Announcement

NeuroSearch A/S – Interim report for the first half-year of 2009

Copenhagen, 26 August 2009 – Today, the Board of Directors of NeuroSearch considered and approved the company's interim report for the period 1 January to 30 June 2009.For this period, NeuroSearch reports a financial loss after tax of DKK 178.0 million (1H 2008: a loss of DKK 185.9 million) and capital resources totalling DKK 488.9 million at 30 June 2009 (DKK 716.3 million at 30 June 2008). In the period after 30 June 2009, the company has further increased its capital resources with a total of DKK 305 million by income and financing from commercial agreements and thus capital resources total approx. DKK 730 million as of 26 August 2009.

NeuroSearch retains its financial guidance for the full year 2009, expecting a loss before financials and results from associates in the region of DKK 350 million.

Commercial agreements and capital resources
In the course of 2009, NeuroSearch has so far signed new collaboration agreements with GlaxoSmithKline (GSK), Eli Lilly (Lilly) and latest Janssen Pharmaceutica (Janssen). Each of the three agreements comprises specific selected parts of NeuroSearch's innovative drug discovery platform related to the treatment of diseases of the central nervous system (CNS) and in total these agreements have ensured income and financing in the region of half a billion DKK. Added to this may be important revenue potential in the form of success based milestone payments and royalties related to products being developed under the agreements. Thus, the company's aim of finding new commercial partners for a considerable part of the drug discovery programmes has been achieved. With the closing of the new collaboration agreements, NeuroSearch has ensured sufficient capital resources until at least mid-2011.

The pipeline of drug candidates
In general, the development of NeuroSearch's pipeline of drug candidates has been very satisfactory.

- Huntexil™ (pridopidine) – (Huntington's disease): The enrolment of patients for the European Phase III study, MermaiHD, was completed in April 2009 with expected reporting of results from the study by the turn of the year. Patient enrolment in the North American HART study is progresses according to plan. In general, the two clinical studies progress highly satisfactorily and Huntexil™ is well-tolerated. A considerable number of the patients in MermaiHD choose to continue treatment with Huntexil™ in a six month, open-label extension study. In order to be able to meet requests from the patients and health care professionals of continued treatment after the extension study, NeuroSearch has decided to offer those patients who complete MermaiHD and the open-label follow-up study continued treatment under a compassionate use programme. Such treatment can be requested by each participating patient's treating physician provided that permission is obtained from the local authorities. NeuroSearch is investigating the possibility of being able to offer continued treatment under a similar programme in the USA and Canada for the patients who complete the HART study.

  If data from the European Phase III study are supportive, NeuroSearch plans to extend the offer for treatment with Huntexil™ until market registration to patients who have not participated in the MermaiHD or HART studies. This will happen

under a Named Patient Programme – again under the condition that individual requests are received from the patient's treating physician and provided permissions are obtained from local authorities.

NeuroSearch expects to be able to disclose the first Phase III results with Huntexil™ in the beginning of 2010 and maintains its expectations of being able to submit the first application for market registration of the product in 2010. All preparations regarding market registration, production and marketing of Huntexil™ are progressing according to plan.

Huntexil™ has been registered as the new brand name for the product. The generic name – "pridopidine" – for the active pharmaceutical compound was granted earlier this year.

- Tesofensine (obesity): After a positive End of Phase II meeting with the American health authorities, the FDA, resulting in an endorsement of the Phase III development plan for tesofensine, a clinical Phase III programme, consisting of four separate clinical studies, is expected to be initiated at the beginning of 2010. NeuroSearch is currently completing the documentation for the first Phase III study in collaboration with the FDA. Concurrently, NeuroSearch has intensified the discussions with potential partners with a view to entering a license agreement regarding tesofensine.

- ACR325 (dyskinesias in Parkinson's disease): Preparations for the first study in Parkinson patients have been completed and study start is expected for September.

- ACR343 (schizophrenia): The preparations for a Phase II Proof of Concept study (add on to existing treatment) in patients with schizophrenia are ongoing and the study is expected to be initiated end 2009.

- NSD-721 (social anxiety disorder): Under the alliance with GSK, NSD-721 has entered into clinical development with the initiation of Phase I studies in August. In that connection NeuroSearch receives a total of DKK 67 million (EUR 9 million) in milestone payments and equity financing from GSK.

