PRESS RELEASE **3 December 2007**

Addex and Merck & Co., Inc. Collaborate to Develop Drugs for Parkinson's Disease

Collaboration Targets a Non-Dopaminergic Approach to Treating Parkinson's Disease

Addex to Host Webcast and Conference Call Today at 5:00 pm CET (11:00 am EST)

Geneva, Switzerland – Allosteric modulation company Addex Pharmaceuticals (SWX:ADXN) announced today that it has entered an exclusive collaboration and license agreement with Merck & Co., Inc. (through its affiliate Merck Sharp & Dohme Research Ltd) with the goal of developing a new class of orally available drugs, initially as candidates for the treatment of Parkinson's disease and potentially other undisclosed indications. The partners will discover and develop positive allosteric modulators (PAMs) targeting the metabotropic glutamate receptor 4 (mGluR4). The deal includes lead mGluR4 PAMs discovered by Addex.

"We are proud to have established this collaboration with Merck because their researchers have helped to define the therapeutic potential of targeting mGluR4 to treat Parkinson's disease," Vincent Mutel, CEO of Addex, said. "This is another important validation of our leadership in allosteric modulation."

"Addex has made exceptional progress in the area of mGlu receptor allosteric modulation," said Darryle D. Schoepp, Ph.D., senior vice president and franchise head, Neuroscience, at Merck Research Laboratories. "This partnership is key to us jointly establishing a leadership position in the promising area of mGluR4 receptor modulation for Parkinson's disease. Merck scientists are excited to work with Addex to extrapolate the full value of this novel mechanism for a range of neuroscience disorders."

Parkinson's disease is a debilitating movement disorder. Current treatments focus on dopamine-replacement strategies, however most patients reach a stage where these treatments are no longer effective. There can also be debilitating side effects with current treatments and many patients limit doses so their symptoms are less cumbersome. The recent success of surgical approaches suggests that bypassing the dopamine system may provide a more effective treatment strategy. It is believed that selective activation of mGluR4 is one way to do this and could correct the circuitry that modulates motor excitability. This has the potential to provide significant palliative benefit in Parkinson's disease.

Under the terms of the agreement, Addex will receive $3 million upfront and is eligible for up to $106.5 million in research, development and regulatory milestones for the first product developed for multiple indications. Additional milestones of up to $61 million would be payable if a second and third product is developed. Addex is eligible to receive undisclosed royalties on sales of any products resulting from this collaboration.

Addex and Merck will collaborate on preclinical development. Merck will be responsible for clinical development. Addex has an option to co-promote in certain European Union countries and will participate in the joint oversight committee for clinical development. Addex will host a webcast & teleconference (see below).

Targeting glutamate receptors

Like dopamine and serotonin, glutamate is a key neurotransmitter in the human brain, an important signaling molecule involved in control of multiple brain functions ranging from motor control to mood. Although marketed drugs modulate specific receptors involved in both the dopaminergic and serotinergic systems, it has been difficult to develop drugs that target specific G protein coupled receptors in the glutamatergic system.

Merck has been a pioneer in research on mGlu receptors and the metabotropic glutamatergic system for multiple indications. For example, research by Merck scientists provided the first evidence that mGluR4 activation has potential for treatment of Parkinson's disease. However, a remaining challenge has been to make drug-like molecules that activate mGluR4 in a specific fashion. Addex is a pioneer in developing truly selective small molecule drug candidates targeting glutamate receptors and has previously disclosed programs targeting mGluR5 and mGluR2.

mGluR4 in Parkinson's disease

Published research* shows that mGluR4 activators, like those in development at Addex, could work via two distinct mechanisms to alleviate symptoms of Parkinson's disease and, potentially, even slow the progression of the disease: 1) mGluR4 activation triggers a compensatory mechanism that may spare or potentiate the use of

dopamine receptor activators; 2) mGluR4 activation may have a neuroprotective effect that helps to preserve the brain's dopaminergic neurons.

*_Nature Reviews Neuroscience_, Vol 6, Oct. 2005, pp 787-798

About Parkinson's disease

Parkinson's disease is a brain disorder. It occurs when certain nerve cells (neurons) in a part of the brain called the substantia nigra die or become impaired. Normally, these cells produce a signaling molecule (neurotransmitter) known as dopamine. Among other things, dopamine allows smooth, coordinated function of the body's muscles and movement. When approximately 80 percent of the dopamine-producing cells are damaged, the symptoms of Parkinson's disease appear.

