



Neurocrine Biosciences Reports 1999 Year-End Financial Results

February 14, 2000

SAN DIEGO, Feb. 14 /PRNewswire/ -- Neurocrine Biosciences, Inc. (Nasdaq: NBIX) today announced its financial results for the year ended December 31, 1999. The Company reported a net loss of \$3.7 million or \$0.19 per share for the three months ended December 31, 1999 compared with \$6.8 million or \$0.36 per share for the respective period in 1998. The Company reported net loss of \$16.8 million or \$0.88 per share for the year ended December 31, 1999, as compared to a net loss of \$20.0 million or \$1.10 per share for the same period last year.

Total revenues in the fourth quarter 1999 were \$4.2 million compared to \$4.6 million in 1998. Sponsored research revenues from unrelated parties rose from \$2.0 million in the fourth quarter 1998 to \$2.4 million in the fourth quarter 1999. Milestone payments were also higher in the fourth quarter rising from \$500,000 in 1998 to \$1.5 million in 1999.

Total revenues for the year ended December 31, 1999 were \$16.8 million compared to \$16.0 million for the respective period in 1998. Sponsored research and development revenues from unrelated parties rose from \$8.7 million in 1998 to \$12.2 million in 1999. Milestone payments also rose from \$2.5 million in 1998 to \$3.0 million in 1999. Grant revenue was essentially unchanged at \$1.1 million in each of 1998 and 1999.

During 1999 the Company entered into three new collaborations. The Wyeth-Ayerst ("Wyeth") collaborative agreement was signed in the first quarter of 1999, the Janssen Pharmaceutica, Inc. ("Janssen") agreement in the third quarter and the exclusive option agreement with Taisho Pharmaceuticals Co. Ltd. was signed in the fourth quarter. Also in 1999 the Company concluded its activities under the sponsored research portion of the Eli Lilly collaboration, sold its interest in Neuroscience Pharma (NPI) Inc. and reacquired the rights to its Altered Peptide Ligand program for multiple sclerosis.

Research and development expenses increased to \$7.3 million and \$29.2 million during the three and twelve months ended December 31, 1999, respectively, compared with \$6.3 million and \$21.8 million in research and development expenses for the same periods last year. Increased expenses reflect higher costs associated with increased clinical development and associated expenses and related expenditures as the Company advances its drug candidates through clinical testing.

General and administration expenses increased to \$1.9 million and \$7.5 million during the three and twelve months ended December 31, 1999, respectively, compared to \$1.9 million and \$6.6 million for the same periods last year. Increased expenses resulted from additional professional services including patent and legal services to support the Company's expanded clinical development efforts.

The Company's balance sheet on December 31, 1999 reflected total assets of \$109.2 million, including cash, cash equivalents, marketable securities and collaborative receivable of \$92.6 million compared with \$80.5 million and \$64.1 million, respectively, at December 31, 1998.

The increase in cash and marketable securities resulted from a private placement of the Company's Common Stock during December 1999. There were 2.3 million shares sold to institutional investors at a price of \$18.00 per share. Net proceeds totaled \$39.2 million.

"Neurocrine strengthened its research, development and financial position in 1999. With the addition of the Wyeth-Ayerst, Taisho, and the expanded collaboration with Janssen, we bolstered our collaborative relationships. We also made significant progress in our clinical programs. Phase II data from our insomnia program clearly demonstrated efficacy in transient insomnia. Preliminary Phase II results from our CRF receptor antagonist program for depression also suggested efficacy in widely accepted measures of depression. Preliminary results from the ongoing IL-4 Fusion Toxin Phase I/II trial suggest tumor necrosis and indicate that NBI-3001 may have a robust anti-tumor effect in glioblastoma. With the encouraging results from these programs, Neurocrine is now poised to rapidly move into advanced clinical trials later this year," said Paul Hawran, Senior Vice-President and Chief Financial Officer. "We also strengthened our financial position due in part to the successful private placement offering in late 1999, resulting in a total cash balance of over \$90 million. With this added financial strength, Neurocrine is in an excellent position to maximize the return on our assets. With continual control of our cash burn, we have sufficient cash for several years."

Neurocrine currently has five programs in clinical development for CNS related diseases. The Company's CRF receptor antagonist for anxiety/depression is currently in Phase II clinical development with its partner, Janssen Pharmaceutica. Phase II trials are ongoing with NBI-34060 for insomnia and NBI-3001 for glioblastoma (malignant brain tumors). Neurocrine along with its partner, Taisho Pharmaceuticals are also conducting Phase I trials with our APL compound for Type I diabetes. The Phase II results of the APL compound in patients with multiple sclerosis are being analyzed.

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

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.

NEUROCRINE BIOSCIENCES, INC.

Consolidated Statement of Operations

(Unaudited; in thousands except for loss per share data)

	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	1999	1998	1999	1998
Revenues:				
Sponsored research and development	\$2,411	\$2,002	\$12,171	\$8,751
Sponsored research and development from related party	(10)	1,544	491	3,610
Milestones	1,500	500	3,000	2,500
Grant income and other revenues	298	510	1,129	1,176
Total revenues	4,199	4,556	16,791	16,037
Operating expenses:				
Research and development	7,276	6,346	29,169	21,803
General and administrative	1,889	1,913	7,476	6,594
Write-off of acquired in-process research and development and licenses	--	--	--	4,910
Total operating expenses	9,165	8,259	36,645	33,307
Loss from operations	(4,966)	(3,703)	(19,854)	(17,270)
Other income and (expenses):				
Interest income	873	858	3,082	4,151
Interest expense	(62)	(64)	(231)	(151)
Other income and (expenses)	466	(3,847)	181	(6,684)
Loss before taxes	(3,689)	(6,756)	(16,822)	(19,954)
Income taxes	--	1	--	1
Net loss	\$(3,689)	\$(6,757)	\$(16,822)	\$(19,955)
Loss per common share:				
Basic & Diluted	\$(0.19)	\$(0.36)	\$(0.88)	\$(1.10)
Shares used in the calculation of loss per common share:				
Basic & Diluted	19,361	18,778	19,072	18,141

NEUROCRINE BIOSCIENCES, INC.

Consolidated Balance Sheet

(in thousands)

	December 31,	December 31,
	1999	1998
Cash, cash equivalents and marketable securities	91,098	62,670
Other current assets	3,715	2,963
Total current assets	94,813	65,633
Property and equipment, net	11,181	10,899
Other assets	3,228	3,997
Total assets	109,222	80,529
Current liabilities	8,645	5,569

Long-term liabilities	4,223	3,002
Stockholders' equity	96,354	71,958
Total liabilities and stockholders' equity	109,222	80,529

* Prior period information includes reclassifications to conform to current financial presentations.

SOURCE Neurocrine Biosciences, Inc.

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

Company News On-Call: <http://www.prnewswire.com/comp/604138.html> or fax, 800-758-5804, ext. 604138

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