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Announcement

NeuroSearch A/S – Q1 Report 2007

Today, the Board of Directors adopted the interim report for the period 1 January to 31 March 2007.

A loss after tax of DKK 56.7 million (a loss of DKK 45.8 million in the same period of 2006) was posted. The comparative figures for Q1 2006 do not include NeuroSearch Sweden AB, which was only acquired in Q4 2006.

Capital resources totalled DKK 424.5 million at 31 March 2007 (DKK 409.6 million at 31 March 2006).

The favourable developments seen in 2006 in NeuroSearch's activities and the drug pipeline continued during the first part of 2007. As of the end of Q1 2007, the pipeline of drug products under development is the most comprehensive and advanced in the company's history, and productivity in the drug discovery projects remained high, with the prospect of several new development candidates being elected in 2007. Overall, the performance must be considered to be highly satisfactory.

Key activities and events in Q1 2007:

- NeuroSearch is developing ACR16 in the final phase for the treatment of Huntington's disease and is currently undertaking all preparations with a view to initiating Phase III studies in Huntington's in the second half of 2007. This includes discussions with expert groups and regulatory bodies in both the USA and Europe. The outcome of these discussions has until now been very positive. Concurrently with this process, NeuroSearch has started to prepare marketing plans for the product.

- In late 2006, NeuroSearch's alliance partner GlaxoSmithKline (GSK), initiated a comprehensive Phase IIb programme with NS2359 for depression. The first Phase IIb study will evaluate NS2359 compared with paroxetine (Paxil®/Seroxat®), an anti-depressant marketed by GSK. The study will include several hundred patients, and patient enrolment is progressing as planned. NS2359 is a triple monoamine re-uptake inhibitor with a new and unique mechanism of action which is expected to provide to important advantages over existing anti-depressants.

- In March, NeuroSearch's development and licence partner, Abbott, enrolled and dosed the first patients in a Phase II clinical study with the drug candidate ABT-894 for the treatment of Attention Deficit Hyperactivity Disorder (ADHD) in adults. The study is proceeding according to plan. Abbott is also planning for the initiation of a second Phase II study with ABT-894 in neuropathic pain.

- In the Phase II programme with the drug candidate tesofensine for the treatment of obesity, an external data monitoring committee attached to the project has made a favourable assessment of interim data from the Phase IIb effect study (TIPO-1). The final results from the Phase IIb programme are expected in the second half of 2007. NeuroSearch continues to conduct discussions with potential licence partners with the goal of entering into an agreement for tesofensine during the current year.

- NeuroSearch has selected two new drug candidates from its drug discovery programmes: NSD-708 for the treatment of anxiety and NSD-788 for the treatment of anxiety and other psychiatric diseases. GSK holds an option to develop both compounds under the expanded alliance from November 2006. In addition to NS2359, which is being developed by GSK in Phase II under a separate license agreement, NeuroSearch has so far selected three drug candidates, which may be added and developed by GSK under the alliance. This is very satisfactory, and it is furthermore expected that additional drug candidates can be selected during the current year. Under the agreement, NeuroSearch will receive EUR 109 million (DKK 810 million) for each product that is developed under the alliance as well as attractive royalties on GSK's global sales.

Key events after the end of Q1 2007:

- In early April, NeuroSearch's development and licence partner, Astellas, initiated a Phase Ib study with ACR16 in schizophrenia patients. The study is performed in the USA and is proceeding according to plan. Astellas holds the global rights to ACR16 in all indications, except for Huntington's disease, for which NeuroSearch holds the rights in the USA and Europe.

- For ACR325, which is in Phase I clinical development with a view to developing the product for the treatment of psychoses, including bipolar disorder, NeuroSearch has now successfully completed the first Phase I single-dose study. The treatment was well tolerated, and the compound showed satisfactory absorption in the body after oral administration. A multi-dose study with ACR325 is under way to further study the safety profile of the compound, and it is expected that Phase II clinical studies can be initiated around the turn of the year.

- NeuroSearch has concluded a Phase I/II pain study with NS1209. Preliminary data show that NS1209 was significantly superior to placebo in alleviating some key symptoms of neuropathic pain. Patients' rating of overall pain was also significantly improved, while the more stringent primary endpoint did not reach statistical significance. NS1209 demonstrated a good safety profile and was well tolerated by all treated patients. Given the small size of the study, these results are encouraging and, after evaluation of the final results of this study and data from the Phase II study in epilepsy, NeuroSearch will decide the future development strategy for the product.

