



Announcement

NeuroSearch announces a restructuring of the company to support and strengthen strategic focus

- ***The strategic goal of NeuroSearch is to become a profitable CNS speciality pharma company following first product launch***
- ***The pharma business will be strengthened to advance its portfolio of CNS speciality drugs and to build commercial competence***
- ***Huntexil[®] for Huntington's disease is the lead asset, and meetings with the major regulatory agencies are planned for the first half of 2011 to define the strategy until registration of the drug***
- ***From January 2011, all ion channel drug discovery activities and existing partner alliances will be organised in a new division, NsDiscovery***
- ***Cost reductions, including a planned reduction of the work-force of approximately 20%, are expected to reduce the annual cost base for NeuroSearch by approximately DKK 100 million, with the full benefit being realised in 2012***
- ***The management team has been realigned and strengthened to support the new corporate structure***

Copenhagen, 11 January 2011 – Today, NeuroSearch (NEUR), a European based biopharmaceutical company, announced a re-structuring of the organisation to ensure full support to the strategy of becoming a profitable speciality pharma company focused on diseases of the central nervous system (CNS). The lead asset to realise this strategic objective is Huntexil[®], a unique orphan product which holds promise as an important therapeutic advance for patients with Huntington's disease.

The basis for the restructuring of NeuroSearch is to ensure that optimal resources are placed behind Huntexil[®] on its path towards commercialisation. This includes working towards filing and regulatory approval as soon as possible and, over time, the building of an in-house marketing and sales organisation to cover key markets, including those of North America and Europe. Furthermore, NeuroSearch intends to strengthen and re-focus its clinical and business development activities with a view to advancing the pipeline of CNS speciality drugs to follow after Huntexil[®].

With immediate effect, the Ballerup, Copenhagen-based drug discovery activities of NeuroSearch will be organised in a new division, *NsDiscovery*. *NsDiscovery* will build on the unique capabilities of NeuroSearch in CNS related and ion channel based drug discovery and the long standing track record of the company to secure partner alliances with pharmaceutical companies. The current collaboration alliances with Eli Lilly and Janssen as well as the license agreement with Abbott will be managed by the *NsDiscovery* division.

NeuroSearch Sweden AB will continue as a speciality CNS focused research unit organised as part of the pharma business and separate from *NsDiscovery*.

The NeuroSearch pipeline of drug candidates for non-speciality indications, including tesofensine for the treatment of obesity, will be managed under *NsDiscovery* as part of this division's intensified partner activities. NeuroSearch will not alone invest further in the development of tesofensine and is in dialogue with potential partners to ensure that the product can be appropriately developed.



established by NeuroSearch, and having unique dopaminergic stabilising properties

Ordopidine and seridopidine

Ordopidine and seridopidine both belong to the same drug class as Huntexil[®] and are targeting speciality neurology indications. These drug candidates are expected to be the first in-house discovered speciality products to follow after Huntexil[®].

With ordopidine, NeuroSearch is currently conducting a Phase Ib safety study in patients with Parkinson's disease and plans to initiate a Phase II study in the treatment of L-Dopa induced dyskinesias in Parkinson's disease in 2011. For seridopidine, NeuroSearch is evaluating several selected speciality CNS indications, including Tourette's syndrome and freezing of gait/postural dysfunction in Parkinson's disease. The first Phase II Proof of Concept study is expected to be initiated in 2011.

Other speciality drug candidates

NSD-726, identified by NsDiscovery, is a selective modulator of a specific ion channel. Preclinical experiments have indicated promising neuroprotective effects of this mechanism of action in the treatment of Huntington's disease.

NSD-801 is a novel drug candidate selected from another NsDiscovery ion channel programme, representing a new approach in the treatment of movement disorders. The drug candidate has shown promising effect in models of ataxia, a complex group of rare neurological diseases involving lack of muscle coordination. Today, no medical treatment exists for ataxia.

NsDiscovery – A partner focused drug discovery organisation

The establishment of NsDiscovery will create a highly specialised CNS focused drug discovery entity based on partnerships. NsDiscovery will manage all the ion channel drug discovery activities of NeuroSearch and build its business on the company's long-standing track record of successful drug discovery and development collaborations with pharmaceutical companies. The objective is to obtain research funding as well as milestone and royalty payments from products marketed by partners in large pharmaceutical markets.

NsDiscovery has ongoing drug discovery and development alliance agreements with Eli Lilly and Janssen and a license agreement with Abbott.

The NeuroSearch management team and the management structure of NsDiscovery

As part of the corporate re-structuring and to support the two separate business organisations and the strategy of NeuroSearch, a number of changes have been implemented to the company's management:

René Schneider will be appointed to the position of Executive Vice President and Chief Financial Officer effective from 1 February 2011. René Schneider comes from Novo Nordisk, where he held the position of Vice President, Corporate Finance. He holds a M.Sc in Economics and Management from the Aarhus University, Denmark, and has almost ten years of experience from different financial management positions in NNIT and Novo Nordisk.

Karin Garre, who joined NeuroSearch as ad interim Chief Medical Officer on 1 December 2010, has been confirmed to the position of Executive Vice President, Drug Development and Chief Medical Officer.

