



Afexa Life Sciences Inc.

NEWS RELEASE

Afexa Announces 2011 Third Quarter Results

- Lower incidence of colds and flu during the quarter
- Net earnings \$0.9 million or \$0.01 per share
- Balance sheet remains strong with \$9.1 million cash position

EDMONTON, AB (February 11, 2011) – Afexa Life Sciences Inc. (“Afexa” or “the Company”) (TSX:FXA) today announced its financial results for the three months ended December 31, 2010.

Summary of consolidated financial results (in thousands except for per share amounts)	Three months ended December 31		Nine months ended December 31	
	2010	2009	2010	2009
Revenue	\$12,628	\$29,547	\$33,575	\$51,298
EBITDA ¹	1,551	10,274	4,039	13,377
Net earnings	934	6,816	1,983	8,478
Earnings per share - basic and diluted	0.01	0.06	0.02	0.08

¹ This financial measure is identified and defined under the section "Non-GAAP Financial Measures".

Revenue during the quarter ended December 31, 2010 was modest as the incidence of cold and flu was relatively low and retailers entered the quarter well stocked with COLD-FX® product. This contrasts with the unusually high revenue reported during the comparative quarter ended December 31, 2009, which Management believes was largely driven by the presence of H1N1, a pandemic strain of the flu.

“As we have stated previously, revenue from our lead product, COLD-FX is highly dependent on the frequency and severity of colds and flu experienced in Canada,” commented Jack Moffatt, Afexa’s Chairman and CEO. “The incidence of cold and flu will continue to fluctuate and contribute to quarter-to-quarter volatility in our revenue. This year retailers entered calendar 2010 well stocked with product, in anticipation of a normal cold and flu season. However, in calendar 2010 incidence of colds and flu were much lower than the prior year. In particular, the January to April 2010 period, post H1N1, was very light and continued to be light well into the fall 2010 cold and flu season.”

Moving into the fourth quarter ending March 31, 2011, Afexa’s revenue will continue to be dependent on the incidence of cold and flu in Canada and the related consumer demand for COLD-FX. So far this quarter, the incidence of cold and flu among the Canadian population has been tracking above the same period last year according to FAN Canada, a third party organization that tracks the incidence of cold and flu among the Canadian population.

“Based on these encouraging signals, we currently expect revenue for the upcoming quarter will exceed the revenue reported in the comparative three-month period ended March 31, 2010,” said Mr. Moffatt. “On a year over year basis, however, revenue for our fiscal year ending March 31, 2011 is expected to be more comparable to the Canadian derived revenue for the twelve-month period ended March 31, 2009, which did not include the H1N1 anomaly.”

“Despite these seasonal fluctuations, we continue to project significant revenue growth over the coming years as we execute our strategic plan. Within the next five years, our strategic plan is designed to deliver to our shareholders average annual revenue growth in excess of 10%.”

Please see Afexa’s Management Discussion and Analysis for the three and nine months ended December 31, 2010 for further discussion regarding the Company’s product pipeline candidates and growth strategies.

Strong Balance Sheet Sets Stage for Future Growth

Afexa continues to maintain a strong balance sheet with a cash position at December 31, 2010 of \$9.1 million. Except for an obligation under capital lease of \$0.8 million, the Company is essentially debt free.

COLD-FX Pediatric Trial Expands to 4th Province.

In January, 2011, a Toronto research unit joined teams in Edmonton, Halifax and Saint John in conducting a national clinical trial of COLD-FX in a pediatric population. The landmark trial, which is exploring the potential efficacy of a children’s formulation of COLD-FX in reducing cold and flu symptoms, was launched in October, 2010.

Normal Course Issuer Bid Continues

Effective October 18, 2010, Afexa renewed its normal course issuer bid (“NCIB”) with the Toronto Stock Exchange. The NCIB permits the Company to purchase, over a one-year period, up to 5% (5,212,941) of its issued and outstanding common shares. During the quarter ended December 31, 2010, the Company repurchased 259,508 common shares at a weighted average trading price of \$0.51 per share. Afexa’s management continues to believe the current market price of the Company’s common shares does not reflect their underlying value.

A complete set of Afexa’s most recent Financial Statements and Management’s Discussion and Analysis will be filed on SEDAR (www.sedar.com) and posted on the Company’s web site.