- GSK has initiated a second Phase IIb study of NS2359 in depression. Thus, the Phase IIb programme now includes two ongoing studies involving almost 1,000 patients at a large number of centres in several countries. Whereas the first study evaluates NS2359 relative to paroxetine, this second study will compare the efficacy of NS2359 with that of venlafaxine XR, another marketed anti-depressant.

- Dr. Dieter Meier, NeuroSearch's Chief Medical Officer, became a member of the Executive Management on 25 April 2007. Dr. Meier joined NeuroSearch in February 2006 as Director of Clinical Development, and has since then significantly upgraded the company's clinical development capacity and capabilities. The Executive Management now consists of Flemming Pedersen, CEO, Jørgen Drejer, Executive Vice President, Director of Drug Discovery, Frank Wätjen, Executive Vice President, Director of Drug Development, Finn Eggert Sørensen, Executive Vice President, CBO, and Dieter Meier, Executive Vice President, CMO.

NeuroSearch retains its guidance for the year ending 31 December 2007 of a loss in the region of DKK 80-100 million before recognition of associates and other equity interests.

Asger Aamund
Chairman of the Board

Presentation of the Q1 Report 2007
The Q1 2007 report will be reviewed at NeuroSearch's annual general meeting, which will be held today at 4.00 pm at the Radisson SAS Falconer Hotel.

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NeuroSearch is a Scandinavian biopharmaceutical company listed on the Copenhagen Stock Exchange (NEUR). Our core business covers the development of novel drugs, based on a broad and well-established drug discovery platform focusing on ion channel and CNS disorders. A substantial part of the company's activities are partner financed through a broad alliance with GlaxoSmithKline (GSK) and collaborations with among others Abbott and Astellas. The drug pipeline comprises nine clinical development programmes: ACR16 for the treatment of Huntington's disease (under preparation for Phase III), tesofensine for the treatment of obesity/type 2 diabetes (Phase II), NS2359 for the treatment of depression (Phase II) and ADHD (Phase II) in partnership with GSK, NS1209 for the treatment of epilepsy and pain (Phase II), ABT-894 for the treatment of ADHD (Phase II) and neuropathic pain (Phase I) in partnership with Abbott, ACR16 for the treatment of schizophrenia (Phase I) in partnership with Astellas and ACR325 for the treatment of psychoses such as bipolar disorder (Phase I). In addition, NeuroSearch has a broad portfolio of preclinical drug candidates and has equity interests in several biotech companies.

MANAGEMENT'S REPORT

Drug candidates in development

At the end of Q1 2007, the pipeline of drug products under clinical development was the most comprehensive and advanced in the history of NeuroSearch. In addition, NeuroSearch has a number of preclinical drug candidates, several of which are expected to move on to clinical development during the current year.

ACR16 – Huntington's disease: Under preparation for Phase III

The drug candidate ACR16 is under preparation for the final Phase III studies for the treatment of Huntington's disease.

Huntington's disease is a fatal, genetic disease characterised by symptoms such as serious motor disturbances, dementia (cognitive disturbances) and psychoses, depression and anxiety. There are some 70,000 diagnosed patients and an additional 400,000 persons in the risk group in Europe and the USA, and the existing therapies are highly insufficient.

ACR16 is a dopaminergic stabiliser which can both promote and inhibit dopamine dependent functions in the brain. Beneficial effects of dopaminergic stabilisers in general have been demonstrated in clinical and preclinical studies in psychiatric and neurological diseases. ACR16 has shown promising results in several clinical studies, including a Phase II study in Huntington's disease. Against this background, NeuroSearch is currently undertaking all preparations with a view to initiating Phase III studies in Huntington's disease in the second half of 2007. This includes discussions with expert groups and regulatory bodies in both the USA and Europe. The outcome of the discussions with the regulatory authorities to date has been very favourable.

The planned Phase III studies will be randomised, double-blinded, placebo-controlled studies, which will involve about 500 patients at a total of 60 treatment centres in Europe and the USA. The maximum treatment time will be six months, and the primary endpoint will be to improve the motory functions in patients with Huntington's disease. Secondarily, the effect on behaviour, depression symptoms, anxiety and the cognitive functions will be assessed in addition to an assessment of safety and tolerability.