- On 17 August, NeuroSearch signed a three-year research and development alliance with Janssen Pharmaceutica with the aim of developing and marketing new medicines based on NeuroSearch's know-how within CNS diseases. Under the agreement NeuroSearch will receive DKK 238 million (EUR 32 million) in guaranteed income and financing including an option to issue new shares for the amount of DKK 37 million (EUR 5 million). For each product successfully marketed under the alliance, NeuroSearch is entitled to milestone payments of up to DKK 1.6 billion (EUR 213 million) plus double-digit royalties on Janssen's global sales.

- NSD-788 (anxiety/depression) has been successfully evaluated in a Phase I study and subsequently a human Poof of Mechanism study has been completed with positive results. The results support the unique profile of NSD-788 as a novel treatment for anxiety and depression. NeuroSearch now prepares the further development towards Phase II Proof of Concept studies.

Flemming Pedersen
CEO

Telephone conference
A telephone conference will be held today, 26 August 2009 at 3 pm Copenhagen time (2 pm London time, 9 am New York time). Flemming Pedersen, CEO, Anita Milland, Vice President & CFO and Hanne Leth Hillman, Vice President & Director of Investor & Capital Market Relations, will present the 2009 half-year report and answer questions. The telephone conference will be conducted in English and the telephone number is +44 (0) 20 7162 0077. The corresponding PowerPoint presentation will be available at www.neurosearch.com.

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About NeuroSearch
NeuroSearch (NEUR) is a Scandinavian biopharmaceutical company listed on NASDAQ OMX Copenhagen. The core business of the company covers the development of novel pharmaceutical agents, based on a broad and well-established drug discovery platform focusing on ion channels and central nervous system (CNS) disorders. A substantial share of the activities is partner financed through strategic alliances with Janssen Pharmaceutica, Eli Lilly and Company and GlaxoSmithKline (GSK), and license collaboration with Abbott. The drug pipeline comprises seven clinical (Phase I-III) development programmes: Pridopidine (ACR16) for Huntington's disease (Phase III), tesofensine for obesity (Phase III ready), ABT-894 for ADHD (Phase II) in partnership with Abbott, ACR343 for schizophrenia (Phase II ready), ACR325 to treat dyskinesias in Parkinson's disease (Phase Ib), ABT-560 for the treatment of cognitive dysfunctions (Phase I) in collaboration with Abbott, NSD-788 for anxiety (Phase I) and NSD-721 for social anxiety disorder (Phase I). In addition, NeuroSearch has a broad portfolio of preclinical drug candidates and holds equity interests in several biotech companies.

MANAGEMENT'S REPORT

Pipeline of drug candidates

NeuroSearch's pipeline comprises 12 drug candidates that have all been generated through the company's own research and development. Of the 12 drug candidates, eight are in clinical development (Phases I-III) and four in preclinical phase with a view to initiating clinical studies during 2009 and 2010. In addition, the company has a number of drug discovery programmes with drug candidates expected to be selected for preclinical development in 2009 or 2010.

Five of the pipeline products are financed via collaboration agreements with GSK and Abbott and in addition NeuroSearch has entered into research and development alliances with Eli Lilly (Lilly) and Janssen.

Indication	Programme	Mechanism of Action	Partner	PC dev.	Phase I	Phase II	Phase III	NDA / Reg.
Huntington's disease	Huntexil™	Dopaminergic stabil.						
Obesity	Tesofensine	MRI						
ADHD	ABT-894	NNR modulator	Abbott					
Dyskinesias (PD)	ACR325	Dopaminergic stabil.						
Schizophrenia	ACR343	Dopaminergic stabil.						
Cognitive dysfunctions	ABT-560	NNR modulator	Abbott					
Depression/anxiety	NSD-788	MRI						
Social anxiety	NSD-721	GABA modulator	GSK					
Schizophrenia	NSD-761	Ion channel mod.						
Autoimmune diseases	NSD-726	Ion channel mod.						
Psychoses	NSD-847	Dopaminergic stabil.	GSK					
ADHD	NSD-867	Cortical enhancer	GSK					

<u>Huntexil™ (pridopidine) – Huntington's disease: In clinical Phase III</u>
Huntexil™ (pridopidine, previously designated ACR16) is a dopaminergic stabiliser which NeuroSearch is evaluating in a clinical Phase III programme in Huntington's disease with the aim of registering and marketing the product as one of the first specific treatments for patients suffering from this severe disease. Huntington's disease is a relatively rare hereditary neurodegenerative genetic disorder leading to the degeneration of brain tissue. In several studies Huntexil™ has demonstrated highly promising effects on a number of the very disabling symptoms related to the disease.

Huntexil™ is a dopaminergic stabiliser and the first product in a novel class of drug candidates with this unique mechanism of action.