Parkinson's disease affects both men and women in almost equal numbers. It shows no social, ethnic, economic or geographic boundaries. In the United States, it is estimated that 60,000 new cases are diagnosed each year, joining the 1.5 million Americans who currently have Parkinson's disease. While the condition usually develops after the age of 65, 15 percent of those diagnosed are under 50.

Most symptoms associated with Parkinson's disease, like tremor, rigidity and slowness, are caused by a lack of dopamine. Marketed medicines help to ease the symptoms of Parkinson's disease by either replacing or mimicking dopamine. Currently, no marketed products slow the disease progression. No marketed products work via non-dopaminergic mechanisms.

About Addex

Addex Pharmaceuticals discovers and develops allosteric modulators, an emerging class of small molecule therapeutic agents. Allosteric modulation may offer more sophisticated ways to normalize biological signaling compared to classical *orthosteric* agonist or antagonist drugs. *Allosteric*, literally translated from its Greek roots, means: *other site*. Thus, allosteric modulators bind receptors at sites that are distinct from the binding sites of classical small molecule "orthosteric" agonist and antagonist drugs.

The most advanced drug candidate, ADX10059, a negative allosteric modulator (NAM) of metabotropic glutamate receptor 5 (mGluR5), recently demonstrated clinically and statistically significant efficacy in separate Phase IIa clinical trials in gastroesophageal reflux disease (GERD) patients and migraine headache patients. Data from another Phase IIa clinical trial of ADX10059 in acute anxiety are due around the end of 2007.

The Addex discovery capability has previously been validated through a collaboration with Ortho-McNeil, a Johnson & Johnson company. The deal is limited to discovery and development of allosteric modulators of metabotropic glutamate receptor 2 (mGluR2).

In May 2007, Addex completed an initial public offering on the SWX Swiss Exchange, raising CHF137 million ($111 million / €83 million). The IPO was the largest biotech IPO in Europe in three years.

Contacts

Chris Maggos
Head of IR & Communications
Addex Pharmaceuticals
+41 22 884 15 11
chris.maggos@addexpharma.com

Webcast & Conference call

Title: Addex and Merck & Co. mGluR4 Deal

The webcast and slides will be available at: www.addexpharma.com

Teleconference for investors and analysts:

Date:	3 December 2007	
Time:	17:00 ~ 18:00 CET (11:00 am ~ 12:00 pm EST)	
Dial-in numbers:	+41 91 610 56 00	(Europe)
	+44 207 107 0611	(UK)
	+1 866 291 4166	(USA)

A replay and transcript will be made available in the investor relations section of Addex' website.

Disclaimer

The foregoing release contains forward-looking statements that can be identified by terminology such as "not approvable", "continue", "believes", "believe", "will", "remained open to exploring", "would", "could", or similar expressions, or by express or implied discussions regarding Addex Pharmaceuticals Ltd, its business, the potential approval of its products by regulatory authorities, or regarding potential future revenues from such products. Such forward-looking statements reflect the current views of Addex Pharmaceuticals Ltd regarding future events, and involve known and unknown risks, uncertainties and other factors that may cause actual results with allosteric modulators of mGluR4, mGluR2 or mGluR5 to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no guarantee that allosteric modulators of mGluR4, mGluR2 or mGluR5 will be approved for sale in any market or by any regulatory authority. Nor can there be any guarantee that allosteric modulators of mGluR4, mGluR2 or mGluR5 will achieve any particular levels of revenue (if any) in the future. In particular, management's expectations regarding allosteric modulators of mGluR4, mGluR2 or mGluR5 could be affected by, among other things, unexpected actions by our partners, unexpected regulatory actions or delays or government regulation generally; unexpected clinical trial results, including unexpected new clinical data and unexpected additional analysis of existing clinical data; competition in general; government, industry and general public pricing pressures; the company's ability to obtain or maintain patent or other proprietary intellectual property protection. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, believed, estimated or expected. Addex Pharmaceuticals is providing the information in this press release as of this date and does not undertake any obligation to update any forward-looking statements contained in this press release as a result of new information, future events or otherwise.