NeuroSearch holds the rights to ACR16 within Huntington's disease in North America and Europe. The health authorities in both Europe (EMEA) and the USA (FDA) have granted "orphan drug" status to the programme, which gives NeuroSearch the opportunity to maintain a closer dialogue with the authorities and to complete the clinical development and the registration procedures faster than normally.

The further development programme for ACR16 has now been fixed all the way to market registration, which is expected in 2009. Concurrently with this process, NeuroSearch has initiated the preparation of marketing plans for the product.

NS2359 (GSK372475) – depression and ADHD: In Phase IIb

NS2359 is a monoamine re-uptake inhibitor with a triple mode of action, affecting the three neurotransmitters serotonin, noradrenaline and dopamine, all of which play an important role in the development of depression. NS2359 also increases the amount of the neurotransmitter acetylcholine that is released. This mode of action is expected to produce a better and faster reduction of the symptoms associated with depression. The rationale has been confirmed in independent studies in which existing antidepressants affecting serotonin have been combined with drugs affecting noradrenaline/dopamine. It

is expected that drugs with this triple mode of action will become the future standard in the treatment of depression.

The worldwide rights to develop and market NS2359 have been licensed to our alliance partner GlaxoSmithKline (GSK), who has initiated an extensive Phase IIb programme with the drug candidate in the treatment of major depressive disorder (MDD). The programme consists of two Phase IIb clinical studies, in total involving approx. 1,000 patients and a large number of centres in several different countries.

The first study started enrolling patients suffering from MDD in late 2006 in a randomised, double-blinded parallel study which, during a ten-week treatment period, will compare NS2359 with placebo and paroxetine, an SSRI (selective serotonin re-uptake inhibitor) marketed by GSK under the product name of Paxil®/Seroxat®.

The second Phase IIb study with NS2359 began in mid-April 2007. In this study, during a ten-week treatment period, NS2359 will be compared with another marketed antidepressant, venlafaxine XR, which is an SNRI (serotonin, noradrenaline reuptake inhibitor).

Both studies are progressing according to plans.

GSK also holds the rights to NS2359 for the treatment of other disease areas including ADHD (attention deficit hyperactivity disorder), a psychiatric disorder characterised by disturbances in attention, activity and impulsiveness. In an earlier clinical trial conducted by NeuroSearch, NS2359 demonstrated an improvement in attention, concentration and memory, which are affected in ADHD patients.

Under the terms of the licence agreement, GSK is financing all development costs relating to NS2359, and NeuroSearch is furthermore entitled to sizeable payments on the attainment of development milestones as well as attractive royalties on GSK's global sales of the product.

Tesofensine - obesity/type 2 diabetes: In Phase IIb

NeuroSearch holds all the rights to the drug candidate tesofensine, which is being studied in two Phase II clinical studies in obesity and type 2 diabetes respectively.

Tesofensine is a monoamine re-uptake inhibitor with effect on the three neurotransmitters in the brain: dopamine, serotonin and noradrenaline ("triple mode of action"). The compound has potential for the treatment of obesity and type 2 diabetes and expectedly also for CNS diseases.

A meta analysis based on data from four previous Phase II studies comprising a total of 312 overweight Alzheimer's and Parkinson's patients showed a significant, dose-related weight loss after 14 weeks' treatment with tesofensine. The registered weight loss was on a level with the effect of existing anti-obesity drugs. NeuroSearch subsequently demonstrated in a preclinical study that treatment with tesofensine led to a weight loss and a direct positive effect on metabolism parameters such as glucose tolerance and lipids in the blood, which are relevant in the prevention and treatment of type 2 diabetes.

On the basis of these results, NeuroSearch in late August 2006 initiated a double-blinded, placebo-controlled, multi-dose clinical Phase IIb study (TIPO-1) in order to evaluate the weight loss after treatment with tesofensine. The study comprises more than 200 obese persons (BMI ≥ 30) who are treated for six months with one of three different doses of tesofensine (0.25 mg, 0.5 mg and 1.0 mg) or with placebo. All the participating persons follow the same dietary and exercise programme before and during treatment and during a follow-up period. In late 2006, a supplementary Phase I/II study (TIPO-2) was started up to determine the effect of tesofensine on the metabolism of overweight volunteers. This study is a two-armed, placebo-controlled, parallel-group study which includes 32 overweight to obese persons (BMI = 28-35). The primary

endpoint of the study is to evaluate the effect of tesofensine on parameters such as energy and fat metabolism, glucose tolerance and on blood fat content (plasma lipids). In addition, the effect on appetite regulation is also studied.

