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Investor News

NeuroSearch's associated company NsGene A/S meets important milestone with the successful Phase Ib dosing of NsG0202 in Alzheimer's patients

NsGene A/S, 25% owned by NeuroSearch, today announced that its novel biodelivery product, NsG0202, has been successfully implanted into the brains of three patients with Alzheimer's disease (AD) as part of an ongoing Phase Ib clinical study. The Phase Ib study was initiated by NsGene in December 2007 in collaboration with the Karolinska University Hospital in Stockholm, and after safety and functional evaluations, an additional three Alzheimer's patients will be implanted with NsG0202 in this year-long study.

NsG0202 for AD is based on NsGene's proprietary and unique EC (encapsulated cell) biodelivery platform and consists of an implantable device that secretes nerve growth factor (NGF). NGF has shown to have neuroprotective and regenerative effects when delivered to diseased neurons in relevant areas of the brain. Hence, NsG0202 represents a novel treatment method for AD aimed at restoring brain function and not only at alleviating symptoms.

The EC biodelivery approach may constitute a breakthrough in the treatment of severe neurological disorders, such as AD, Parkinson's disease, and epilepsy, and NsG0202 is the first in NsGene's pipeline of EC biodelivery products expected to enter clinical trials over the next two years.

Lars U. Wahlberg, Executive Vice President and COO, NsGene comments:
"*This is a significant milestone for NsGene and our EC biodelivery platform and pipeline. The successful implantation into the first three patients suffering from Alzheimer's disease has demonstrated that the devices can be implanted with both precision and safety and is paving the way for additional clinical studies.*"

Flemming Pedersen, CEO of NeuroSearch comments:
"*NsGene's EC biodelivery technology represents a completely novel and highly promising approach to the treatment of neurological diseases. Today, it is only possible to offer e.g. Alzheimer's, Parkinson's and epilepsy patients temporary symptomatic relief, but NsGene's products hold the potential of introducing future disease modifying neurological treatments. With the successful implantation of NsG0202, NsGene is well ahead in proving that it is possible to deliver biological agents into the human brain in a safe way. This is a quantum leap forward for NsGene, and as a major shareholder in the company we are very satisfied with their progress."*

For further information, please see attached Press release from NsGene A/S

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NeuroSearch (NEUR) is a Scandinavian biopharmaceutical company listed on the OMX Nordic Exchange Copenhagen A/S. Our 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 part of the company's activities are partner financed through a broad alliance with GlaxoSmithKline (GSK) and collaborations with among others Abbott and Astellas. The drug pipeline comprises 13 clinical (Phase I-III) development programmes: ACR16 in Huntington's disease (Phase III in preparation), tesofensine in obesity (Phase III in preparation), NS2359 in depression (Phase II) and ADHD (Phase II) in partnership with GSK, ABT-894 in ADHD (Phase II) and pain (Phase II) in partnership with Abbott, ACR16 in schizophrenia (Phase I) in partnership with Astellas, ACR325 in bipolar disorder/Parkinson's disease (Phase I), ABT-107 as well as ABT-560 for the treatment of various CNS diseases – both (Phase I) in collaboration with Abbott, NSD-644 in pain a. o. (Phase I) in partnership with GSK, ACR343 in Parkinson's disease (Phase I) and NSD-788 in anxiety a. o. In addition, NeuroSearch has a broad portfolio of preclinical drug candidates and holds equity interests in several biotech companies.

Copenhagen, Denmark, April 7th, 2008

PRESS RELEASE - FOR IMMEDIATE RELEASE

Danish biotech company's restorative Alzheimer's product has successfully been implanted in patients

NsGene A/S today announced that its encapsulated cell (EC) biodelivery product, NsG0202, has successfully been implanted to the brains of three patients with Alzheimer's disease (AD).

The NsG0202 device for AD is the first in a pipeline of EC biodelivery products based on NsGene's proprietary platform expected to enter clinical trials for neurological disorders over the next two years. The product is a disease modifying implant that represents a novel treatment method aimed at restoring brain function and not only at alleviating symptoms. Thereby, it may constitute a breakthrough in the treatment of severe diseases of the central nervous system, such as AD, Parkinson's disease, and epilepsy.

The product consists of an implantable EC biodelivery device that secretes nerve growth factor (NGF). NGF has shown to have neuroprotective and regenerative effects when delivered to diseased neurons in relevant areas of the brain. NsG0202 is aimed at treating the progressive dementia associated with AD. The current phase Ib clinical trial is carried out in collaboration with the Department of Geriatrics and Department of Neurosurgery at the Karolinska University Hospital in Stockholm and is headed by Assoc. Prof. Maria Eriksdotter Jönhagen, Department of Geriatrics. Three patients were successfully implanted by the neurosurgical team headed by Prof. Bengt Linderoth. The devices were placed at precise anatomical locations using MRI-guided, stereotactic neurosurgery. After safety and functional evaluations, an additional three patients will be implanted. Thus, in total, six patients will participate in this year-long phase Ib study.

"*This is a significant milestone for NsGene and our EC Biodelivery platform and pipeline*" says Lars U. Wahlberg, Exec. Vice President and COO, NsGene. He continues: "*The successful implantation of the first three patients suffering from Alzheimer's disease has demonstrated that the devices can be implanted with both precision and safety and is paving the way for additional clinical studies.*"

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Background on EC biodelivery device

The EC-biodelivery is a cell-based biodelivery system of protein factors to the nervous system providing a controlled, site-specific and safe delivery of a variety of therapeutic substances. For central nervous system (CNS) indications, one or multiple EC biodelivery devices can be implanted in defined regions of the brain to deliver any proteins, including growth factors, antibodies, and neuropeptides, across the blood-brain-barrier. The proprietary EC biodelivery system consists of a catheter-like device containing in its active portion a genetically modified human cell line enclosed behind a semi-permeable hollow fiber membrane. The membrane allows for the influx of nutrients and the outflow of the therapeutic factor(s) but prevents the direct contact between the therapeutic cells and the host tissue. The encapsulated cells provide long-term factor secretion from the implanted device.

EC biodelivery is a strongly and broadly patented technology platform offering great safety advantages over direct gene therapy approaches, and technical and functional advantages over pump technologies.

Background on NsGene

NsGene A/S (www.nsgene.com) is a privately held Danish biotechnology company founded in December 1999 as a spin-off from NeuroSearch A/S. NsGene develops novel biologicals for the treatment of neurological diseases. Based on the EC biodelivery platform, NsGene develops EC biodelivery products for neurological diseases including Alzheimer's disease, Parkinson's disease and intractable epilepsy. In addition hereto, a number of EC biodelivery products for other indications are under investigation. Today, NsGene employs 27 people at its research facility located near Copenhagen in the Medicon Valley Region. For more information, please see **www.nsgene.dk**.