NeuroSearch holds all rights to Huntexil™, which has received "Orphan Drug" designation from the health authorities in both the United States and Europe.

The ongoing Phase III programme comprises two studies to evaluate the efficacy and safety of the product in the treatment of Huntington's disease: MermaiHD, a European

multicenter Phase III study, and HART, a multicenter Phase IIb study which is being carried out in North America.

End of March this year, NeuroSearch successfully completed the recruitment of patients for MermaiHD less than a year after the first patient was enrolled for treatment. With 437 patients enrolled, MermaiHD is the biggest Huntington's disease study which has ever been performed in Europe. The patients have been randomised to 26 weeks' treatment with either Huntexil™ (45 mg once or twice daily) or placebo. To date, approx. 90% of the patients who have completed treatment in MermaiHD have chosen to continue their treatment in a six month, open-label extension study. So far Huntexil ™ has been well-tolerated. The results from MermaiHD are expected to be published in the beginning of 2010.

In the HART study, the patients are randomised to 12 weeks of treatment with either Huntexil™ (10 mg, 22.5 mg or 45 mg twice daily) or placebo and a total of 220 patients are expected to be enrolled in the study. The results from the HART study are expected to be available in the first half of 2010.

NeuroSearch has been granted 'pridopidine' as the INN (International Nonproprietary Name/generic name) for the active pharmaceutical compound (previously ACR16) by the World Health Organisation (WHO), and recently Huntexil™ has been approved by EMEA as brand name for the product.

Based on an assessment of the commercial potential within Huntington's disease in combination with the compound's unique efficacy profile, NeuroSearch considers Huntexil™ to be a highly attractive product opportunity. The estimated total number of patients suffering from Huntington's disease worldwide is approximately 100,000, and no effective treatment for the disease is currently available. Huntexil™ is one of the only new drugs in late-stage development for Huntington's disease.

In order to be able to meet requests from patients and health care professionals for continued treatment with Huntexil™, NeuroSearch has decided to offer those patients who complete the open-label extension to the MermaiHD study continued treatment under a compassionate use programme, if requested by their treating physician and under the condition that permission is obtained from the local authorities. NeuroSearch is investigating the possibility of being able to offer continued treatment under a similar programme for the patients who complete the HART study.

If data from the European Phase III study turns out satisfactory, NeuroSearch plans to extend the offer for treatment with Huntexil™ until market registration to patients who have not participated in the clinical studies. This is planned for under a Named Patient Programme – again under the condition that individual requests are received from general practitioners and permissions are obtained from local authorities.

NeuroSearch expects to be able to publish the results from the MermaiHD study and thereby the first Phase III results with Huntexil™ in the beginning of 2010 and maintains expectations of being able to submit the first application for market registration in 2010. The preparations for market registration, production and marketing are progressing according to plan.

Tesofensine – obesity: Ready for clinical Phase III

Tesofensine is a monoamine reuptake inhibitor which NeuroSearch has evaluated in a comprehensive Phase II programme and with unique results for the treatment of obesity. After six months of treatment with tesofensine, a weight loss of approx. 10% was obtained in TIPO-1, a Phase II proof of Concept study, and a total weight loss of approx. 13% was seen after another six months of treatment in an open extension

study (TIPO-4). NeuroSearch believes that these results make tesofensine one of the most effective anti-obesity products in late-stage development.

The results from TIPO-1 were published in October 2008 in the highly reputed international scientific journal The Lancet with the conclusions that tesofensine can produce a weight loss at least twice that of currently approved anti-obesity drugs and that it should be further evaluated in Phase III studies with a view to prepare for market registration.

In June 2009, NeuroSearch held an End of Phase II meeting with the United States Food and Drug Administration (the FDA), and the FDA evaluated the current tesofensine data package, including safety data from more than 1,400 individuals having received treatment with the product. At the meeting, the FDA endorsed the proposed development plan for tesofensine until registration of the product in the US. The Phase III plan includes the dose regimen of 0.25 mg or 0.5 mg tesofensine daily in four separate clinical Phase III studies with the participation of a total of about 5,700 obese patients with or without co-morbidities such as Type 2 diabetes, hypertension and dislipidemia. Two of the four planned Phase III studies are powered to compare tesofensine's efficacy and safety profile to that of sibutramine (marketed as Reductil®/Meridia®). The first of the two studies with sibutramine as active comparator will comprise obese patients suffering from hypertension. NeuroSearch considers this study to be pivotal to confirm tesofensine's competitive product profile compared to sibutramine which is the currently most used drug for the treatment of obesity.

