



Neurocrine Biosciences In-Licenses Clinical Compound: Valnoctamide Stereoisomers

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Company Will Develop Valnoctamide Stereoisomer for Neurological and Psychiatric Diseases

SAN DIEGO, July 30 /PRNewswire-FirstCall/ -- Neurocrine Biosciences, Inc. (Nasdaq: NBIX) today announced that it has entered into an exclusive worldwide licensing agreement for the development and commercialization of valnoctamide stereoisomers with Yissum Research Development Company of the Hebrew University of Jerusalem, Israel. Valnoctamide and its individual stereoisomers have been shown to be active in a number of preclinical models and have the potential to treat epilepsy, bipolar disease and neuropathic pain. The parent compound is a uniform combination of four valnoctamide stereoisomers that was marketed as an anxiolytic in several European countries.

While from the same chemical class as valproate (e.g. Depakote(R) and Depakene(R)), a leading antiepileptic drug (AED) currently approved for use in the treatment of epilepsy, migraine prophylaxis and bipolar disease, in preclinical studies completed to date, this stereoisomer of valnoctamide has not been associated with the safety concerns (i.e., teratogenicity, and hepatotoxicity) of valproate and its related analogues.

The clinical development of one of the stereoisomers of valnoctamide is intended to offer patients suffering from neurological and psychiatric disorders, a safer and potentially more efficacious treatment option. Neurocrine intends to initiate clinical studies after submission of an investigational new drug (IND) application in the first half of 2008.

"This stereoisomer of valnoctamide may provide the opportunity to address many of the current unmet medical needs in the area of neurology and psychiatry by offering patients and their physicians a unique new product profile. We look forward to initiating a clinical development program and plan to file our IND in the first half of 2008," said Christopher F. O'Brien M.D., Senior Vice President and Chief Medical Officer.

"Due to its side effects, the use of valproate is restricted in women of child bearing age and in children. The development of valnoctamide stereoisomers may provide more efficacious and safer CNS drugs and a suitable answer for these clinical needs across all patient types," said Meir Bialer, Ph.D., MBA, a David H. Eisenberg Professor of Pharmacy at Hebrew University of Jerusalem, Israel. Dr. Bialer, together with Dr. Boris Yagen (Hebrew University), have guided the discovery of the chemical and biological properties of valnoctamide and its individual stereoisomers. Dr. Bialer is a leader in the discovery of antiepileptic agents and has authored over 190 publications in the area of pharmacokinetics, antiepileptics and CNS drugs.

Market Opportunity:

According to IMS Health, sales of valproate derived branded and generic products exceeded \$1.5 billion in the U.S. alone for 2006. With indications possible in therapeutic categories ranging from neurology (epilepsy, migraine pain, and neuropathic pain) to psychiatry (bipolar disorder), commercialization of a stereoisomer of valnoctamide provides the opportunity to access markets accounting for more than \$15 billion in drug sales (Med Ad News, 2006) and in excess of 50 million patients (Mattson Jack Group, 2007) on a worldwide basis.

Neurocrine Biosciences, Inc. is a product-based biopharmaceutical company focused on neurological and endocrine diseases and disorders. The product candidates address some of the largest pharmaceutical markets in the world including insomnia, anxiety, depression, endometriosis, irritable bowel syndrome, pain, and diabetes. Neurocrine Biosciences, Inc. news releases are available through the Company's website via the Internet at <http://www.neurocrine.com>.

In addition to historical facts, this press release may contain 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 business and finances and research programs in general including, but not limited to, risk and uncertainties associated with, or arising out of, drug discovery, pre-clinical and clinical development of products and specifically risk that valnoctamide program may not generate any development candidates that lead to clinical testing or commercial products; risk relating to our reliance on contract manufacturers; risk that the Company could fail to meet its obligations under the valnoctamide license which would cause it to forfeit product rights; uncertainties relating to patent protection for valnoctamide and intellectual property rights of third parties in the valnoctamide field; impact of competitive products and technological changes that may limit demand for the Company's products; risk that the Company will be unable to raise additional funding required to complete development of all of its product candidates; and the other risks described in the Company's report on Form 10-K for the year ended December 31, 2006 and most recent report on Form 10-Q filed for the first quarter ended, March 31, 2007. Neurocrine undertakes no obligation to update the statements contained in this press release after the date hereof.

SOURCE Neurocrine Biosciences, Inc.
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