

Galapagos and GlaxoSmithKline broaden arthritis alliance

- **Expansion of programs based on promising drug target GT622**
- **€6.5 M payment this year and additional milestones**
- **Total alliance value increased to more than €200 M, plus royalties**

Mechelen, Belgium; 16 December 2009 – Galapagos NV (Euronext: GLPG) announced today that it has expanded its arthritis alliance with GlaxoSmithKline (LSE & NYSE: GSK) to include additional drug discovery programs based on novel drug target GT622. Under the terms of this extension, Galapagos will receive a payment from GSK of €6.5 million cash and becomes eligible for additional success-based milestones and royalties. Since the start of the alliance in June 2006, Galapagos has received a total of €41 million in payments from GSK. The expanded arthritis alliance with GSK is now worth more than €200 million in milestones, plus up to double-digit royalties.

Earlier this month, Galapagos delivered the first clinical candidate, GLPG0555, in its arthritis alliance with GSK. Galapagos developed GLPG0555 based on the novel arthritis target GT622, identified through Galapagos' target discovery platform. Encouraged by this target's promising mode of action, GSK and Galapagos have now expanded the scope of the GT622 program to increase the chances of developing a new medicine based on this target. Under the broadened alliance, Galapagos will apply its medicinal chemistry and biology expertise to develop additional candidate compounds against GT622.

"With the candidate GLPG0555 in the clinic, this was the right moment to broaden the program and increase development efforts," said Onno van de Stolpe, Chief Executive Officer of Galapagos. "Through the €6.5 million payment and milestones for additional molecules ahead of us, this alliance is well financed and in excellent shape to progress novel arthritis candidate drugs into the clinic."

About the arthritis alliance

In June 2006, GSK and Galapagos initiated an arthritis alliance to discover and develop disease-modifying drugs for GSK's global R&D organization. In July 2007 and December 2008, GSK and Galapagos signed expansions to include additional targets into the alliance.

GSK and Galapagos have now broadened the alliance to include additional programs based on the novel drug target GT622 and will focus research efforts on multiple arthritis indications. GSK has an exclusive option to further develop and commercialize compounds originating from these programs on a worldwide basis.

The programs in the arthritis alliance with GSK are independent of the targets in Galapagos' rheumatoid arthritis alliance with Janssen Pharmaceutica.

About Galapagos

[Galapagos](#) (Euronext: GLPG; OTC: GLPYY) is a drug discovery and development company with small molecule programs in bone and joint diseases, bone metastasis, cachexia, anti-infectives and metabolic diseases. It has established risk sharing alliances with GSK, Janssen

Pharmaceutica, Eli Lilly and Merck and Co. Through an alliance with MorphoSys, Galapagos is also developing new antibody therapies in bone and joint diseases. Its division BioFocus offers a full suite of target-to-drug discovery products and services to pharmaceutical and biotech companies and to patient foundations, encompassing target discovery and validation, screening and drug discovery through to delivery of pre-clinical candidates. Galapagos currently employs 495 people and operates facilities in six countries, with global headquarters in Mechelen, Belgium. More info at: www.glpq.com.

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