It is expected that the results from both studies (TIPO-1 and TIPO-2) will be available in the second half of 2007.

Overall, tesofensine has been studied in more than 1,500 persons, and the compound has a very good and well-documented safety profile. A data monitoring committee consisting of external experts (DMC) attached to the TIPO-1 study has made a favourable interim assessment of the safety and tolerability of tesofensine.

NeuroSearch has ongoing discussions with potential licence partners with the goal of entering into a licence agreement for tesofensine during the current year.

ABT-894 – ADHD/Neuropathic pain: In Phase II

In March 2007, NeuroSearch's development and licence partner, Abbott, initiated a Phase II clinical study with the drug candidate ABT-894 for the treatment of Attention Deficit Hyperactivity Disorder (ADHD) in adults. The study is a randomised, double-blinded, placebo-controlled dose-ranging study to evaluate the efficacy of ABT-894 as a new treatment for ADHD.

ABT-894 is a subtype selective modulator of neuronal nicotinic receptors (NNR), which has shown promising effects in preclinical models for pain and other central and peripheral nervous system diseases. The compound has successfully completed a number of Phase I single- and multiple-dosing studies, including studies with surrogate markers for cognitive improvement.

Abbott is also planning to initiate a second Phase II clinical programme with ABT-894 in patients suffering from neuropathic pain (severe chronic pain conditions).

Under the terms of the licence agreement, Abbott is responsible for the clinical development and commercialisation of ABT-894 and will finance all development costs. NeuroSearch will receive milestone payments as well as royalties on global sales.

NS1209 – epilepsy (status epilepticus)/pain: In Phase II

NS1209 is an AMPA antagonist inhibiting the binding of the neurotransmitter glutamate to one of its subtype AMPA receptors. This mechanism of action offers opportunities for the treatment of a variety of neurological disorders, including stroke, epilepsy and neuropathic pain.

NS1209 has previously demonstrated beneficial effects in preclinical epilepsy models, and the compound has also demonstrated efficacy in alleviating pain behaviours in animal models of persistent and neuropathic pain.

NeuroSearch has performed a Phase II study in status epilepticus, which is a severe form of epilepsy and a Phase I/II study in neuropathic pain. Both studies have been completed and data are being analysed.

In the neuropathic pain study, which included 16 patients, preliminary data have now shown that patients' rating of their overall pain was significantly improved, while the primary endpoint 'change of spontaneous ongoing pain' (defined as a 33% reduction of the pain on a Visual Analogue Scale) did not show statistical significance. Further, NS1209 also showed statistical significant effect compared to placebo on two of the most common symptoms among patients with neuropathic pain. NS1209 demonstrated a good safety profile and was well tolerated in this patient population.

Given the small size of the study, these results are encouraging. After evaluation of the final results of this study and data from the Phase II study in epilepsy, NeuroSearch will decide on the future development strategy for the product.

ACR16 – schizophrenia: In Phase Ib

NeuroSearch's development and licence partner, Astellas Pharma (Astellas) holds worldwide rights to ACR16 for all indications except for Huntington's disease, for which NeuroSearch holds the rights in North America and Europe.

In April 2007, Astellas initiated a Phase Ib clinical study with ACR16 with a view to developing the compound as a novel treatment for schizophrenia. The Phase Ib study is a placebo-controlled, multiple-dose study to evaluate the safety and tolerability of ACR16 in patients with schizophrenia. The study will be performed in the USA and include up to 60 patients. While this study assesses primarily the safety and tolerability of ACR16, scores on the PANSS (Positive and Negative Symptoms' Scale) will be included as an efficacy measure. The study progresses according to plan.

As a dopaminergic stabiliser, ACR16 represents a new treatment principle for schizophrenia, and NeuroSearch has previously successfully evaluated ACR16 in a double-blinded, placebo-controlled single-dose Phase Ib study in patients suffering from schizophrenia. In addition, ACR16 has demonstrated efficacy in several preclinical models of schizophrenia, whilst no effect was seen on normal behaviour. This means that ACR16 has a limited risk of inducing the side effects of existing anti-psychotics.

