May 7, 2014

Achillion Reports First Quarter 2014 Financial Results

NEW HAVEN, Conn., May 7, 2014 (GLOBE NEWSWIRE) -- **Achillion Pharmaceuticals, Inc.** (Nasdaq:ACHN) today reported financial results for the three months ended March 31, 2014. For the first quarter of 2014, the Company reported a net loss of $16.1 million or $0.17 per share, compared with a net loss of $11.7 million or $0.14 per share for the first quarter of 2013. Cash, cash equivalents, marketable securities and interest receivable as of March 31, 2014 were $144.7 million.

"We have made significant progress advancing our HCV program in the first few months of 2014 and were pleased to have recently announced the start of our Phase 1 clinical program for ACH-3422, a nucleotide inhibitor. With our financial resources, we believe we have sufficient capital to fund our operations into 2016 which we expect will enable us to report results from multiple studies including Phase 1 proof-of-concept data in the fall of 2014, Phase 2 study results from an ongoing trial evaluating our second-generation NS5A inhibitor, ACH-3102, with sofosbuvir, as well as results from additional Phase 2 studies expected to begin later this year," commented Milind Deshpande, Ph.D., President and Chief Executive Officer of Achillion. "We believe that the combination of a potent nucleotide and an NS5A inhibitor with a high-resistance barrier represents the most attractive approach for achieving pan-genotypic activity with high cure rates and short treatment duration to cure HCV. Furthermore, the ability to add an additional direct-acting antiviral agent, such as a protease inhibitor, to further shorten treatment duration leads us to believe that Achillion's portfolio is strongly positioned to be commercially-competitive in the global HCV market."

First Quarter 2014 Results

For the first quarter of 2014, the Company reported a net loss of $16.1 million, or $0.17 per share, compared with a net loss of $11.7 million, or $0.14 per share for the first quarter of 2013. Cash, cash equivalents, marketable securities, and interest receivable as of March 31, 2014 were $144.7 million.

Research and development expenses were $12.8 million in the first quarter of 2014, compared with $8.7 million for the same period of 2013. The increase was primarily due to increased preclinical and manufacturing costs for ACH-3422, combined with increased clinical development costs for ACH-3102 and ACH-2684. For the three months ended March 31, 2014, general and administrative expenses totaled $3.4 million, compared to $3.1 million for the same period in 2013, with the slight increase attributed to increased salaries and non-cash stock compensation charges, combined with increased legal and insurance costs.

Non-cash stock compensation expense totaled $1.6 million for the first quarter of 2014 as compared with $1.4 million for the first quarter of 2013, and is included in research and development and general and administrative expenses.

Other Updates

On May 5, 2014, without any settlement payment by Achillion, any individual defendant or any third party on their behalf, the lead plaintiffs in the previously disclosed consolidated class action lawsuit originally filed in October 2013 against Achillion and certain of its current and former officers in the United States District Court for the District of Connecticut voluntarily dismissed all of their claims without prejudice. The Court approved the Notice and closed the case on May 6, 2014. A dismissal without prejudice does not prevent the litigation of the same claims in a subsequent action.

About HCV

The hepatitis C virus is the most common cause of viral hepatitis, which is an inflammation of the liver. It is currently estimated that more than 150 million people are infected with HCV worldwide including more than 5 million people in the United States. Three-fourths of the HCV patient population is undiagnosed; it is a silent epidemic and a major global health threat. Chronic hepatitis, if left untreated, can lead to permanent liver damage that can result in the development of liver cancer, liver failure or death. Few therapeutic options currently exist for the treatment of HCV infection.

About Achillion Pharmaceuticals

Achillion is an innovative pharmaceutical company dedicated to bringing important new treatments to patients with infectious disease. Achillion's proven discovery and development teams have advanced multiple product candidates with novel mechanisms of action. Achillion is focused on solutions for the most challenging problems in infectious disease including

HCV. For more information on Achillion Pharmaceuticals, please visit www.achillion.com or call 1-203-624-7000.

Cautionary Note Regarding Forward-Looking Statements

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks, uncertainties and other important factors that could cause actual results to differ materially from those indicated by such forward-looking statements, including statements with respect to: the period in which the Company expects to have capital to fund its operations and the availability of such funds to enable achievement of near term clinical objectives; the potential benefits and prospects for Achillion's portfolio of HCV compounds; the expected efficiency and benefits of Achillion's clinical trial design approaches; the Company's goals and plans with respect to advancing compounds into and through clinical development and obtaining data readouts from trials of its compounds; and the commercially competitive position of the Company's portfolio of drug candidates. Achillion may use words such as "expect," "anticipate," "project," "intend," "plan," "aim," "believe," "seek," " estimate," "can," "may," "will," "would," and "should" and similar expressions to identify such forward-looking statements. Among the important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are risks relating to, among other things Achillion's ability to: demonstrate in any current and future clinical trials the requisite safety, efficacy and combinability of its drug candidates; advance the preclinical and clinical development of its drug candidates, including ACH-3422, ACH-3102 and ACH-2684, under the timelines it projects in current and future clinical trials; satisfactorily respond to the clinical hold placed on sovaprevir by the FDA; obtain and maintain necessary regulatory approvals; obtain and maintain patent protection for its drug candidates and the freedom to operate under third party intellectual property; establish commercial manufacturing arrangements; identify, enter into and maintain collaboration agreements with appropriate third-parties; compete successfully with numerous other companies that are seeking to develop improved therapies for the treatment of HCV; manage expenses; manage litigation; raise the substantial additional capital needed to achieve its business objectives; and successfully execute on its business strategies. These and other risks are described in the reports filed by Achillion with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K for the year-ended December 31, 2013.

In addition, any forward-looking statements in this press release represent Achillion's views only as of the date of this press release and should not be relied upon as representing its views as of any subsequent date. Achillion disclaims any duty to update any forward-looking statement, except as required by applicable law.

-- Financial Tables Attached --

ACHILLION PHARMACEUTICALS INC. (ACHN)

Statements of Operations

(Unaudited, in thousands, except per share amounts)

	Three Months Ended March 31,	
	2014	**2013**
Revenue	$ --	$ --
Operating expenses:		
Research and development	12,842	8,719
General and administrative	3,393	3,074
Total operating expenses	16,235	11,793
Loss from operations	(16,235)	(11,793)
Other income (expense):		
Interest income	158	77
Interest expense	(11)	(22)
Net loss	$ (16,088)	$ (11,738)

Net loss per share - basic and diluted	$ (0.17)	$ (0.14)
Weighted average shares outstanding - basic and diluted	96,792	85,850

Balance Sheets
(Unaudited, in thousands)

	March 31, 2014	December 31, 2013
Cash, cash equivalents, marketable securities and interest receivable	$ 144,710	$ 159,104
Working capital	133,098	115,379
Total assets	147,982	162,417
Long-term liabilities	--	56
Total liabilities	9,533	9,459
Total stockholders' (deficit) equity	138,449	152,958

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