



Regulated information

1 July 2010

## **Servier and Galapagos initiate strategic alliance in osteoarthritis**

- **Joint discovery and development of novel small molecules for osteoarthritis**
- **Research access payment of €7 million for Galapagos**
- **R&D, regulatory and other milestones for Galapagos could reach €290 million, plus royalties**
- **Servier to commercialize drugs worldwide, except for the U.S. where Galapagos retains exclusive rights**

**Paris, France and Mechelen, Belgium; 1 July 2010 – Servier, a leading French pharmaceutical company, and Galapagos NV (Euronext: GLPG) announced today that they have entered into a multi-year strategic alliance to develop new therapies in osteoarthritis (OA).**

The alliance between Servier and Galapagos builds on novel OA drug targets discovered by Galapagos through its proprietary platform. Galapagos will be responsible for the discovery and development of new small molecule candidate drugs against these targets. Some of the OA-research programs are in the advanced stages of drug discovery. Servier will have an exclusive option to license each small molecule program after the completion of Phase I clinical trials by Galapagos. Upon exercise of each option, Servier will be responsible for the further clinical development, registration and commercialization. For any marketed products, Galapagos retains exclusive U.S. commercialization rights.

Under the terms of the agreement, Galapagos will receive research access payments of €7 million from Servier. Galapagos is also eligible to receive discovery, development, regulatory and other milestone payments that could reach €290 million, plus royalties upon commercialization of products outside the U.S. covered under the agreement.

"We will leverage Galapagos' novel targets and drug discovery capabilities through this alliance with Servier, our eighth risk-sharing alliance with a pharmaceutical company," said Onno van de Stolpe, CEO of Galapagos. "Retaining the US rights to any products from this alliance is important to Galapagos, especially as the US has a large need for disease-modifying osteoarthritis therapies."

"This alliance is in line with Servier's commitment to develop disease-modifying drugs for sufferers of uncured diseases, such as OA, a debilitating disease that affects 12% of the world population, leading to severe and costly handicaps," said Emmanuel Canet, Head of R&D at Servier. "Through this collaboration with Galapagos, we gain access to validated OA targets and molecules that have shown promise in altering the course of the disease," said Bernard Marchand, Head of Research at Servier.

### **About osteoarthritis**

Osteoarthritis is the most common form of arthritis, typically affecting people aged 45 and older. It is a degenerative disease characterized by joint destruction and loss of cartilage. Cartilage is the slippery tissue that covers the ends of bones in a joint. Healthy cartilage allows bones to glide over one another. It also absorbs energy from the shock of physical movement. In OA, the surface layer of cartilage breaks down and wears away. This allows bones under the cartilage to rub together, causing pain, swelling, and loss of motion of the joint. Over time, the joint may lose its normal shape. Also, bone spurs called



osteophytes - may grow on the edges of the joint. Bits of bone or cartilage can break off and float inside the joint space. This causes more pain and damage. No currently available treatments prevent OA or even reverse or block the disease process. Treatment of OA involves weight control, exercise and pain relief, most frequently with non-steroidal anti-inflammatory drugs (NSAIDs) that relieve the symptoms without changing the course of the underlying disease. Many OA patients have pain that persists despite these measures and often then have to undergo costly surgical procedures to replace their damaged joints. It is expected that with the aging of the population, more individuals will be prone to develop OA. As mobility of seniors is of high importance to maintaining a high quality of life, preventing the severity of OA is seen as an immense clinical need over the next decade.

### **About Servier**

Servier Research Group is a privately-run French research based pharmaceutical company with a 2009 turnover of €3.6 billion. Current therapeutic domains for Servier medicines are cardiovascular, metabolic, neurological, psychiatric and bone and joint diseases as well as oncology. Servier is established in 140 countries worldwide with over 20,000 employees. More info at: [www.servier.com](http://www.servier.com)

### **About Galapagos**

Galapagos (Euronext: GLPG; OTC: GLPYY) is a mid-size biotechnology company specialized in the discovery and development of small molecule and antibody therapies with novel modes-of-action. The Company is progressing one of the largest pipelines in biotech, with four clinical and over 50 small molecule discovery/pre-clinical programs. Through risk/reward-sharing alliances with GlaxoSmithKline, Eli Lilly, Janssen Pharmaceutica, Merck & Co. and Roche, Galapagos is eligible to receive up to €3 billion in downstream milestones, plus royalties. Together with its BioFocus and Argenta service operations, Galapagos has over 670 employees and operates facilities in six countries, with global headquarters in Mechelen, Belgium. More info at: [www.glpg.com](http://www.glpg.com)

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