NeuroSearch has initiated clinical production of medication and completion of the study protocol for the first planned Phase III study in obese patients with hypertension.

Concurrently with the Phase III development activities, NeuroSearch has intensified the discussions with potential partners with a a view to entering a license agreement regarding tesofensine.

ABT-894 – ADHD: In clinical Phase II and ABT-560 – cognitive dysfunctions: In clinical Phase I (under the license agreement with Abbott)
The drug candidates ABT-894 and ABT-560 are in clinical development under a licence agreement with Abbott. Under the terms of the agreement, Abbott is responsible for and finances all clinical development, production and marketing of products under the collaboration and NeuroSearch is eligible to receive milestone payments and royalties on Abbott's global sales.

ABT-894 is an α4β2 subtype-specific nicotine receptor agonist which Abbott has evaluated with a positive result in a Phase II clinical study for the treatment of adults suffering from ADHD. Results were reported in June 2008 showing that treatment with ABT-894 led to a statistically significant improvement in the disease symptoms, and that the product also proved to be safe and generally well-tolerated.

ABT-560 is also an α4β2 subtype-specific nicotine receptor agonist which Abbott has evaluated in Phase I studies with a view to developing this drug candidate for the treatment of cognitive disorders related to various CNS disorders, focusing especially on Alzheimer's disease as well as schizophrenia.

ACR325 – Dyskinesias in Parkinson's disease: Ready for clinical Phase Ib
ACR325 is a dopaminergic stabiliser, which in accordance with NeuroSearch's goal of building up a portfolio of specialist drugs, is being developed with a focus on the treatment of dyskinesias (involuntary movements) in Parkinson patients. Dyskinesias

arise with a large number of patients with Parkinson's disease following long-term treatment with L-Dopa, which is the standard treatment.

ACR325 has shown highly promising preclinical results within the treatment of dyskinesias and a very satisfactory safety profile in Phase I.

NeuroSearch has completed the preparations for a clinical Phase Ib study to determine the tolerability and kinetics of ACR325 in Pakinson patients with L-Dopa induced dyskinesias and secondary to measure the efficacy of the product. The Phase Ib study is expected to be initiated in the course of September 2009 and if satisfactory results are achieved, it is the intention to subsequently initiate a Phase IIb Dose Finding study.

ACR343 – Schizophrenia: Ready for clinical Phase II
ACR343 is another dopaminergic stabiliser having demonstrated effect in preclinical models for psychosis, whilst leaving the behaviour of normal animals unaffected. Lack of inhibitory effects on normal motor activity is an essential feature of ACR343, indicating that impairment of normal functions depending on dopamine transmission such as motion, motivation and reward will not occur. This is considered to be a major advantage over current therapies for a number of diseases, including schizophrenia.

NeuroSearch has evaluated ACR343 in clinical Phase I studies with highly satisfactory results and it was seen that the product has an attractive kinetic profile after oral administration and a very satisfactory safety margin. A Phase II Proof of Concept study with ACR343 within schizophrenia (add on to existing treatment) is planned for and is expected to be initiated before the end of 2009.

NSD-788 – Anxiety: Clinical Phase I
NeuroSearch has evaluated NSD-788, a monoamine reuptake inhibitor with a uniquely balanced effect primarily on serotonin and dopamine, in Phase I studies with positive results. The results show that the product has a good safety and tolerability profile. In addition, the unique efficacy profile of NSD-788 has been substantiated in a human Proof of Mechanism study (a clinical PET study).

Based on these studies as well as studies in preclinical models, NeuroSearch believes that treatment with NSD-788 may potentially show better effect and with less side-effects compared to existing drugs for the treatment of anxiety and various types of depression and may show to be effective in the treatment of patients that cannot be treated effectively today.

NeuroSearch is planning the further clinical development of NSD-788 to determine the compound's safety profile within anxiety and depression.

NSD-721 - Social anxiety disorder: Clinical Phase I
NeuroSearch has successfully completed the preclinical development of NSD-721, a selective $GABA_A$ receptor modulator, and initiated the first clinical studies with a view to developing this compound for the treatment of social anxiety disorder, a common disease condition for which no effective treatment exists today.

In August, the first healthy volunteers were dosed in a placebo-controlled Phase I study, which is designed to investigate the safety and pharmacokinetic profile of NSD-721.

NSD-721 is being developed under the alliance with GSK who have settled a total of DKK 67 million (EUR 9 million) to NeuroSearch in connection with the compound's successful transfer into clinical development.

Preclinical drug candidates under the collaboration with GSK

NeuroSearch's preclinical pipeline covered by the collaboration with GSK comprises two drug candidates expected to enter into clinical Phase I studies in 2009 or 2010.

