

NeuroSearch A/S  
Pederstrupvej 93  
DK - 2750 Ballerup  
Denmark  
Telephone: +45 44 60 8000  
Telefax: +45 44 60 8080  
ns@neurosearch.dk  
www.neurosearch.com  
CVR No: DK-12 54 61 06

## Announcement

### **NeuroSearch announce an expansion to their existing alliance with GlaxoSmithKline**

- ***The new amendment adds more novel compounds to the portfolio of compounds that are being developed under the existing alliance and which were selected under the previous five-year drug discovery phase of the alliance***
- ***NeuroSearch will receive an undisclosed upfront payment and may receive up to DKK 812 million (EUR 109 million) in premarketing milestone payments as well as sales royalties from GlaxoSmithKline (GSK) on each of the novel compounds in the expanded portfolio***
- ***Each novel compound is now included in the existing alliance's conditional share put option for NeuroSearch totalling up to DKK 149 million (EUR 20 million)***

Following the completion of a five-year (2003-2008) drug discovery alliance, having covered multiple drug discovery programmes and drug targets, NeuroSearch and GSK have agreed to include additional compounds into the portfolio of assets under continued collaboration.

Going forward, the collaboration primarily focuses on joint development of novel drug candidates identified and matured during the previous five years of the drug discovery collaboration. Including the new amendment, the alliance portfolio now comprises both clinically and pre-clinically staged drug candidates and a number of additional compounds characterized as potential development candidates but not yet taken into the development phase.

In summary, NeuroSearch could receive milestone payments from the total expanded portfolio of up to more than DKK 7 billion (>EUR 950 million) plus attractive double-digit royalties on GSK's global sales of any marketed product under collaboration. In 2009-2010, upfront payment and potential short term milestone payments may exceed DKK 525 million (> EUR 70 million).

Further, NeuroSearch retains a conditional right to sell additional ordinary NeuroSearch shares ("share put option") to GSK at market price for a total amount of up to DKK 149 million (EUR 20 million) until end November 2010. The share put option can be exercised at NeuroSearch's own discretion in four equal tranches in connection with initiation of Phase I studies with compounds from the expanded portfolio.

For the expanded portfolio of drug candidates, NeuroSearch will be responsible for the preclinical as well as for the early clinical development up to and including clinical Phase IIa studies ("Proof-of-Concept") whereas GSK will be responsible for the late-stage development as well as production and commercialisation. On each compound covered by the agreement, NeuroSearch will receive milestone payments throughout the development phases with the first payments to be received on Phase I initiation or even earlier for a part of the portfolio. For each product that is successfully developed and commercialized, NeuroSearch will receive DKK 812 million (EUR 109 million) in pre-marketing milestone payments as well as double digit royalties on GSK's global sales.

As of 1 January 2009 the expanded portfolio of compounds covered by the collaboration with GSK, including the novel compounds from the new amendment consists of the following:

- NS2359 for the treatment of depression, currently in Phase IIb development. Remaining milestone payments amount to DKK 625 million (EUR 84.5 million) and NeuroSearch is entitled to royalties on GSK's global sales of the product. Results from two completed Phase IIb studies as well as GSK's decision on Phase III development are expected during H1 2009.
- Five compounds in pre-clinical development. Pre-marketing milestone payments per product are agreed to amount to up to DKK 812 million (EUR 109 million) and NeuroSearch is entitled to royalties on GSK's global sales. In the assessment of the joint portfolio to be taken forward, NeuroSearch and GSK have agreed to halt further development of the compound NSD-644.
- A defined number of potential development candidates (qualified lead compounds) selected under the new amendment to be advanced into pre-clinical development in the first half of 2009. Milestone payments will be accelerated for these compounds.

Flemming Pedersen, CEO of NeuroSearch, commented:

*"We are very pleased to announce the broad scope of continued collaboration with GSK following five years of successful drug discovery efforts. Our joint portfolio of drug candidates represents significant revenue potential to NeuroSearch – both short term and long term, and secures the basis for optimal speed and progress in the development of a large part of our drug pipeline."*



NeuroSearch will disclose financial guidance for 2009 in connection with the company's 2008 full year announcement on 4 March 2009.

Thomas Hofman-Bang  
Chairman of the Board

**Contact persons:**

Flemming Pedersen, CEO, telephone: +45 4460 8214 or +45 2148 0118

Hanne Leth Hillman, Vice President, Director of Investor Relations & Corporate Communications, telephone: +45 4017 5103

### **NeuroSearch - Company profile**

NeuroSearch (NEUR) is a Scandinavian biopharmaceutical company listed on Nasdaq OMX Copenhagen. The company's core business covers the development of novel drugs, based on a broad and well-established drug discovery platform focusing on ion channels and CNS disorders. A substantial share of NeuroSearch's activities is partner financed through collaborations with GlaxoSmithKline (GSK), Abbott and Astellas. The drug pipeline comprises 13 clinical (Phase I-III) development programmes: ACR16 for Huntington's disease (Phase III), tesofensine for obesity and in Type 2 diabetes (ready for Phase III), NS2359 for depression (Phase II) and ADHD (Phase II) in partnership with GSK, ABT-894 for ADHD (Phase II) and pain (Phase II) in partnership with Abbott, ACR16 for schizophrenia (Phase I) in partnership with Astellas, ACR325 for Parkinson's disease (Phase II in preparation) and bipolar disorder (Phase II in preparation), ABT-107 and ABT-560 for the treatment of various CNS disorders – both (Phase I) in collaboration with Abbott, ACR343 for Parkinson's disease (Phase I) and NSD-788 for anxiety/depression (Phase I). In addition, NeuroSearch has a broad portfolio of preclinical drug candidates and holds equity interests in several biotech companies.