

## Galapagos business update

**Mechelen, Belgium; 15 November 2013 – Galapagos NV (Euronext: GLPG) announced today that third quarter 2013 results were in line with management expectations. Management revised guidance for 2013 year end cash balance to €135 million (up from €125 million). This increase is due to cash received from recent deals and timing difference in spending on clinical development programs. The guidance for 2013 Group revenues remains unchanged at €160 million.**

“Galapagos made progress on its financial and operational goals in the third quarter, announcing a major new collaboration with AbbVie to add power to our cystic fibrosis research efforts, achievement of milestones in the alliances, and the award of a sizeable grant from the Flemish IWT,” said Onno van de Stolpe, CEO of Galapagos. “We are focused on delivering the Phase 2B RA study and the Phase 2 Crohn’s study with GLPG0634, while also achieving our ambitious clinical milestones on our proprietary and other partnered programs.”

In the third quarter of 2013, Galapagos reported a major new alliance and substantial progress in its R&D programs.

Galapagos and AbbVie entered into a global alliance to discover, develop and commercialize novel potentiator and combination therapies in cystic fibrosis. AbbVie and Galapagos are working collaboratively to contribute technologies and resources in order to develop and commercialize oral drugs that address the main mutations in CF patients, including F508del and G551D. Galapagos received a \$45 million upfront payment and is eligible to receive up to \$360 million in milestones, plus double-digit royalties on sales of products arising from the alliance.

On the clinical development side, Galapagos initiated a First-in-Human (FIH) Phase 1 study with GLPG1205, which is being developed in the field of Inflammatory Bowel Disease in alliance with Janssen Pharmaceutica. This achievement triggered a €6.6 million milestone payment to Galapagos. The study is expected to readout topline results by the end of this year.

In the osteoarthritis alliance with Servier, Galapagos delivered novel molecules. This achievement involved a late stage discovery milestone for small molecules against a novel target; this triggered a €3 million payment to Galapagos. Work on the pre-clinical candidate in the Servier osteoarthritis alliance was ended in the fourth quarter due to toxicity findings of the molecule. The most advanced compound in this alliance is now in the lead optimization stage.

The Flemish agency for Innovation by Science and Technology (IWT) awarded Galapagos a TGO (transformational medical research) grant of €2.4 million for psoriasis research and development. The goal of this 4-year project is to bring a novel mode of action compound into the clinic that might lead to a safe and effective treatment for patients suffering from psoriasis.

Galapagos now has 5 pre-clinical candidates, three partnered and two fully owned by Galapagos. The Company remains on track to nominate an additional pre-clinical candidate from the potentiator series in cystic fibrosis before year end.

Galapagos appointed David Smith as CEO of the Service Division. Argenta announced a drug discovery collaboration with Pcovery, and in the fourth quarter BioFocus signed an agreement worth up to \$31 million with Biogen Idec in scleroderma.

## About Galapagos

[Galapagos](#) (Euronext: GLPG; OTC: GLPYY) is specialized in novel modes-of-action, with a large pipeline comprising of five Phase 2 studies (two led by GSK), one Phase 1 study, five pre-clinical, and 20 discovery small-molecule and antibody programs in cystic fibrosis, inflammation, antibiotics, metabolic disease, and other indications.

AbbVie and Galapagos signed an agreement in CF where they work collaboratively to develop and commercialize oral drugs that address two mutations in the CFTR gene, the G551D and F508del mutation. In the field of inflammation, AbbVie and Galapagos signed a worldwide license agreement whereby AbbVie will be responsible for further development and commercialization of [GLPG0634](#) after Phase 2B. GLPG0634 is an orally-available, selective inhibitor of JAK1 for the treatment of rheumatoid arthritis and potentially other inflammatory diseases, currently in Phase 2B studies in RA and about to enter Phase 2 studies in Crohn's disease. Galapagos has another selective JAK1 inhibitor in Phase 2 in psoriasis and lupus, GSK2586184 (formerly GLPG0778, in-licensed by GlaxoSmithKline in 2012). [GLPG0974](#) is the first inhibitor of FFA2 to be evaluated clinically for the treatment of IBD; this program is currently in a Proof-of-Concept Phase 2 study. [GLPG1205](#) is a first-in-class molecule that targets inflammatory disorders and is currently in a First-in-Human Phase 1 study.

The Galapagos Group, including fee-for-service companies [BioFocus](#), [Argenta](#) and [Fidelta](#), has around 800 employees and operates facilities in five countries, with global headquarters in Mechelen, Belgium. Further information at: [www.glpg.com](http://www.glpg.com)

## Contact

Guillaume Jetten, CFO

Tel: +31 6 5230 3005

[ir@glpg.com](mailto:ir@glpg.com)

## Galapagos forward-looking statements

*This release may contain forward-looking statements, including, without limitation, statements containing the words "believes," "anticipates," "expects," "intends," "plans," "seeks," "estimates," "may," "will," "could," "stands to," and "continues," as well as similar expressions. Such forward-looking statements may involve known and unknown risks, uncertainties and other factors which might cause the actual results, financial condition, performance or achievements of Galapagos, or industry results, to be materially different from any historic or future results, financial conditions, performance or achievements expressed or implied by such forward-looking statements. Given these uncertainties, the reader is advised not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as of the date of publication of this document. Galapagos expressly disclaims any obligation to update any such forward-looking statements in this document to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, unless required by law or regulation.*