

PRODUCT OVERVIEW

ATI-7505 is a proprietary and patented oral prokinetic drug that has completed Phase 2 clinical trials for the treatment of gastrointestinal disorders. ATI-7505 was designed by ARYx to maintain the proven therapeutic benefit of cisapride, a drug marketed by Johnson & Johnson as Propulsid in the United States. Launched in 1993, cisapride reached sales of over \$1 billion before it was withdrawn from the market in 2000 due to serious cardiac side effects. These side effects occurred as blood levels of the drug rose significantly when CYP450 clearance was blocked because of the presence of other drugs cleared by the same metabolic pathway. ATI-7505 is designed to be metabolized through the esterase pathway, and is a highly selective 5HT4 receptor agonist with reduced off-target cardiovascular effects such as affinity for the hERG channel.

MARKET NEED FOR A SAFE PROKINETIC AGENT

It is estimated that there are more than 100 million cases of gastrointestinal (GI) disorders in the United States, and some patients may suffer from more than one GI disorder. ATI-7505 has the potential for use in various GI disorders, highlighted in the table below, for which increased motility would be beneficial. These include both upper and lower GI indications.

ATI-7505 TARGETED INDICATIONS

<p>GERD</p> <ul style="list-style-type: none"> • \$17B spent worldwide each year • Est. 10% of population experiences symptoms daily • Estimated 20-25% of patients (6.0-7.5M in US) do not obtain adequate relief from stomach acid-reducing treatments 	<p>FUNCTIONAL DYSPEPSIA</p> <ul style="list-style-type: none"> • Est. 35-44M people (US) with symptoms • Major subtype is postprandial distress syndrome (PDS) defined by: <ul style="list-style-type: none"> ○ Postprandial fullness ○ Early satiety, or ○ Upper abdominal bloating
<p>GASTROPARESIS</p> <ul style="list-style-type: none"> • Est. 5M people (US) with symptoms • High prevalence in diabetic patients • No existing therapies adequately meet this patient need 	<p>LOWER GI INDICATIONS</p> <ul style="list-style-type: none"> • Est. 36-57M people (US) with chronic constipation • Est. 5.5M adults (US) suffer from IBS with constipation • Est. 28M adults (US) suffer from IBS with intermittent constipation

ATI-7505 AT-A-GLANCE

- A novel prokinetic agent designed to have at minimum the same therapeutic benefits as cisapride without major safety concerns, including cardiac liabilities
- Optimized metabolism
- High selectivity, minimizing potential for off-target pharmacological effects
- Potential for use in a wide range of upper and lower GI disorders
- Partnered with P&G for full rights; returned to ARYx when P&G exited pharmaceutical development (In September 2009, P&G announced sale of pharmaceutical business)

BACKGROUND ON CISAPRIDE

- Approved in US in 1993 for nighttime GERD; used in multiple GI indications
- \$1 billion in sales at time of market withdrawal (2000)
- hERG channel interaction, QTc prolongation & cardiovascular liability

ATI-7505 SAFETY HIGHLIGHTS

- No QTc prolongation to-date; nearly 1,000 people treated with data supporting target product profile
- Results from thorough QT study support cardiac safety; FDA concurred with QT study results
- Metabolized through non-CYP450 clearance pathway; no drug-drug interactions expected

ATI-7505 CLINICAL STATUS

Completed

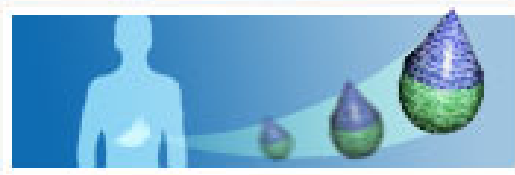
- Phase 2 Symptomatic GERD
- Phase 2 Erosive Esophagitis
- Phase 2 pH Study
- Phase 2 Chronic Idiopathic Constipation
- Thorough QT Study (TQT)

Ongoing (Investigator IND)

- Phase 2 Visceral Hypersensitivity in GERD Patients

ATI-7505 DEVELOPMENT SUMMARY

Nearly 1,000 people have been treated with ATI-7505 in clinical trials, including four Phase 2 trials. In these trials, dosing with ATI-7505 showed a reduction in episodes of esophageal reflux, and in some measurements of the symptoms of nighttime heartburn, nighttime acid regurgitation, and functional dyspepsia, as well as a dose-related increase in GERD erosion healing rates in patients with less severe erosions. In addition, we have shown statistically significant improvement in specific measures of both upper and lower gastrointestinal motility in patients, including those with chronic idiopathic constipation.

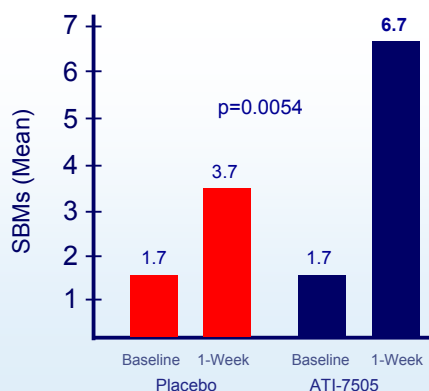


ATI-7505 COMPLETED KEY CLINICAL TRIALS

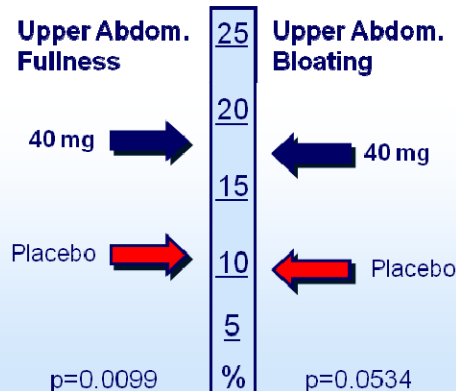
STUDY	RESULTS
Phase 1 Thorough QT	Safe and well tolerated: no QTc signal; FDA concurrence; supports target product profile
Phase 1 Motility	Gastric emptying accelerated (p=0.038); colon transit accelerated (p=0.031)
Phase 2 pH Study	Reflux episodes of >5 minutes reduced (p=0.0007)
Phase 2 EE GERD Efficacy	Healing of EE grade A patients: 57% 40mg qid; 41% 12mg qid; 33% placebo
Phase 2 sGERD Efficacy	Increase (57%) in symptom-free days in functional dyspepsia (p=0.011)
Phase 2 Chronic Constipation	FDA approvable endpoint met in 80 mg BID dose (p=0.0054)

ATI-7505 PHASE 2 SELECT RESULTS

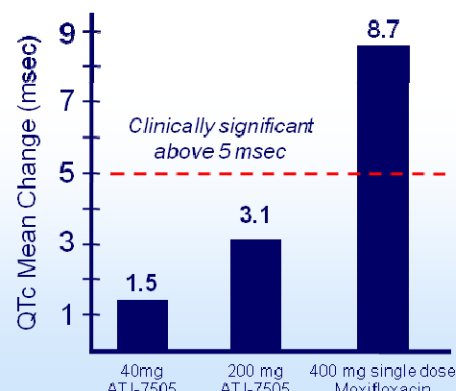
Chronic Constipation: Spontaneous Bowel Movements Primary Endpoint – 80mg BID



Postprandial Distress Syndrome: Reduction in Symptoms (% Chg. from Baseline)



Thorough QTc Study: Placebo-Corrected (ATI-7505 Dosed Every 6 Hours)



ATI-7505 UPCOMING DEVELOPMENT MILESTONES

ARYx is seeking to partner ATI-7505 for worldwide development and commercialization in both upper and lower GI indications.

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