After the extension of the alliance in February 2009, the agreement also covers a number of drugs which are expected to be selected for preclinical development during 2009.

Under the terms of the agreement with GSK, NeuroSearch is eligible to milestone payment of up to a total of DKK 812 million (EUR 109 million) for each product that is developed under the alliance and with payments from and including start of Phase I and even earlier for the compounds that have not yet entered into preclinical development.

Research and devevelopment alliances with Lilly and Janssen

In 2009 NeuroSearch entered into new research and development alliances with Lilly and Janssen respectively.

The alliance with Lilly was signed in February 2009 to form a three-year drug discovery and development collaboration to investigate a defined number of undisclosed ion channel targets for their potential in treating various CNS disorders. The aim of the collaboration is to discover and develop new medicines based on novel approaches to specific ion channel modulation. The collaboration will comprise intellectual property and know-how from both NeuroSearch and Lilly.

Under the terms of the agreement, NeuroSearch is eligible to receive up to USD 13 million (DKK 75.9 million) from Lilly in upfront fees and research funding over the next three years, of which USD 5 million (DKK 29.2 million) was paid upon signing. In connection with the entering of the agreement, NeuroSearch also received USD 17 million (DKK 99.2 million) from Lilly in the form of an equity investment based on an issue of new shares.

Under the terms of the agreement with Lilly, NeuroSearch is responsible for the drug discovery programmes and potentially early development of novel drug candidates. Lilly has various options to exercise license rights to individual compounds covered by the agreement. Upon exercise of license rights, Lilly will be responsible for all subsequent development and commercialisation activities. For each product, successfully developed and commercialised under the alliance, NeuroSearch is entitled to milestone payments of up to USD 320 million (approx. DKK 1.7 billion) plus royalties on the product's global sales.

In August, a three-year agreement with Janssen covering the research, development and commercialisation of new drugs for the treatment of CNS disorders was signed.

Under the terms of the agreement, NeuroSearch is eligible to receive a total of EUR 32 million (DKK 238 million) in guaranteed payments from Janssen, of which EUR 17 million (DKK 127 million) will be as upfront payment and research funding and the remaining EUR 15 million (DKK 112 million) as an equity investment in NeuroSearch. Upon signing of the agreement, NeuroSearch received EUR 5 million (approx. DKK 37 million) as upfront payment and EUR 10 million (DKK 74.5 million) subscribed for in 618,562 new NeuroSearch shares issued to Janssen at a price of 120.35 per share. An additional research funding of EUR 12 million (DKK 89 million) will fall due in 2010 and 2011 and furthermore NeuroSearch holds an option until and including 30 April 2010 to sell new shares to Janssen worth EUR 5 million (DKK 37 million).

NeuroSearch will be responsible for the drug discovery programmes as well as for the potential early development of the drug candidates stemming from the alliance. Janssen will have various options to exercise license rights to the individual compounds covered by the agreement. Upon exercise of license options, Janssen will be responsible for and finance all subsequent development and commercialisation activities. For each product, successfully developed and commercialised under the alliance, NeuroSearch will be entitled to milestone payments of up to EUR 213 million (DKK 1.6 billion) plus double-digit royalties on global sales of the products.

Affiliates and other equity interests
At 30 June 2009, NeuroSearch held equity interests in the following companies: NeuroSearch Sweden AB (100%), NsExplorer A/S (100%), Poseidon Pharmaceuticals A/S (100%), NsGene A/S (25.9%), Sophion Bioscience A/S (30.1%), ZGene A/S (20.9%), Atonomics A/S (18.8%), Bavarian Nordic A/S (1.3%) and PainCeptor Pharma Corporation Inc. (2.3%).

NeuroSearch Sweden AB is based in Sweden and PainCeptor Pharma Corporation Inc. is based in Canada. All other affiliated companies are based in Denmark.

Organisation
NeuroSearch has its head office in Ballerup, Denmark, and at 30 June 2009 a total number of employees of 220.

FINANCIAL REVIEW

The interim report for the first half-year of 2009 is presented in accordance with IAS 34 as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies. The accounting policies are consistent with those applied in the Annual Report 2008. The Annual Report 2008 contains the full description of the accounting policies. This interim report is unaudited and unreviewed.

A loss before financials and results from associates of DKK 204.1 million was posted for the period (H1 2008: a loss of DKK 187.5 million). For H1 2009, a loss after tax of DKK 178.0 million was posted (H1 2008: a loss of DKK 185.9 million).