According to the terms of the license agreement with Astellas, NeuroSearch will receive up to EUR 84 million in milestones as well as royalties on Astellas' global sales of the drug.

ACR325 – psychoses, bipolar disorder: In Phase I

ACR325 is a dopaminergic stabiliser which is being studied in Phase I clinical studies with a view to developing the compound as a new treatment for psychoses, including bipolar disorder. The existing therapies for this disease have a limited effect and considerable adverse side effects.

ACR325 has demonstrated promising results in disease models for psychoses. The compound significantly increases the level of dopamine and noradrenaline in the forebrain and concurrently inhibits the overactivity of dopamine in other regions of the brain without this inhibiting motory activity. This indicates that, unlike marketed antipsychotics, ACR325 could have a clinical profile with limited adverse side effects.

NeuroSearch has now completed a single-dose study involving 16 healthy volunteers who received three different doses of ACR325 and placebo. The results of the study are favourable and show that the treatment was well tolerated and that ACR325 showed a satisfactory kinetic profile. A multiple-dose study with ACR325 to further determine the safety profile of the compound and a PET study to further study the mechanism of action are under preparation. It is expected that Phase II clinical studies will be initiated around the turn of the year.

NeuroSearch holds all the rights to ACR325.

Other NNR programmes under the collaboration with Abbott: ABT-107, ABT-560 and two recently selected development candidates

In addition to ABT-894, Abbott has selected four additional NNR modulators for development during the tail period (2004-2006) of the research collaboration with NeuroSearch, which terminated in late 2006.

ABT-107 was selected as a new development candidate in the first quarter of 2006. Preclinical development of ABT-107 has been successfully completed, and Abbott

plans to initiate Phase I clinical studies in 2007 with a view to developing the compound in a variety of indications including schizophrenia and cognitive dysfunctions.

ABT-560 was also selected as a new development candidate in the first quarter of 2006 after having demonstrated positive effects in preclinical models for dementia and cognitive dysfunctions. It is expected that Phase I studies can be initiated in 2007 after completion of preclinical development studies with a view to progressing ABT-560 as a potential new treatment of cognitive dysfunctions in specific patient populations.

In connection with the expiration of the research tail period of the collaboration at the end of 2006, Abbott selected two additional NNR-modulators, NSD-686 and NSD-683 for continued evaluation. Both compounds have shown promising effects in models of cognitive dysfunctions. NSD-683 has now been successfully evaluated in a number of supplementary preclinical studies, and Abbott will continue the development of NSD-683. For NSD-686, Abbott has decided not to pursue further development. All rights to the compound will revert to NeuroSearch.

Under the terms of the agreement, Abbott is responsible for the clinical development and commercialisation of all products from the collaboration. Abbott will also pay milestones to NeuroSearch as well as royalties on global sales.

Other preclinical drug candidates: NSD-503, ACR343, NSD-551, NSD-644, NSD-708 and NSD-788

NeuroSearch has six drug candidates in preclinical development: NSD-503 in COPD, ACR343 in Parkinson's disease, NSD-551 for the treatment of brain cancer, NSD-644 and NSD-708 and NSD-788, which all target psychiatric disorders and pain. All preclinical development activities are progressing satisfactorily and according to plan. It is expected that clinical studies can be initiated with one or more preclinical development candidates during the current year.

GSK holds options for NSD-644, NSD-708 and NSD-788 under the expanded alliance between NeuroSearch and GSK from November 2006. For all drug candidates developed under the agreement, NeuroSearch will be in charge of development through Phase IIa with substantial financing from GSK from initiation of Phase I. After Phase IIa, GSK will take over the full operational responsibility and financing of the further development and commercialisation of the products and pay sizeable milestones and royalties on its sales of the products.

Affiliates and other equity interests

NeuroSearch had equity interests in the following companies as of 31 March 2007: NeuroSearch Sweden AB (100%), NsExplorer A/S (100%), NeuroScreen ApS (100%) and Poseidon Pharmaceuticals A/S (100%), NsGene A/S (25.2%), Sophion Bioscience A/S (29.6%) and Atonomics A/S (18.8%), Bavarian Nordic A/S (1.3%), PainCeptor Pharma Corporation Inc. (10.1%) and ZGene A/S (11.3%).

