



PRESS RELEASE

Addex Pharmaceuticals Reports First Half 2009 Financial Results

Operating loss reduced by 30%; with current cost control measures, Addex is holding over 2 years of cash

Geneva, Switzerland, 28 July 2009 – Allosteric modulation company Addex Pharmaceuticals (SIX:ADXN) released today financial results for the first half of 2009 and reiterated the status of its allosteric modulator pipeline including lead product, ADX10059, which is in Phase IIb development for both gastroesophageal reflux disease (GERD) and migraine prevention.

Financial Highlights

- 1H09 net loss: CHF19.6 million
- 1H09 revenues: CHF2.8 million
- Cash and cash equivalents at 30 June 2009: CHF94.5 million
- Addex 2009 full year cash burn guidance revised to CHF43-47 million

Pipeline & Operating Highlights

- ADX10059 on track to deliver Phase IIb results in GERD in 4Q 2009 and in migraine prevention in 1Q 2010
- Platform adapted to discover allosteric modulators of cytokine receptors, including TNF-R1 and IL-1R1
- Operating loss reduced by 30% as cost control measures take effect

Tim Dyer, CFO, said: "Thanks to cost control measures and continued revenues from partnerships, we are pleased to report a 30% reduction in our operating loss while making exceptional progress in expanding our proprietary platform technology and advancing our product portfolio, especially the Phase IIb trials of ADX10059 for GERD and migraine prevention. As a result of the implementation of cash preservation measures, spending in the first half of 2009 was in line with our expectations and our full year cash burn guidance is revised to CHF43-47 million."

Key Financial Data

	1H09	2H08	1H08
	millions of Swiss francs		
Revenues	2.8	1.0	25.8
R&D expenses	(18.5)	(25.3)	(18.9)
G&A expenses	(4.2)	(4.1)	(3.5)
Operating (loss) / profit	(19.9)	(28.4)	3.4
Net finance result	0.3	3.6	(0.8)
Net profit (loss)/ profit for the period	(19.6)	(24.8)	2.6
Basic and diluted net (loss) / earnings per share (CHF)	(3.42)	(4.30)	0.45
Cash and cash equivalents	94.5	119.5	142.8

First Half 2009 Financial Summary

Revenues of CHF2.8 million consist primarily of a CHF1.5 million milestone receivable from Ortho-McNeil-Janssen Pharmaceuticals Inc. under the mGluR2 PAM license agreement and CHF1.0 million of upfront fees, milestones and technology access fees received from Merck Sharpe & Dohme Research Ltd under the mGluR4 PAM research collaboration and license agreement which are being recognized over the term of the research collaboration.

Research & Development expenses decreased by 26.9% to CHF18.5 million in the first half of 2009 from CHF25.3 million in the second half of 2008 reflecting the effect of a number of cost control strategies which were implemented at the end of 2008.

General and Administration expenses remained stable at CHF4.2 million in the first half of 2009 compared to CHF4.1 million in the second half of 2008 mainly due to the net effect of cost control strategies off-set by a strengthening of the business development and HR functions.

Net Finance Result decreased to CHF0.3 million in the first half of 2009 from CHF3.6 million primarily due to lower interest rates and the absence of unrealized exchange gains which had been recorded in the second half of 2008.

Cash and Cash Equivalents amount to CHF94.5 million at the 30 June 2009, a decrease of CHF25.0 million compared to the position at year-end 2008 mainly due to the cost of operations and to a lesser extent capital expenditure.

Pipeline update

Addex reiterates the status of its pipeline, given during its R&D Day held on 16 July. Recordings of the webcasts and slides from the R&D Day are available at www.addexpharma.com.

Enrollment in the three Phase IIb trials of ADX10059 in both GERD and migraine prevention is proceeding as planned. The data from the two GERD studies are expected in the fourth quarter of 2009. The data from the migraine prevention study are expected in the first quarter of 2010.