Capital resources totalled DKK 488.9 million on 30 June 2009 (DKK 716.3 million on 30 June 2008). In the period after 30 June, the company has further strengthened its capital resources with a total of DKK 305 million from income and financing from commercial agreements and thus the capital resources totalled approx. DKK 730 million on 26 August 2009.

The revenue for the period 1 January to 30 June 2009 of DKK 19.3 million (H1 2008: DKK 33.1 million) mainly consisted of revenue from the partnership agreements with GSK and Lilly, which will be recognised during the terms of the agreements.

Total costs amounted to DKK 223.4 million (H1 2008: DKK 220.6 million). Total costs included the calculated costs of DKK 12.2 million (H1 2008: DKK 10.1 million) of warrants granted in the period from 2005 to 2009. This item has no cash flow effect. Development costs were DKK 91.9 million, which was the same level as in H1 2008. Development costs in H1 2009 primarily related to activities with tesofensine (obesity) and Huntexil™. Research costs and general and administrative cost were at the same level as in H1 2008.

Other financials amounted to a net income of DKK 12.1 million (H1 2008 net expenses: DKK 6.5 million). This included interest expenses relating to mortgages on the company's property totalling DKK 4.6 million (H1 2008: DKK 3.6 million). The financial element of contingent consideration related to NeuroSearch Sweden AB was an expense of DKK 2.0 million (H1 2008: DKK 3.9 million). The financial element of contingent consideration has no cash flow effect. Income recognised in relation to other financials was mainly related to a higher interest income from fixed-term deposits and exchange rates from securities.

The Group's investments in property, plant and equipment in H1 2009 totalled DKK 9.6 million (H1 2008: DKK 27.4 million). Investments in an expansion of the facility in Ballerup accounted for DKK 4.4 million (H1 2008: DKK 18.8 million) and the remaining investment of DKK 5.2 million (H1 2008: DKK 8.6 million) primarily related to investments in technical equipment.

On 3 March 2009, NeuroSearch issued 530,745 new shares of DKK 20 nominal value. The shares were subscribed for by Lilly at a price of DKK 187 per share of DKK 20 nominal value each in connection with the signing of the research and development alliance with NeuroSearch.

In May, NeuroSearch established a credit facility of DKK 50 million to finance a programme for the purchase of own shares in 2009 to cover expected future milestone payments relating to the acquisition of Carlsson Research in 2007. The credit facility has been established on ordinary bank financing terms and with a guaranteed duration of two years. By 30 June NeuroSearch held a total of 147,526 shares of DKK 20 nominal value each, corresponding to 0.91% of the total number of 16,274,030 issued NeuroSearch shares. Based on the closing price of NeuroSearch shares on

NASDAQ OMX Copenhagen on 25 August, this corresponds to a maximum of 209,456 additional NeuroSearch shares to be bought under the programme.

On 20 May 2009 the Board of Directors decided to issue 500,000 warrants (22,500 warrants to members of the Board of Directors, 97,500 warrants to members of the Executive Management and 380,000 warrants to other employees) entitling the holders to subscribe for shares with a total nominal value of up to DKK 10,000,000. The exercise price has been fixed at DKK 146 per warrant. There are three exercise periods, which are defined as four weeks after publication of the following company announcements: Q3 2012 interim report, Annual Report 2012 and Q1 2013 interim report.

NEUROSEARCH

FINANCIAL HIGHLIGHTS AND PER SHARE RATIOS

(DKK million)	GROUP				
	Q2 2009 (3 months)	Q2 2008 (3 months)	H1 2009 (6 months)	H1 2008 (6 months)	2008 (12 months)
Income statement:					
Revenue	10.8	16.5	19.3	33.1	66.8
Research costs	55.3	55.5	111.6	108.6	216.8
Development costs	52.4	51.0	91.9	93.4	176.9
Operating profit/(loss)	(107.4)	(101.0)	(204.1)	(187.5)	(366.0)
Net financials	7.8	(17.6)	5.5	(12.7)	(49.9)
Profit/(loss) before taxes	(99.5)	(118.6)	(198.6)	(200.2)	(415.9)
Net profit/(loss)	(87.4)	(109.9)	(178.0)	(185.9)	(382.0)
Total income for the period	(73.9)	(118.1)	(166.2)	(196.3)	(444.5)
Balance sheet:					
Total assets			1,213.9	1,614.6	1,245.8
Cash and cash equivalents, securities and investments			418.6**	649.5	453.4
Equity			762.7	1,078.6	884.1
Investments in property, plant and equipment	3.7	17.7	9.6	27.4	50.3
Per share ratios (DKK):					
Earnings per share*	(5.37)	(7.07)	(11.06)	(12.01)	(24.47)
Diluted earnings per share	(5.37)	(7.07)	(11.06)	(12.01)	(24.47)
Net asset value			46.86	68.52	53.61
Market price at end of period			107.0	240.50	136.0
Market price/net asset value			2.28	3.51	2.54
Average number of employees			236	240	242

* Per share of DKK 20 nominal value.