ABOUT AFEAX LIFE SCIENCES INC

Afexa Life Sciences Inc., founded in 1992, strives to deliver the most trusted health brand on the planet through pioneering evidence-based natural medicines that empower people to achieve their health potential. The Company’s patented ChemBioPrint discovery and standardization technology enables the development of effective and safe medicines from complex natural sources, while ensuring reliable health benefits and batch-to-batch consistency. COLD-FX, a ChemBioPrint[®] product, is the Company’s flagship product and Canada’s leading over-the-counter (“OTC”) cold and flu remedy. It is officially indicated in Canada to help reduce the frequency, severity and duration of cold and flu symptoms by boosting the immune system. COLD-FX products have NPNs and are supported by scientific evidence, including randomized, double-blind, placebo-controlled clinical trials.

COLD-FX was Canada’s best selling cold and flu remedy for the 52-week period ended December 18, 2010, according to The Nielsen Company. In addition, COLD-FX remains the number one natural cold remedy recommended by pharmacists and doctors in Canada, based on 2009/2010 surveys of over-the-counter counseling and recommendations reported by *Drugstore Canada* and *L’actualité pharmaceutique*, as well as *The Medical Post*.

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Non-GAAP Financial Measures

EBITDA is defined as earnings before interest, income taxes, depreciation and amortization. The Company uses EBITDA as a supplemental financial measure of its operational performance. The Company believes EBITDA to be an important measure as it excludes the effects of items that primarily reflect the impact of long-term investment decisions, rather than the performance of its day-to-day operations and is used by its lenders in computing certain bank covenants. As compared to net earnings according to GAAP, this measure is limited in that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenues in the Company's business. The Company evaluates such items through other financial measures such as capital expenditures and cash flow provided by operating activities. Management of Afexa believe this measurement is useful to assess a company's ability to service debt and to meet other payment obligations and as a valuation measurement.

Please see Afexa's Management Discussion & Analysis for the three and nine months ended December 31, 2010 for a reconciliation of EBITDA to net earnings, the most directly comparable financial measure calculated and presented in accordance with GAAP.

Advisory Regarding Forward-looking Statements

This news release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "would", "project", "could", "should", "contemplate", "potential", "depend", "forecast", "believe", "plans", "targets", "intends" and similar expressions are intended to identify such forward-looking statements. These forward-looking statements reflect our beliefs and are based on information currently available to us. These statements require the Company to make assumptions which it believes are reasonable, and which are subject to inherent risks and uncertainties. Actual results and developments may differ materially from the results and developments discussed in the forward-looking statements, as certain of these risks and uncertainties are beyond Afexa's control. The forward-looking information and statements included in this news release are not guarantees of future performance and should not be unduly relied upon.

Examples of such forward-looking statements include, but are not limited to: Afexa's goal to achieve average annual revenue growth in excess of 10% by the end of the next five years; expectation that revenue for the quarter ending March 31, 2011 will be dependent on the incidence of cold and flu in Canada and exceed the revenue reported in the comparative three-month period ended March 31, 2010; expectation that revenue for the year ending March 31, 2011 will be comparable to the Canadian derived revenue for the twelve-month period ended March 31, 2009; and management's belief that the current market price of the Company's common shares does not reflect their underlying value. In addition, forward-looking statements are subject to the following risks and uncertainties which include, among other matters, the impact of competition; consumer confidence and spending levels; general economic conditions; interest and currency exchange rates; unseasonable weather patterns; the incidence of illnesses in the general population; the cost and availability of capital; the cost and availability of grants/funding; product development; lawsuit final settlement expectations within insurance limits; reliance on third parties; dependence on a small number of major customers; adequacy of the Company's cash position to mitigate potential tightening of credit terms; success and adequacy of the Company's long-term strategic objectives; and the risk that actual results may differ from management's assumptions and estimates.

The Company believes that the expectations and assumptions reflected in the forward-looking information and statements contained herein are reasonable, but no assurance can be given that these expectations and assumptions are correct and that the results, performance or achievements expressed in, or implied by, forward-looking statements within this disclosure will occur, or, if they do, that any benefits may be derived from them. Afexa assumes no duty to update or revise forward-looking information, except as may be required pursuant to applicable laws. All forward-looking information is expressly qualified in its entirety by this cautionary statement. Further information regarding risks and uncertainties relating to Afexa and its securities can be found in the disclosure documents filed with the securities regulatory authorities, available at www.sedar.com. The Company claims exemptions under U.S. SEC Rule 12g3-2(b).