Nicholas Waters continues as Head of NeuroSearch Sweden AB with the title of Executive Vice President, Drug Research.



Finn E. Sørensen continues in the position of Executive Vice President and Chief Business Officer.

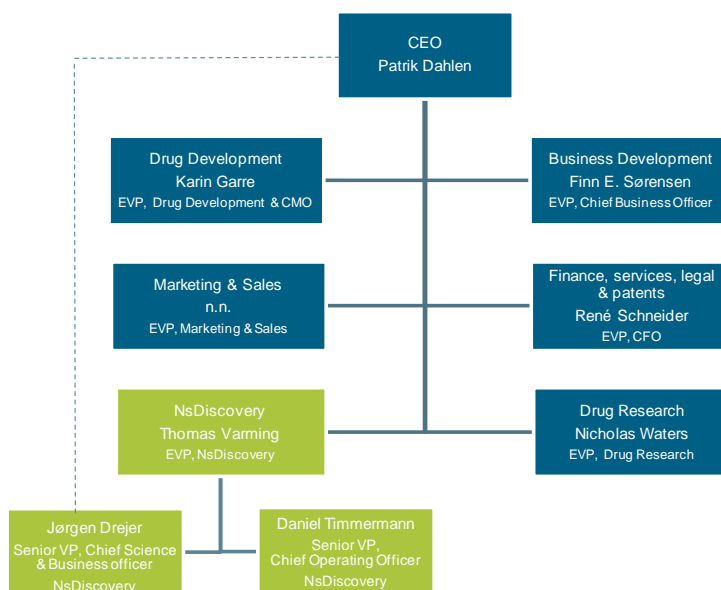
NeuroSearch is in the process of recruiting an internationally experienced senior individual to the position of Executive Vice President, Marketing and Sales.

Thomas Varming is appointed to the position of Executive Vice President, NsDiscovery. He holds a Ph.D in Neuropharmacology and has worked for NeuroSearch for more than 17 years, including several years in key corporate positions, including Head of Research Administration and Head of Corporate Affairs.

The management team of NsDiscovery will consist of Thomas Varming, Jørgen Drejer and Daniel B. Timmermann.

Jørgen Drejer, who is a co-founder of NeuroSearch, is appointed to the position of Senior Vice President, Chief Science and Business Officer in NsDiscovery. On corporate matters, including the associated companies of NeuroSearch, Jørgen Drejer will report directly to Patrik Dahlen.

Daniel B. Timmermann has been appointed to the position of Senior Vice President, Chief Operating Officer and will hold responsibility for the line organisation of NsDiscovery. Daniel B. Timmermann, who holds a Ph.D in Neuropharmacology, has worked for NeuroSearch for ten years, where he has held senior line positions and headed several projects and partner alliance programmes.



Anita Milland, who has held the title as Vice President and CFO of NeuroSearch for the past four and a half years, will continue in her current function and with the title of Vice President, Accounting, Administration and Human Resource Management.

Executive Vice President, Director of Drug Development and co-founder, Frank Wätjen, will leave NeuroSearch.

Hanne Leth Hillman, Vice President and Director of IR & Capital Market Relations, has resigned from her position at NeuroSearch and will be leaving the company on 28 February 2011 to assume new responsibilities externally.

Patrik Dahlen commented further:

“When the new management team is complete, I believe that NeuroSearch will benefit from the right leadership competences to continue the successful development of the company and accelerate our progress towards profitability.”

Planned cost reductions

As part of the organisational restructuring and the related initiatives to re-focus the businesses, the management of NeuroSearch plans to reduce head-count by about 20%.

NeuroSearch will as soon as possible initiate negotiations with employee representatives in accordance with prevailing rules and legislation and to ensure the best possible support for all the employees involved.

Financial guidance

NeuroSearch will give financial guidance for 2011 in connection with the company's Annual Report for 2010 on 10 March 2011.

Patrik Dahlen
CEO

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Conference call

NeuroSearch will host a conference call today, 11:30 am local time (10:30 am UK time/5:30 am EST) to further present and discuss the announced corporate restructuring. Participating in the call will be CEO Patrik Dahlen and the other appointed members of the new executive management team. The conference call will be conducted in English and the dial-in numbers are: UK and International +44 208 817 9301, US +1 718 354 1226 and DK +45 3271 4767. The conference call can also be followed on the company's website via the following link:

http://webcast.zoomvision.se/denmark/clients/neurosearch/11_797

About NeuroSearch

NeuroSearch A/S is a European based biopharmaceutical company, specialising in CNS diseases, and listed on NASDAQ OMX Copenhagen A/S (NEUR). The company has a pipeline of speciality CNS drugs, including the lead product Huntexil® (pridopidine), a unique orphan drug in Phase III for the treatment of Huntington's disease. NeuroSearch is building commercial competences with a view to commercialising Huntexil® through an in-house marketing and sales organisation.

NeuroSearch has a well-established drug discovery division, NsDiscovery, with unique capabilities in the field of ion channels and monoamine transporters. The company has strategic drug discovery and development alliances with Janssen Pharmaceutica and Eli Lilly as well as a licence collaboration with Abbott. NeuroSearch also has equity interests in a number of private companies in the Life Science industry.

