

FOR IMMEDIATE RELEASE

INSTITUTE FOR ONEWORLD HEALTH AWARDED \$46 MILLION GRANT

iOWH to develop new treatments to fight neglected killer of 2 million children

11.01.06 (SAN FRANCISCO, CA & CAIRO, EGYPT) – November 1, 2006 – The Institute for OneWorld Health (iOWH) announced today that it has been awarded a grant of \$46 million from the Bill & Melinda Gates Foundation to expand its unique research on new treatments to complement traditional approaches for fighting diarrhea. The announcement was made at Forum 10, the Global Forum for Health Research's annual meeting in Cairo, Egypt. OneWorld Health is a non-profit pharmaceutical company headquartered in San Francisco, California.

Diarrheal diseases are a leading cause of death in children under the age of five worldwide, killing more than 2 million children and contributing to the deaths of an additional 4 million children each year. Diarrheal diseases are caused by a wide range of bacterial, parasitic and viral pathogens, some of which result in rapid fluid loss, and can lead to severe dehydration and death.

OneWorld Health's research aims to develop new treatments for secretory diarrheal disease, particularly anti-secretory drugs that inhibit the loss of fluid in the intestine. These drugs are designed to be used as an adjunct to oral rehydration therapy (ORT) for the treatment of life-threatening enterotoxigenic E. Coli (ETEC) and cholera, which are responsible for nearly 40% of reported cases of diarrheal disease.

"Our novel approach to reducing dehydration with new medicines for diarrheal diseases could save many lives," said Dr. Victoria Hale, Founder and CEO of OneWorld Health. "This is an essential part of our goal of developing safe, effective and affordable drugs for neglected diseases in developing countries."

Dr. Regina Rabinovich, director of infectious diseases for the Gates Foundation, said: "Childhood diarrhea is one of the world's most serious global health problems – and also one of the most overlooked. We're pleased to support OneWorld Health and its partners, and hope their innovative work encourages others to take action."

OneWorld Health is assembling a portfolio of product candidates to address various aspects of secretory diarrheal diseases, with a special focus on treatments for young infants and children. The iOWH's approach to anti-diarrheal drug developments will begin with an initial lead project to discover, optimize and develop drug candidates that treat diarrhea via inhibition of the Cystic Fibrosis Transmembrane conductance Regulator (CFTR) chloride channel. Targeting host mechanisms such as the CFTR channel is a novel approach to the treatment of secretory diarrheal diseases. OneWorld Health is conducting searches to license potential drug candidates and

has consulted with leading researchers to evaluate promising products and identify key development challenges.

This unique initiative is another example of OneWorld Health's social entrepreneurial model, bringing together its core expertise with leading international research partners to address a global health need. Other partnerships include

- Sponsored Research Collaboration (SRA) with Prof. Alan Verkman of the University of California at San Francisco (UCSF), whose discovery efforts have led to the generation of

several series of promising compounds which are being further optimized for potential drugs

- Drug discovery collaboration with BioFocus DPI, a service division of Belgian-based Galapagos NV, to optimize potential new drug candidates for iOWH's diarrheal disease portfolio

- Preclinical research studies with the International Center for Diarrheal Disease Research (ICDDR, B), based in Dhaka, Bangladesh.

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ABOUT THE INSTITUTE FOR ONEWORLD HEALTH

The Institute for OneWorld Health, the first U.S. nonprofit pharmaceutical company, develops safe, effective, affordable medicines for people with diseases of the developing world. OneWorld Health applies its entrepreneurial business model to the unmet medical needs of the developing world through its staff of experienced pharmaceutical scientists who identify promising leads and drive drug development from pre-clinical studies to clinical trials through regulatory approval. The Institute for OneWorld Health was founded by Dr. Victoria Hale in 2000 and receives funding from the Bill & Melinda Gates Foundation and other donors. The Institute for OneWorld Health, headquartered in San Francisco, USA, is a tax-exempt 501(c) (3) U.S. corporation. More information can be found at www.oneworldhealth.org. Media resources are available at www.oneworldhealth.org/media/index.php

ABOUT THE UNIVERSITY OF CALIFORNIA AT SAN FRANCISCO (UCSF)

The University of California, San Francisco is a leading university that advances health worldwide by conducting advanced biomedical research, educating graduate students in the life sciences and health professions, and providing complex patient care. UCSF ranks fourth nationally in research funding from the National Institutes of Health. Grants fuel research in such fields as cancer, heart disease, Alzheimer's disease, Parkinson's disease, HIV, pediatric illnesses, diabetes and other auto-immune diseases. The quality of research and training at the four UCSF professional schools consistently ranks among the nation's best in annual surveys, and the UCSF Medical Center is ranked among the country's top ten hospitals. UCSF Medical Center and UCSF Children's Hospital are recognized throughout the world as

leaders in health care, known for innovative medicine, advanced technology and compassionate care.

ABOUT IDDCR, B

ICDDR,B, the International Centre for Diarrhoeal Disease Research, Bangladesh, better known locally as the Cholera Hospital, is an international health research institution located in Dhaka, Bangladesh. ICDDR,B believes that all people, especially the poor, can become healthier and can reach their full potential through the application of new knowledge. Its mission is to develop and promote realistic solutions to the major health, population and nutrition problems facing the poor people of Bangladesh and other settings. With the changing trend in the world scenario in health and population over the years, ICDDR,B has expanded its activities to address some of the most critical global health needs. In collaboration with partners from academic and research institutions throughout the world, the Centre conducts research, training and extension activities as well as programme-based activities. For more information, visit the ICDDR,B website (<http://202.136.7.26/index.jsp>).

ABOUT GALAPAGOS NV / BIOFOCUS DPI

Galapagos is a publicly traded, genomics-based drug discovery company (Euronext Brussels, GLPG; Euronext Amsterdam, GLPGA, London AiM: GLPG) that has drug discovery programs based on proprietary, novel targets in bone and joint diseases - osteoarthritis, osteoporosis and rheumatoid arthritis. Galapagos offers a full suite of target-to-drug discovery products and services to pharmaceutical and biotech companies through its division BioFocus DPI, encompassing target discovery and drug discovery services through to delivery of pre-clinical candidates. In addition, BioFocus DPI provides adenoviral reagents for rapid identification and validation of novel drug targets and compound libraries for drug screening. Galapagos currently employs more than 330 people, including 144 PhDs, and operates facilities in seven countries, with global headquarters in Mechelen, Belgium. More information about Galapagos and BioFocus DPI can be found at www.glp.com .