capabilities to targeted physician specialties. We will look for licensing partners willing to assist us in creating this specialty commercial organization with the intention of adding additional, internally developed products at the commercialization stage to leverage these sales and marketing capabilities.

## DEVELOPMENT MILESTONES

- ATI-7505
- Completed definitive QTc study..... 1H2008
  - Completed Phase 2 trial in chronic constipation .... 2H2008
- ATI-5923
- Initiated Phase 2 trial (CLN-505) in AFIB..... 1H2008
  - Complete Phase 2 trial (CLN-505) in AFIB..... 1H2009
- ATI-2042
- Complete Phase 2 trial (CLN-205) in AFIB..... ~YE2008
- ATI-9242
- Initiated Phase 1 trial ..... 1H2008

## MANAGEMENT TEAM

PAUL GODDARD, PH.D.  
Chairman & Chief Executive Officer

PETER MILNER, M.D.  
President, Research & Development

JOHN VARIAN  
Chief Operating Officer &  
Chief Financial Officer

PASCAL DRUZGALA, PH.D.  
Chief Scientific Officer

DANIEL CANAFAX, PHARM.D.  
Chief Development Officer

DAVID NAGLER  
Vice President Corporate Affairs

## ANALYST COVERAGE

Steven Harr, M.D.  
Morgan Stanley

Bret Holley, Ph.D.  
Oppenheimer World Markets

William Tanner, Ph.D.  
Leerink Swann & Company

Adam A. Walsh, M.D.  
Jefferies & Company, Inc.

Brian Laegeler, CPA  
Morningstar

## CONTACTS

ARYx Therapeutics  
6300 Dumbarton Circle  
Fremont, CA 94555

INVESTORS & MEDIA  
David Nagler  
Vice President of Corporate Affairs  
(510) 585-2200 x211  
dnagler@aryx.com

BUSINESS DEVELOPMENT  
Karen Martell, Ph.D.  
Senior Director Business Development  
(510) 585-2200 x226  
kmartell@aryx.com