Preclinical data, reported for the first time at the 2009 Addex R&D Day, show that both ADX10059 and ADX48621 reversed haloperidol induced catalepsy in a rodent model of Parkinson's disease (PD). Data from ongoing studies in a primate monkey model of PD are expected in the coming months. ADX10059 and ADX48621 are metabotropic glutamate receptor 5 (mGluR5) negative allosteric modulators (NAM). ADX48621 completed Phase I testing in healthy volunteers earlier this year and is scheduled to start Phase IIa testing in PD patients around the end of 2009.

Addex partner Ortho-McNeil-Janssen Pharmaceuticals Inc., a Johnson & Johnson company, started last month Phase I testing of ADX71149, an mGluR2 positive allosteric modulator (PAM) with potential for treatment of schizophrenia and anxiety. Addex received €1 million for the milestone and is eligible for further undisclosed milestones and royalties. To date, Addex also has received an upfront fee of €3 million and €4.2 million in research funding during the drug discovery collaboration period.

Earlier this month, Addex achieved the second research milestones of \$500,000 under its collaboration with partner Merck & Co., Inc. to discover mGluR4 PAM drugs to treat Parkinson's disease bringing the total amount earned to \$4 million. Addex is eligible for up to \$106.5 million in research, development and regulatory milestones for the first product developed for multiple indications. Additional milestones of up to \$61 million would be payable if a second and third product is developed. Addex is eligible to receive undisclosed royalties on sales of any products resulting from this collaboration, signed in late 2007. Merck is responsible for clinical development.

Data on ADX68692, a follicle stimulating hormone (FSH) NAM, reported at the 2009 Addex R&D Day have led Addex to begin preclinical testing of the product for treatment of hormone refractory prostate cancer.

Addex also announced at its R&D Day that it has adapted its discovery platform to allow discovery of orally available small molecule drugs targeting cytokine receptors and other type 1 transmembrane proteins. In addition, Addex announced that initial screenings of its allosteric modulator biased library have been performed for several new targets, including Tumor Necrosis Factor receptor 1 (TNF-R1), Gastric Inhibitory Peptide receptor (GIPR), Adenosine 2A receptor and Orexin 2 receptor. Primary hits have been identified for all three targets and the assays have been adapted to screen the Addex library against interleukin-1 receptor 1 (IL-1R1).

Conference Call & Webcast

Title: Addex First Half 2009 Financial Results Conference Call

Date: 28 July 2009

Time: 16:00 CEST

Dial-in numbers: +41 91 610 56 00 (Europe)
+44 207 107 0611 (UK)
+1 866 291 4166 (USA)

A live webcast and slides, as well as the webcast replay and transcript, will be available at www.addexpharma.com.

Addex Pharmaceuticals (www.addexpharma.com) discovers and develops allosteric modulators for human health. Allosteric modulators are a different kind of orally available small molecule therapeutic agent, which we believe will offer a competitive advantage over classical drugs. Our lead allosteric modulator product, ADX10059, has achieved clinical proof of concept and is in Phase IIb testing in two indications. Phase IIb data for ADX10059 to treat gastroesophageal reflux disease (GERD) are expected in the fourth quarter of 2009. Phase IIb data for ADX10059 as a migraine prevention therapy in patients with frequent migraine are expected in the first quarter of 2010. ADX10059 is a first-in-class mGluR5 inhibitor, a therapeutic strategy that also is being pursued in multiple indications by large pharma competitors.

Our products and technology already have proven their value through our relationships with four of the top 10 pharmaceutical companies in the world. Specifically, under an agreement with Ortho-McNeil-Janssen Pharmaceuticals Inc., a Johnson & Johnson company, ADX71149, an mGluR2 PAM with potential for the treatment of schizophrenia and anxiety, is undergoing Phase I clinical testing. Under two separate agreements with Merck & Co., Inc., we are developing mGluR4 PAM and mGluR5 PAM as drugs to treat Parkinson's disease and schizophrenia, respectively. In addition, GlaxoSmithKline and Roche have made equity investments in Addex.

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