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Galapagos NV applies for listing on Euronext Brussels and Euronext Amsterdam

Mechelen, Belgium, April 15, 2005 – Galapagos NV, a genomics-based drug discovery company, today announces the details of its intended capital increase and stock exchange listing on Euronext Brussels and Euronext Amsterdam. The price for the shares is expected to be between € 8.00 and € 10.00. Subscription for the shares will be open as of Monday April 18, 2005. The prospectus will be available as of Saturday April 16, 2005. Galapagos has appointed KBC Securities and Kempen & Co as joint lead managers and joint book runners and Fortis Bank as co-manager.

Offering, over-allotment and listing

The offering comprises up to € 35 million in newly issued shares and up to 82,562 newly issued shares through the exercise of warrants. In relation to the offering, Galapagos has granted an over-allotment option to the lead managers to purchase up to an additional € 5.25 million in newly issued shares. The shares will be placed through a public offering in both Belgium and the Netherlands in combination with an international private placement. Application for listing has been made on the Eurolist by Euronext Brussels and Euronext Amsterdam.

Subscription and pricing

The subscription period for the shares lasts from Monday April 18, 2005, 09.00 hrs CET, until Thursday April 28, 2005, 16.00 hrs CET. The lead managers reserve the right to close the subscription period at an earlier date and time. The price for the shares is expected to be between € 8.00 and € 10.00. The lead managers reserve the right to change the price range prior to the closing of the subscription period, after which the subscription period will stay open for at least two banking days. However, the price for retail investors will never exceed € 10.00. The definitive price and the number of shares placed with investors will be determined and announced following the closing of the subscription period.

Rationale for the offering and use of proceeds

The principal purposes of the offering are to increase Galapagos' capitalization and financial flexibility, to facilitate access to public capital markets and to provide a public market for Galapagos' shares. Galapagos intends to use the net proceeds of the offering to (i) fund therapeutic research and development programs, (ii) finance technology development, (iii) protect its intellectual property, (iv) in-license drug candidates, and (v) make acquisitions that strengthen the company's position and create value for the shareholders.

"We feel that Galapagos is ready to continue its life as a public company," says Onno van de Stolpe, CEO. "The company has made substantial progress over the past few years and now has a promising pipeline of disease-modifying targets and molecules for the bone and joint diseases. The combination of our high upside drug discovery program with our profitable service division provides an attractive competitive edge in the biotechnology industry. Our long list of corporate partners shows the acceptance of our technology by the industry and provides quality of recurring revenues."

Prospectus

The prospectus provides more information on Galapagos, the offer, and the risks with regard to investing in the shares of Galapagos. The prospectus will be available as of April 16, 2005 at Galapagos (Generaal De Wittelaan L11/A3, B-2800 Mechelen, Belgium, tel: +32 15 342 900), Galapagos Genomics BV (Archimedesweg 4, 2301 CA Leiden, The Netherlands, tel: +31 71 524 8800), KBC Securities (Havenlaan 12, 1080 Brussel, Belgium), Kempen & Co (Beethovenstraat 300, 1077 WZ, Amsterdam, The Netherlands, tel: +31 20 348 8500) and at the counters of all KBC Bank branches in Belgium. The electronic version of the prospectus will be available at the company website, www.glp.com, and at www.kbcsecurities.be.

Galapagos' activities

Galapagos is a genomics-based drug discovery company that has successfully discovered and validated novel targets in the bone and joint diseases osteoarthritis, osteoporosis and rheumatoid arthritis, as well as in asthma and Alzheimer's disease. Proprietary targets resulting from these programs are used for Galapagos' internal drug discovery programs, combined with selected out-licensing and partnering of projects during development. Galadeno, Galapagos' services unit, provides reagents and services to leading pharmaceutical and biotech companies for rapid identification and validation of novel drug targets.

Galapagos' target discovery platform is based on adenoviruses that efficiently introduce human gene sequences into a wide variety of human cells to knock-in or knock-down specific proteins. High-throughput assays that represent a selected human disease state are then used to functionally select for those proteins that have a causative effect in those models of human disease. After rigorous validation of these protein targets, they form the basis for the development of drugs. Galapagos is convinced that the targets identified by its technology are of such high quality that they have an enhanced chance of leading to a successful introduction of a new drug on the market.

In addition to forming the basis of Galapagos' internal target discovery activities, these adenoviral collections and screening technology are also made available to pharmaceutical companies and academic institutes through Galadeno, Galapagos' services unit. Numerous partners have already applied Galapagos' technology across a number of disease areas, aiding the pharmaceutical and scientific communities to better understand the cause of disease and further progressing the development of new drugs.

