



## Neurocrine Biosciences, Inc. Reports \$1.5M Milestone Payment From Wyeth-Ayerst Collaboration

January 31, 2000

SAN DIEGO, Jan. 31 /PRNewswire/ -- Neurocrine Biosciences, Inc. (Nasdaq: NBIX) today announced success in achieving two research milestones in its collaboration with Wyeth-Ayerst Laboratories, the pharmaceutical division of American Home Products Corporation (NYSE: AHP). The \$1.5 million payment was received for moving the collaboration forward in small molecule identification and target validation for two separate targets. The agreement, established in March 1999, targets excitatory amino acid transporters (EAATs), a family of neurotransmitter transporters that play a key role in regulating the actions of neurotransmitters and brain function. The objective of the collaboration is to develop a class of compounds to modulate the transport of glutamate to prevent neuronal cell death as a novel treatment for neurodegeneration and schizophrenia. This brings the total payments under this collaboration to \$3 million having reached four research milestones.

"We are pleased with the accomplishments made with our partners in this collaboration and look forward to moving quickly in identifying new compounds which can lead to clinical development candidates in this very important collaboration," says Gary A. Lyons, President and Chief Executive Officer of Neurocrine Biosciences. "As the collaboration progresses, we continue to strengthen our franchise in neuroscience."

The agreement, valued at up to \$78 million if marketable products for these disorders result from the collaboration, includes sharing proprietary technologies; funding for research, milestones reached, plus royalties on sales from products resulting from the collaboration. Under the terms of the agreement, Neurocrine expects to receive three to five years of funding for research and development as well as worldwide royalties on commercial sales of products that result from the collaboration. Wyeth-Ayerst will also provide Neurocrine with access to chemical libraries for screening within the collaborative field.

### Background Information

Neurocrine obtained the rights and patents to the EAAT modulator technology as part of its acquisition of Northwest Neurologic (NNL) in March of 1998. Wyeth-Ayerst has participated in an exploratory EAAT research collaboration with NNL since August 1996.

Susan G. Amara, Ph.D., co-founder of NNL and a Howard Hughes Fellow at the Vollum Institute of the Oregon Health Sciences University was the first to clone the human forms of EAATs and has played a leading role in the characterization of the function of EAATs in the central nervous system.

EAATs serve as novel targets for the development of drugs, which modulate glutamate concentrations in the brain. Neurotransmitter transporters play an important role in regulating the levels of neurotransmitters, and some of the most successful CNS drugs are ones that selectively target these transporters. There are five EAAT family members related by structure which have different regional and cellular locations in the nervous system suggesting that each EAAT has a specific role to play. This is similar to many receptor systems (e.g. serotonin, dopamine) where sub-types have specific roles and are targeted by specific drugs to produce therapeutic agents with improved efficacy and fewer side effects. Similarly, Neurocrine is targeting the EAATs to selectively modulate the levels of the excitatory neurotransmitter glutamate to produce a therapeutic benefit in disorders where glutamate levels are abnormal such as in stroke, head trauma, retinal ischemia, schizophrenia and other neurodegenerative and psychiatric disorders.

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, insomnia, stroke, malignant brain tumors, multiple sclerosis, obesity and diabetes.

Wyeth-Ayerst Laboratories, a division of American Home Products Corporation (NYSE: AHP), is a major research-oriented pharmaceutical company with leading products in the areas of women's health care, cardiovascular disease therapies, central nervous system drugs, anti-inflammatory agents, vaccines, and generic pharmaceuticals. American Home Products is one of the world's largest research-based pharmaceutical and health care products companies. It is a leader in the discovery, development, manufacturing and marketing of prescription drugs and over-the-counter medications. It is also a leader in vaccines, biotechnology, agriculture products and animal health care.

Neurocrine Biosciences, Inc. news releases are available free of charge through PR Newswire's Company News On-Call fax service. For a menu of Neurocrine's previous releases, or to receive a specific release via fax call: (800) 758-5804, ext. 604138, or use the Internet via <http://www.prnewswire.com>.

In addition to historical facts, this press release contains forward-looking statements that involve a number of risks and uncertainties. Among the factors that could cause actual results to differ materially from those indicated in the forward looking statements are risks and uncertainties associated with Neurocrine's research and development programs and business and finances including, but not limited to, risks and uncertainties associated with, or arising out of, drug discovery, pre-clinical and clinical development of products including risk that research may not generate development candidates, development candidates will not successfully proceed through early clinical trials or that in later stage clinical trials will not show that they are effective in treating humans; determinations by regulatory and governmental authorities; changes in relationships with strategic partners and dependence upon strategic partners for performance of clinical and commercialization activities under collaborative agreements including potential for any collaboration agreement to be terminated without any product success; uncertainties relating to patent protection and intellectual property rights of third parties; impact of competitive products and technological changes; availability of capital and cost of capital; and other material risks. A more complete description of these risks can be found in the Company's Form 10K for the year ended December 31, 1998 and the current form 10Q each of which should be read before making any investment in Neurocrine common stock. Neurocrine undertakes no obligation to update the statements contained in this press release after the date hereof.

SOURCE Neurocrine Biosciences, Inc.

Web site: <http://www.neurocrine.com>

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