

Galapagos and Roche initiate strategic alliance in COPD

- **Discovery and development of novel small molecules and antibodies for COPD**
- **Research access payment of €6 million for Galapagos**
- **R&D, regulatory and sales milestones for Galapagos could exceed €400 million plus royalties**

Mechelen, Belgium; 11 January 2010 – Galapagos NV (Euronext: GLPG) announced today that it has entered into a global multi-year strategic alliance with Roche (SIX: RO, ROG; OTCQX: RHHBY) to develop potential new therapies in COPD (chronic obstructive pulmonary disease).

In the alliance, Galapagos will apply its target discovery platform to discover novel COPD targets. Galapagos is then responsible for the discovery and development of new small molecule candidate drugs against these targets. Roche will have an exclusive option to license each small molecule program after either clinical candidate selection or completion of Phase I clinical trials. In addition, Roche has an exclusive option to license the COPD targets for the discovery and development of antibodies against these targets. Upon exercise of each option, Roche will be responsible for the further (pre)clinical development and commercialization.

Under the terms of the agreement, Galapagos has received a research access payment of €6 million from Roche. Galapagos is also eligible to receive discovery, development, regulatory and sales milestone payments that could potentially exceed €400 million, plus royalties upon commercialization of any products covered in the agreement.

“This alliance with Roche on discovering novel COPD targets demonstrates the versatility of Galapagos’ target discovery platform in identifying novel targets across a wide range of therapeutic areas. We are excited that this collaboration will focus on both antibodies and small molecules as potential drugs for COPD,” said Onno van de Stolpe, CEO of Galapagos. “Roche’s vast experience in developing and commercializing antibodies makes it the perfect partner for this combined approach.”

“Galapagos’ track record in discovering novel therapeutic targets and its drug discovery expertise make it an ideal partner for our COPD discovery program,” said Satwant Narula, head of discovery for the inflammation area of Roche. “We feel confident that this alliance will bring new mode of action drugs for COPD into the clinic for Roche.”

About COPD

COPD (chronic obstructive pulmonary disease) is a chronic lung disease characterized by difficulty breathing and persistent coughing. COPD includes the diseases commonly referred to as chronic bronchitis and emphysema. The primary causes of COPD are tobacco smoke and air pollution, which damage and irritate lung tissue, resulting in a narrowing of the airways.

COPD affects approximately 210 million people worldwide, with more than 5 million people dying of the disease each year. This number is expected to increase by more than 30% in the next ten years, due to an increase in tobacco use worldwide. Although the disease symptoms are manageable through the use of drug and oxygen therapy, there is currently no cure for COPD.

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 GlaxoSmithKline, Janssen Pharmaceutica, Eli Lilly and Merck & 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 has more than 500 employees and operates facilities in six countries, with global headquarters in Mechelen, Belgium. For more information: www.glpj.com

About Roche

Headquartered in Basel, Switzerland, Roche is a leader in research-focused healthcare with combined strengths in pharmaceuticals and diagnostics. Roche is the world's largest biotech company with truly differentiated medicines in oncology, virology, inflammation, metabolism and CNS. Roche is also the world leader in in-vitro diagnostics, tissue-based cancer diagnostics and a pioneer in diabetes management. Roche's personalised healthcare strategy aims at providing medicines and diagnostic tools that enable tangible improvements in the health, quality of life and survival of patients. In 2008, Roche had over 80,000 employees worldwide and invested almost 9 billion Swiss francs in R&D. The company posted sales of 45.6 billion Swiss francs. Genentech, United States, is a wholly owned member of the Roche Group. Roche has a majority stake in Chugai Pharmaceutical of Japan. For more information: www.roche.com

CONTACT

Galapagos NV
Elizabeth Goodwin, Director Investor Relations
Tel: +31 6 2291 6240
ir@glpg.com

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