

PRESS RELEASE

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Galapagos announces osteoporosis collaboration with Lilly

Companies will collaborate in development of novel class of medicines with potential to stimulate bone formation for the treatment of osteoporosis

Mechelen, Belgium; 19 December 2007 - Galapagos NV (Euronext & LSE: GLPG) announced today that it has entered into a global collaboration agreement with Eli Lilly and Company (NYSE:LLY) to develop potential new medicines for the treatment of osteoporosis.

Using its proprietary SilenceSelect™ and FLexSelect™ platforms, Galapagos has discovered and validated novel osteoporosis targets that may play a key role in bone formation. The agreement provides Lilly access to 12 of these proprietary osteoporosis targets and drug discovery programs to discover candidate drugs. Galapagos will be responsible for the development of drug candidates potentially through to phase IIa clinical Proof of Concept. Under the terms of the agreement, Lilly will have the exclusive option to further develop and commercialize these candidates on a worldwide basis. Galapagos will have the right to further develop and commercialize compounds for which Lilly does not exercise its option.

Galapagos will receive a €3 million upfront payment from Lilly. Contingent on achieving certain milestones, Galapagos is eligible for each target program to receive up to €88 million in discovery, development and regulatory milestones. Should a product be commercialized, Galapagos could receive up to €130 million of one-time sales milestones and up to double-digit royalties on worldwide sales of alliance products.

"We are very pleased that Lilly, a global leader in the development of osteoporosis drugs, has acknowledged the potential of our drug discovery platform," said Onno van de Stolpe, Galapagos' CEO. "This alliance with Lilly fits our strategy to maximize the value of our technology by forming risk/reward sharing deals with top-tier pharmaceutical companies. This represents the third major alliance that Galapagos has entered into to develop medicines to treat large underserved markets in bone and joint disease. Our drug discovery teams will now prosecute over 40 novel targets in programs that are largely partnered with major pharma companies, and are already reaching important milestones."

"This is an important collaboration for Lilly in the field of osteoporosis, and leverages our own internal expertise with Evista®, Forteo® and arzoxifene. The targets that Galapagos has discovered provide an excellent basis for the potential development of innovative drugs with bone forming properties," said Dr. William W. Chin, M.D., vice president of discovery research and clinical investigation for Lilly. "Combining our osteoporosis experience with Galapagos' drug discovery capabilities in this risk sharing alliance will hopefully accelerate the development of promising compounds."

Galapagos R&D in osteoporosis

Galapagos is a drug discovery company with pre-clinical programs in bone and joint diseases. In osteoporosis, the Company executes multiple programs, including those acquired through the

ProSkelia acquisition as well as the internal target discovery program that forms the basis for today's alliance.

About osteoporosis

Osteoporosis is principally a disease of middle age during which hormone levels essential for maintaining bone density decline. The development of osteoporosis is characterized by a clinically significant reduction in mean bone density due to an increase in bone resorption. The disease is four times as common in women than men. The enormous health care costs associated with osteoporosis, estimated at \$15 billion in the USA, are related to the greatly increased incidence of fractures in osteoporosis patients.

Galapagos webcast & press conference

Galapagos will host an audio webcast press conference starting at 10.30 Central European Time (CET) today at SNS Securities, Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam. To participate in the conference remotely by telephone, dial +32 2290 1608 prior to 10.25 CET. The live audio webcast of the press conference can be accessed on the Galapagos website at www.glpj.com.

About Galapagos

Galapagos (Euronext Brussels, GLPG; Euronext Amsterdam, GLPGA; London AiM: GLPG) is a drug discovery company with pre-clinical programs in bone and joint diseases and cachexia. Its division BioFocus DPI offers a full suite of target-to-drug discovery products and services to pharmaceutical and biotech companies, encompassing target discovery and validation, screening and drug discovery through to delivery of pre-clinical candidates. BioFocus DPI also provides adenoviral reagents for rapid identification and validation of novel drug targets, compound libraries for drug screening as well as chemogenomics and ADMET database products to select targets and compounds. Galapagos currently employs 460 people 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 and www.biofocusdpi.com.

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