All the companies are based in Denmark, with the exception of NeuroSearch Sweden AB, which is located in Sweden, and PainCeptor Pharma Corporation Inc., which is headquartered in Canada.

Associates

In 2006, NeuroSearch provided convertible loans to Sophion Bioscience A/S. As of 31 March 2007, the loans, totalling DKK 5.4 million including interest, were converted into shares in the company. This brought the ownership interest in the company to 29.6%.

Atonomics A/S completed a capital increase in January 2007, raising a total of EUR 4.5 million (DKK 33.5 million) of fresh capital. NeuroSearch contributed EUR 750 thousand (DKK 5.6 million) to the capital increase, and the ownership interest in the company is now 18.8%.

Other Investments

NeuroSearch holds 100,102 shares in Bavarian Nordic A/S, equivalent to 1.3% of the shares and a value of DKK 51.6 million based on the 31 March closing price of DKK 515 per share. In connection with Bavarian Nordic's rights issue in March this year, NeuroSearch sold subscription rights with a value of DKK 2.8 million.

As of 24 April 2007, the value of NeuroSearch's interest in Bavarian Nordic was DKK 56.1 million (DKK 560 per share).

Organisation

NeuroSearch had 235 employees at 31 March 2007. The affiliated companies had a total of 117 employees.

Dr. Dieter Meier, NeuroSearch's Chief Medical Officer, became a member of the Executive Management on 25 April 2007. Dr. Meier joined NeuroSearch in February 2006 as Director of Clinical Development, and has since then significantly upgraded the company's clinical development capacity and capabilities. Dieter Meier has many years of experience from executive positions with Johnson & Johnson and Boehringer Ingelheim, where he was responsible for the clinical development of drugs until marketing. The Executive Management now consists of Flemming Pedersen, CEO, Jørgen Drejer, Executive Vice President, Director of Drug Discovery, Frank Wätjen, Executive Vice President, Director of Drug Development, Finn Eggert Sørensen, Executive Vice President, CBO, and Dieter Meier, Executive Vice President, CMO.

Outlook for 2007

NeuroSearch retains its guidance for the year ending 31 December 2007 of a loss in the region of DKK 80-100 million before recognition of associates and other equity interests.

Shareholder information

NeuroSearch made a capital increase on 13 March 2007 of DKK 2,513,100 nominal value, equivalent to 125,655 shares with a nominal value of DKK 20 each as a result of employee exercise of warrants granted in 2003. The new shares were subscribed at DKK 126.40 per share of DKK 20 nominal value. This brought the share capital of NeuroSearch A/S to DKK 248,903,420 nominal value, equivalent to 12,445,171 shares.

NeuroSearch's Board of Directors passed a resolution on 12 December 2006 to issue warrants. The resolution was worded as follows:

It has been decided to issue up to 240,000 warrants entitling the holders to subscribe for shares with a nominal value of up to DKK 4,800,000.

Out of these warrants, 39,000 were granted to members of the Executive Management and 201,000 to other employees. The exercise price of DKK 402 has been determined as the average price of all trades during the period 18-22 December 2006, plus a premium of 10% p.a. during the vesting period.

The three exercise periods are May 2010, Aug./Sept. 2010 and March 2011.

Shareholdings

On 31 March 2007, the members of the Board of Directors, the Executive Management and the employees held shares in the company as shown below:

Shareholders	Number of shares
Asger Aamund, Chairman	637,952
Other Board members (6 persons)	110,333
Executive Management (5 persons)	64,604
Other employees	193,577
Total	1,006,466(1)

(1) Equivalent to 8.1% of the outstanding share capital of 12,445,171 shares.

NeuroSearch does not hold any treasury shares.

