

For immediate release

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## Galapagos announces natural compounds collaboration with LEO Pharma

Mechelen, Belgium and Ballerup, Denmark; 1 November 2006 – Galapagos NV (Euronext & LSE: GLPG) announces a first collaboration with privately-held LEO Pharma, a leader in dermatology treatments and critical care. BioFocus DPI, Galapagos' service division, will use a subset of its natural compound collection for high throughput screening, hit verification, and profiling of selected compounds for LEO Pharma's antibacterial research program. In return, Galapagos stands to receive up to €400,000 in project fees and up to €3 million in milestone payments. Galapagos may also receive royalties on sales of commercial products resulting from the collaboration.

Today's agreement with LEO Pharma marks Galapagos' first for its natural compound collection, acquired with the drug discovery activities of Discovery Partners International in July 2006. It focuses on the discovery of new antibacterial agents using specific targeted screens. Screens for new antibiotics are particularly appropriate for natural product discovery.

"We are pleased with this new collaboration in many ways. Not only do we initiate a relationship with LEO Pharma, but we also confirm the interest from the market for our newly-acquired natural compounds collection and technologies by landing this high-value deal within only a few months after closing the DPI transaction," said Onno van de Stolpe, Chief Executive Officer of Galapagos.

"We at LEO Pharma are delighted to enter into this collaboration with BioFocus DPI and expect that gaining access to their significant repository of natural product subfractions will strengthen our antibiotic drug discovery program. We trust this will be the start of a successful and long term arrangement to discover new pharmaceutical natural products," said Dr. Tore Duvold, Vice President for Drug Discovery at LEO Pharma.

### BioFocus DPI natural compounds

Natural compounds are a major source of new medicines, as nearly half of drugs brought to market in the last 20 years originated from compounds derived from nature. With their unique organic characteristics, natural compounds are especially important for drug development against certain target classes. BioFocus DPI's natural compound collections are based on bacterial and fungal sources, offering characteristics differentiating these from synthetic chemistry collections, including high chemical and functional diversity, potent pharmacological activities over a broad range of biological targets, and desirable physicochemical properties.

### About Galapagos

Galapagos is a publicly traded, genomics-based drug discovery company (Euronext Brussels, GLPG; Euronext Amsterdam, GLPGA, London AiM: GLPG) that has drug discovery programs based on proprietary, novel targets in bone and joint diseases - osteoarthritis, osteoporosis and rheumatoid arthritis. Galapagos offers a full suite of target-to-drug discovery products and services to pharmaceutical and biotech companies through its division BioFocus DPI, encompassing target discovery and drug discovery services through to delivery of pre-clinical candidates. In addition, BioFocus DPI provides adenoviral reagents for rapid identification and

validation of novel drug targets and compound libraries for drug screening. Galapagos currently employs more than 330 people, including 144 PhDs, and operates facilities in seven countries, with global headquarters in Mechelen, Belgium. More information about Galapagos and BioFocus DPI can be found at [www.glpj.com](http://www.glpj.com).

### **About LEO Pharma**

LEO Pharma A/S is a research-based, fully integrated pharmaceutical company among the world's leading players in dermatology and critical care. The foundation-owned company is headquartered in Denmark, employs 3,000 people in 40 countries and markets its products in 90 countries. Further information about LEO Pharma can be found at [www.leo-pharma.com](http://www.leo-pharma.com).

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