** Capital resources, including unused credits, total approximately DKK 488.9 million, of which listed shares account for approximately DKK 18.7 million.

The ratios are stated in accordance with “Recommendations and Financial Ratios” issued by the Danish Society of Financial Analysts.

CONDENSED TOTAL INCOME STATEMENT

Income statement (DKK million)	**GROUP**				
	Q2 2009 (3 months)	Q2 2008 (3 months)	H1 2009 (6 months)	H1 2008 (6 months)	2008 (12 months)
Revenue	10.8	16.5	19.3	33.1	66.8
Research costs	55.3	55.5	111.6	108.6	216.8
Development costs	52.4	51.0	91.9	93.4	176.9
General and administrative costs	10.5	11.0	19.9	18.6	39.1
Total costs	118.2	117.5	223.4	220.6	432.8
Operating profit/(loss)	**(107.4)**	**(101.0)**	**(204.1)**	**(187.5)**	**(366.0)**
Share of profit/(loss) of associates	(0.6)	(6.3)	(6.6)	(6.2)	(18.6)
Value adjustment of securities	-	-	-	-	(10.2)
Net other financials	8.4	(11.3)	12.1	(6.5)	(21.1)
Tax on income	12.1	8.7	20.6	14.3	33.9
Net profit/(loss)	**(87.5)**	**(109.9)**	**(178.0)**	**(185.9)**	**(382.0)**
Other total income					
Fair value adjustment of available-for-sale financial assets	7.1	(7.2)	5.4	(10.4)	(15.7)
Exchange rate adjustment of new investment in foreign subsidiary	7.5	(2.2)	7.8	(1.2)	(75.1)
Fair value adjustment of hedge of net investment in foreign subsidiary	(0.5)	1.2	(0.9)	1.2	28.3
Other total income	(0.5)	-	(0.5)	-	-
Total income for the period	**(73.9)**	**(118.1)**	**(166.2)**	**(196.3)**	**(444.5)**
Earnings per share, DKK	**(5.37)**	**(7.07)**	**(11.06)**	**(12.01)**	**(24.47)**
Diluted earnings per share, DKK	**(5.37)**	**(7.07)**	**(11.06)**	**(12.01)**	**(24.47)**

CONDENSED BALANCE SHEET

Balance sheet (DKK million)	GROUP		
	30 June 2009	30 June 2008	31 December 2008
Intangible assets	565.3	730.7	559.8
Property, plant and equipment	203.3	189.1	202.5
Investments	6.7	19.3	10.7
Receivables	20.0	26.0	19.5
Cash and cash equivalents and securities	418.6	649.5	453.3
Total assets	**1,213.9**	**1,614.6**	**1,245.8**
Equity	762.7	1,078.6	844.1
Non-current liabilities	207.8	296.1	276.2
Current liabilities	243.4	239.9	125.5
Total equity and liabilities	**1,213.9**	**1,614.6**	**1,245.8**

CONDENSED CASH FLOW STATEMENT

Cash flow statement (DKK million)	GROUP		
	H1 2009 (6 months)	H1 2008 (6 months)	2008 (12 months)
Cash flows from operating activities	(125.2)	(152.6)	(340.0)
Cash flows from investing activities	(72.0)	(540.8)	(185.2)
Cash flows from financing activities	98.7	17.7	56.3
Net cash flow	(98.5)	(675.7)	(468.9)
Unrealised gain/(loss) on securities	(1.4)	(17.0)	(20.4)
Net change in cash and cash equivalents	(99.9)	(692.7)	(489.3)
Cash and cash equivalents at beginning of period	237.1	727.5	727.5
Foreign exchange adjustments of cash and cash equavilens	-	-	(1.1)
Cash and cash equivalents at end of period	137.2	34.8	237.1
Securities at the end of period	262.8	595.8	203.0
Other available-for-sale financial asets at the end of period	18.7	18.9	13.2
Other capital reserves at the end of period*	70.2	66.8	28.2
Capital resources at end of period	**488.9**	**716.3**	**481.5**

* Other capital reserves relate to unused credits etc.