Warrants granted in 2004, 2005, 2006 and 2007 made up at 31 March 2007							
Year	**Exercise price DKK**	**Exercise period**	**Board of Directors**	**Executive Management**	**Other employees**	**Total (DKK 20 each)**	**Market value(1)**
2004	262.19	Nov. 2007 March 2008 Sept. 2008 March 2009	7,026	24,003(2)	115,760(4)	146,789(4)	9.0
2005	191.30	Nov. 2008 May 2009 Nov. 2009 March 2010	7,026	27,165	117,848(4)	152,039(4)	16.7
2006	213.51	Nov. 2008 May 2009 Nov. 2009 March 2010	0	0	11,709	11,709	1.1
2007	402.00	May 2010 Aug./Sept. 2010 March 2011	0	39,000(5)	201,000	240,000	12.5
Total			**14,052**	**90,168**	**446,317**	**550,537(3)**	**39.3**

(1) The market value has been determined in DKK million at the end of the exercise period. The calculation was made using the Black & Scholes model, applying an average market price at 30 March 20 of DKK 257.60 per share and a volatility rate of 38.12%, equivalent to the volatility of the price of NeuroSearch's shares over the last three years before the balance sheet date. Source: Danske Markets.
(2) The Executive Management was increased from four to five persons in 2004.
(3) The aggregate warrant programme corresponds to 4.4% of the current share capital.
(4) Warrants to other employees have been made up as a net figure less those of employees who are no longer with the company.
(5) The grant was made to the Executive Management consisting of four persons as of 1 January 2007 (Flemming Pedersen, Jørgen Drejer, Frank Wätjen and Finn Eggert Sørensen).

FINANCIAL REVIEW

The interim report has been presented in accordance with the recognition and measurement requirements of IFRS 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 for 2006. The interim report is unaudited.

A loss after tax of DKK 56.7 million (a loss of DKK 45.8 million in the same period of 2006) was posted. The comparative figures for Q1 2006 do not include NeuroSearch Sweden AB, which was only acquired in Q4 2006.

Capital resources totalled DKK 424.5 million at 31 March 2007 (DKK 409.6 million at 31 March 2006).

Revenue for the period 1 January to 31 March 2007 of DKK 25.0 million consisted of revenue from the partnership agreement with GSK. In addition, Abbott initiated a Phase II study in March with the development candidate ABT-894 for the treatment of ADHD, and as part of the licence agreement, NeuroSearch has received a payment from Abbott of USD 1.5 million (approximately DKK 8.5 million).

Costs totalled DKK 79.4 million (DKK 53.9 million in the same period of 2006). Activities in NeuroSearch Sweden AB accounted for DKK 15.9 million of the total costs. Development costs rose by DKK 14.9 million, primarily as a result of increased activity in the acquired development project ACR16 and increased activity in the tesofensine project.

Other financials amounted to an expense of DKK 0.6 million, down from an expense of DKK 4.4 million in Q1 2006. This favourable performance was primarily attributable to a larger holding of securities and a favourable trend in interest income on securities.

In connection with Bavarian Nordic's rights issue in March this year, NeuroSearch sold subscription rights, and the proceeds from this contributed a profit of DKK 2.8 million to the net loss.

Q1 Report 2007

Financial highlights, per share ratios and movements in equity

The interim report for Q1 2007 is presented in accordance with the recognition and measurement requirements of IFRS 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 for 2006. The interim report is unaudited.

Financial highlights (DKK million)	**GROUP**		
	Q1 2007 (3 months)	Q1 2006 (3 months)	2006 (12 months)
Income statement:			
Revenue	25.0	16.5	66.3
Research costs	48.8	39.2	172.3
Development costs	22.9	8.0	54.8
Operating profit/(loss)	(54.4)	(37.4)	(186.7)
Net financials	(2.3)	(8.4)	(25.5)
Profit/(loss) before taxes	(56.7)	(45.8)	(212.2)
Net profit/(loss)	(56.7)	(45.8)	(212.2)
Balance sheet:			
Total assets	1,229.1	625.1	1,267.5
Cash and cash equivalents, securities and investments	356.5	399.1	387.0
Equity	596.8	362.9	657.7
Investments:			
Payments to acquire equipment	2.2	1.5	12.9
Statement of cash flows:			
Cash flows from operating activities	(26.3)	3.8	(166.4)
Cash flows from investing activities	16.4	(5.8)	(335.5)
Cash flows from financing activities	12.9	(15.1)	365.2
Cash and cash equivalents end of period	(4.2)	120.4	(7.2)
Other capital resources:			
Securities	296.2	219.9	318.8
Other available-for-sale financial assets at end of period	51.6	45.3	58.7

Other capital reserves at end of period	80.9	24.0	133.3
Capital resources at end of period	424.5	409.6	503.6
Per share ratios (DKK):			
Earnings per share (EPS)*	(4.59)	(5.80)	(24.17)
Diluted earnings per share	(4.59)	(5.80)	(24.17)
Net asset value	47.95	45.85	53.38
Market price at end of period	256	188.0	321.5
Market price/net asset value	5.34	4.10	6.02
Average number of employees	225	186	199

* Per share of DKK 20 nominal value.

