Neurocrine Biosciences Announces Research Management Changes, Including the Departure of Dr. Errol De Souza

July 23, 1998

Dr. Wylie Vale Resumes Responsibilities at Neurocrine

SAN DIEGO, July 23 /PRNewswire/ -- Neurocrine Biosciences (Nasdaq: NBIX) today announced the resignation of Dr. Errol DeSouza, E.V.P. of R&D to pursue other interests. Neurocrine co-founder and board member Wylie Vale, Ph.D. Professor and Head, The Clayton Foundation Laboratories for Peptide Biology, The Salk Institute, will resume his previous responsibilities with the company as Chief Scientist of Neuroscience. In this role, Dr. Vale will provide research management assistance and scientific oversight.

"We are excited about Dr. Vale's increased involvement in Neurocrine's research efforts. Dr. Vale's group at The Salk Institute first identified the structure of CRF and Urocortin and has cloned and characterized many of the known drug targets including the first CRF-Receptor and the CRF Binding Protein. Dr. Vale has been instrumental, in collaboration with Neurocrine scientists, in developing CRF small molecule receptor antagonists. A lead compound from this work is now in Phase I human clinical trials for anxiety and depression with our partner Janssen Pharmaceutica. Dr. Vale will now work more closely with company's management to maintain our scientific excellence," said Gary A. Lyons, President and CEO of Neurocrine Biosciences.

"Dr. DeSouza made important contributions in establishing Neurocrine's research infrastructure. His impact was important in our CRF technology, which has now resulted in a clinical compound and two research collaborations with major pharmaceutical companies. We wish Dr. DeSouza the very best in his new endeavors," said Gary Lyons. "Our research efforts have expanded beyond CRF to include five additional research platforms and we have advanced five programs into clinical development. We are well positioned to continue to advance our pipeline into potential therapeutics for CNS related indications," added Lyons.

The company further announced the promotion of Paul Conlon, Ph.D. to V.P. of Drug Discovery and Dimitri Grigoriades, Ph.D. to Director of Pharmacology. Bruce Campbell, Ph.D., V.P. of Development, will serve as the acting head of Neuroscience and Medicinal Chemistry, until such time as a successor is identified. Neurocrine's research organization will be managed jointly by Drs. Campbell and Conlon.

Dr. Vale is recognized for his work on the chemical and biomedical characterization of neuroendocrine factors including somatostatin, growth hormone releasing factor, activin and the activin receptor, CRF and the CRF-binding protein. In recognition of his discoveries, he has received numerous awards and is a member of the National Academy of Arts and Sciences and the National Academy of Sciences. He is a past president of the American Endocrine Society and is the current President of the International Society of Endocrinology.

Dr. Conlon has served as Senior Director of Immunology since the company was formed in 1993. Under his leadership, Neurocrine discovered and advanced its first Altered Ligand Peptide (APL) MS therapeutic into Phase II clinical trials with Novartis and has put a second APL drug candidate into pre-clinical development for Type I Diabetes. Neurocrine's pioneering work under the direction of Dr. Conlon has been a key factor contributing to the company's success.

Bruce Campbell was appointed V.P. of Development in December 1997. Prior to joining Neurocrine Dr. Campbell spent 30 years with the European pharmaceutical company Servier in a variety of research and development positions. Most recently he served as Director of International Scientific Affairs. With extensive experience in neuroscience and prior training as a medicinal chemist, Dr. Campbell is well suited to manage these aspects of research in addition to his existing development responsibilities.

Dr. Grigoriades joined Neurocrine at its inception and has served as the company's CRF project team leader responsible for managing the Janssen collaboration. In his new role he will be responsible for new target identification and screening and will continue to manage the Company's CRF related collaborations.

Neurocrine currently has five compounds in clinical development for CNS related diseases. The Company's CRF receptor antagonist is currently in Phase I clinical development with its partner, Janssen Pharmaceutica, for anxiety/depression. Neurocrine and its partner, Novartis Pharmaceuticals, are conducting a Phase II clinical program with Neurocrine's APL compound in patients with multiple sclerosis. A second APL compound is expected to enter Phase I clinical trials by year-end 1998 for diabetes. The company is also in Phase I clinical trials with IL-4 Fusion Toxin for glioblastoma (brain cancer) and with NBI-34060 for insomnia. In addition, Neurocrine's affiliate, Neuroscience Pharma, Inc. (NPI), recently announced completion of enrollment in a Phase III clinical trial with its neurosteroid compound in Alzheimer's disease.

Neurocrine Biosciences is a leading neuroscience company focused on the discovery and development of novel therapeutics for neuropsychiatric, neuroinflammatory and neurodegenerative diseases and disorders. The Company's neuroscience, endocrine and immunology disciplines provide a unique biological understanding of the molecular interaction between central nervous, immune and endocrine systems for the development of therapeutic interventions for anxiety, depression, Alzheimer's disease, Parkinson's disease, stroke, traumatic brain injury, multiple sclerosis, obesity and diabetes.

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The statements in the press release that relate to the development of potential products, including the expected date of entry into clinical trials, are forward looking statements. Such forward looking statements involve risks and uncertainties, including, without limitation, that compounds which demonstrate efficacy in pre-clinical studies may not prove to be effective for treatment in humans, that development candidates which have

successfully progressed through pre-clinical and early state clinical trials will not successfully proceed through later stage large scale clinical trials, that the regulatory clearances required for clinical testing, manufacturing, and marketing of products may not be received in a timely manner (or at all), and the potential adverse impact of competitive technologies and products, as well as the risk that Neurocrine's collaborative partners may elect not to proceed with the development of a potential product. For a discussion of the other risks and uncertainties potentially impacting the Company's business, see the Company's Form 10-K for the year ending December 31, 1997. Actual results and timing of certain risks could differ materially from those indicated in the forward looking statements as a result of these and other factors.

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