Galapagos was founded in 1999 as a joint venture between Crucell (Euronext Amsterdam) and Tibotec (subsidiary of Johnson & Johnson). The joint venture operated until 2002 when the company raised € 23.4 million in a private placement, which brought in reputed international life sciences investors: Abingworth, Alpinvest, Apax and Burrill.

Galapagos currently employs 66 people, including 16 PhDs, and occupies facilities in Mechelen, Belgium, and Leiden, The Netherlands. Galapagos' executive committee consists of:

- Onno van de Stolpe, Ir – Chief Executive Officer
- Graham Dixon, PhD – Chief Scientific Officer
- Dirk Pollet, PhD – Vice President Business Development
- Gustaaf Van Reet, PhD – Vice President Corporate Development
- Andre Hoekema, PhD – Managing Director Galadeno
- Vicky Gwosdz, Msc – Head of Finance

Galapagos' strategy

Galapagos is an innovative drug discovery company that develops breakthrough medicines for the treatment of bone and joint diseases. Galapagos' business model contains the building blocks to maximize the present and near-term revenues of its target discovery technology, while preserving the long-term value of the proprietary development of novel drugs.

Galapagos has built a promising drug target and discovery pipeline and a profitable service division. Partners include Bayer, Boehringer Ingelheim, Celgene, GSK, Vertex and Wyeth.

Galapagos has identified and validated drug targets in all its disease areas. The progression of targets into small molecule drug discovery and the subsequent pre-clinical and clinical phases of development require large financial and operational resources and the company has therefore decided to focus its internal efforts on the bone and joint disease programs. The asthma program, including the validated target set has been out-licensed to GlaxoSmithKline late last year, while the targets in the Alzheimer's disease area are scheduled to be out-licensed.

Recent developments

During the last six months, Galapagos has closed a number of important deals and reached several milestones in existing collaborations:

- Strategic partnership with GlaxoSmithKline in asthma, with a substantial upfront payment for target licensing and technology access, as well as a 3-year research commitment
- SilenceSelect discovery deal with Celgene
- SilenceSelect reagent deal with Vertex
- Custom reagent deal with Genentech
- Milestone payment in osteoporosis collaboration with Wyeth
- Milestone payment in cardiovascular collaboration with Bayer
- Target licensing milestone in collaboration with Boehringer Ingelheim
- SilenceSelect patent sub-license agreement with Invitrogen
- SilenceSelect discovery deal with the Cystic Fibrosis Foundation

As a result of the deal closings, Galapagos increased its revenues for 2004 to € 7.8 million from € 6.5 million in 2003. At the same time, the Company has been able to maintain its expenses at the same level as the previous year. The 2004 revenues include € 2.4 million in grant income. Galapagos ended the year 2004 with a cash position of € 10.3 million.

Galapagos' disease programs have all yielded validated targets in 2004. The most advanced drug discovery project focuses on progressing three targets in the rheumatoid arthritis program. Galapagos has recently brought two targets identified in its osteoporosis program and one target from its osteoarthritis program into drug discovery, which is the start for the development of a new drug.



Key financials

In € thousands	2004	2003	2002
Total revenues	7,777	6,472	5,710
Cost of sales	-1,288	-1,166	-1,256
R&D costs	-5,443	-5,378	-4,100
Other operating costs	-4,654	-4,595	-4,583
Operating results	-3,608	-4,667	-4,229

Outlook

Galapagos has shown a steady increase in revenues and number of partners since its inception. It believes that this growth will continue in 2005. Galapagos anticipates a continuing acceptance of its target discovery platform as superior technology in the market place and therefore sees an opportunity for a further revenue increase in Galadeno. This increase will only partly offset the increase in drug discovery costs incurred in the development of novel drugs. In these programs, the company combines internal development with selected strategic partnering in order to manage the development costs but keep substantial ownership of its programs. With the expansion of the drug discovery activities, the operating costs are expected to increase substantially in 2005 to approximately € 16 million, mainly due to increased personnel costs and outsourced activities. The company anticipates gradually increasing its headcount in 2005 to approximately 80 people for the Dutch and Belgian entities together.

For further information please contact:

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The Galapagos shares have not been and will not be registered under the United States Securities Act of 1933 as amended (the Securities Act), or with any other securities regulatory authority of any State of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act (and applicable State securities laws). There will be no offer of Galapagos shares in the United States.