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

Statement of movements in equity (DKK million)	Share capital	Share premium	Currency translation reserve	Other reserves	Retained loss	Total
Equity at 1 January 2007	246.4	0	5.1	54.3	351.9	657.7
Other equity items	2.5	13.3	(12.9)	(7.1)	-	(4.2)
Net profit/(loss) for the period	-	-	-	-	(56.7)	(56.7)
Transfer	-	(13.3)	-	-	13.3	0
Equity at 31/3-2007	**248.9**	**0**	**(7.8)**	**47.2**	**308.5**	**596.8**

Statement of movements in equity (DKK million)	Share capital	Share premium	Currency translation reserve	Other reserves	Retained loss	Total
Equity at 1 January 2006	157.7	0	-	43.3	206.9	407.9
Other equity items	0.6	2.5	0	(2.3)	-	0.8
Net profit/(loss) for the period	-	-	-	-	(45.8)	(45.8)
Transfer	-	(2.5)	-	-	2.5	0
Equity at 31/3-2006	**158.3**	**0**	**0**	**41.0**	**163.6**	**362.9**

Management's statement

The Board of Directors and Executive Management today considered and approved the interim report for the period 1 January to 31 March 2007.

The interim report, which is unaudited, is presented in accordance with the recognition and measurement requirements of the International Financial Reporting Standards as adopted by the EU and additional Danish interim financial reporting requirements for listed companies.

We consider the accounting policies to be appropriate 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.

Copenhagen, 25 April 2007

Executive Management

Flemming Pedersen

_____

Board of Directors

Asger Aamund	Marianne Philip	Allan Andersen
_____	_____	_____
Jørgen Buus Lassen	Torbjørn Bjerke	Lars Siim Madsen
_____	_____	_____

Torben Skov

_____

Appendix 1 – Summarized income statement

Income statement (DKK million)	**GROUP**		
	Q1 2007 (3 months)	Q1 2006 (3 months)	2006 (12 months)
Revenue	25.0	16.5	66.3
Research costs	48.8	39.2	172.3
Development costs	22.9	8.0	54.8
General and administrative costs	7.7	6.7	25.9
Total costs	79.4	53.9	253.0
Operating profit/(loss)	**(54.4)**	**(37.4)**	**(186.7)**
Share of profit/(loss) of associates	(4.5)	(4.0)	(20.7)
Value adjustment of securities	2.8	-	-
Net other financials	(0.6)	(4.4)	(4.8)
Tax on income	-	-	-
Net profit/(loss)	**(56.7)**	**(45.8)**	**(212.2)**

Appendix 2 – Summarized balance sheet and statement of cash flows

Balance sheet (DKK million)	**GROUP**		
	Q1 2007 (3 months)	Q1 2006 (3 months)	2006 (12 months)
Intangible assets	635.8	9.6	657.8
Property, plant and equipment	167.7	164.7	169.7
Investments	37.5	41.9	29.7
Receivables	31.6	9.8	23.3
Cash and cash equivalents and securities	356.5	399.1	387.0
Total assets	**1,229.1**	**625.1**	**1,267.5**
Equity	596.8	362.9	657.7
Non-current liabilities	428.5	129.2	435.7
Current liabilities	203.8	133.0	174.1
Total equity and liabilities	**1,229.1**	**625.1**	**1,267.5**

Statements of cash flows (DKK million)			
Cash flows from operating activities	(26.3)	3.8	(166.4)
Cash flows from investing activities	16.4	(5.8)	(335.5)
Cash flows from financing activities	12.9	(15.1)	365.2
Net change in cash and cash equivalents at beginning of period	3.0	(17.1)	(136.7)
Cash and cash equivalents at beginning of period	(7.2)	137.5	129.5
Cash and cash equivalents at end of period	(4.2)	120.4	(7.2)
Other investments, securities and liquidity reserves	428.7	289.2	510.8
Capital resources at end of period	**424.5**	**409.6**	**503.6**