For a breakdown of “cash and cash equivalents” and “securities” as of 30 June 2009 see notes 2 and 3.

MOVEMENTS IN EQUITY

2009 GROUP (DKK million)	Share capital	Share premium	Currency translation reserve	Other re serves	Retained earnings	Total
Equity at 1 January 2009	314.9	0	(51.5)	5.3	575.4	844.1
Total recognised income for the period	-	-	6.9	4.9	(178.0)	(166.2)
Own shares	-	-	-	-	(15.8)	(15.8)
Right issue	10.6	77.8	-	-	-	88.4
Employee warrant programme	-	-	-	-	12.2	12.2
Transfer	-	(77.8)	-	-	77.8	0
Equity at 30 June 2009	**325.5**	**0**	**(44.6)**	**10.2**	**471.6**	**762.7**

2008 GROUP (DKK million)	Share capital	Share premium	Currency translation reserve	Other re-serves	Retained earnings	Total
Equity at 1 January 2008	304.8	0	(4.7)	21.0	800.3	1,121.4
Total recognised income for the period	-	-	-	(10.4)	(185.9)	(196.3)
Right issue	9.7	130.7	-	-	-	140.4
Employee warrant programme	0.3	3.0	-	-	9.8	13.1
Transfer	-	(133.7)	-	-	133.7	0
Equity at 30 June 2008	**314.8**	**0**	**(4.7)**	**10.6**	**757.9**	**1,078.6**

NOTES

1. Accounting estimates and judgments

The preparation of interim consolidated financial statements in accordance with IAS 34 requires the making of estimates and judgments that affect the reporting of assets. liabilities and expenses. The estimates are reviewed on an ongoing basis. Estimates are based on historical experience and on various other assumptions which NeuroSearch believes to be reasonable under the circumstances. However. the actual results may differ significantly from the estimates.

The principles used to make estimates and judgments in the interim consolidated financial statements have been consistently applied in the interim financial statements and the Annual Report 2008. The principles are described in the Annual Report 2008 in note 1 to the financial statements (page 71).

2. Cash and cash equivalents

Cash and cash equivalents can be specified as follows:

(DKK million)	30 June 2009	30 June 2008	31 December 2008
Money market accounts	33.0	31.0	33.0
Fixed-term deposits	100.3	-	200.3
Escrow account regarding building project	3.9	3.8	3.8
Cash and cash equivalents end of period	**137.2**	**34.8**	**237.1**

NeuroSearch is subject to credit risk with respect to bank deposits. The maximum credit risk corresponds to the carrying amount. No credit risk is considered to exist in relation to cash as the counterparties are Nordea and Danske Bank which are covered by the temporary Danish government guarantee.

3. Securities

Securities can be specified as follows:

(DKK million)	30 June 2009	30 June 2008	31 December 2008
Danish mortgage bonds	178.6	526.3	132.5
Unit trusts	84.2	69.5	70.5
Total securities end of period	**262.8**	**595.8**	**203.0**

4. Own shares

	Number of shares	Nominel value	% of share capital	Market value DKK million
1 January 2009	0	0	0	0
Purchase	147,526	2,950,520	0.91	15.8
Sale	-	-	-	-
Value adjustment	-	-	-	-
30 June 2009	**147,526**	**2,950,520**	**0.91**	**15.8**

The purchase of own shares is part of NeuroSearch's share purchase programme, which was launched in May 2009 to cover possible future milestone payments to the sellers of Carlsson Research, acquired by NeuroSearch in 2007.

MANAGEMENT'S STATEMENT

The Board of Directors and Executive Management today considered and approved the interim report for the period 1 January to 30 June 2009.

The interim report which is unaudited and unreviewed is presented in accordance with the international accounting standard IAS 34 as adopted by the EU and additional Danish interim financial reporting requirements for listed companies.

We consider the accounting policies to be appropriate and the overall presentation in the interim report to be adequate to the effect that the interim report gives a true and fair view of the Group's assets and liabilities, financial position, results of operations and cash flows for the period 1 January to 30 June 2009.

Furthermore, in our opinion the management's report gives a true and fair statement of the developments in the Group's activities and financial affairs, the results of operations and the Group's financial position as a whole as well as a description of the significant risks and uncertainties the Group faces.

Ballerup, 26 August 2009

Executive Management

Flemming Pedersen
CEO

Board of Directors

Thomas Hofman-Bang Chairman	Allan Andersen	Torbjörn Bjerke
Anders Ullman	Gerard van Odijk	Torben Skov
Lars Siim Madsen	Mads Peder Gersdorff Korsgaard	