



Press release, Ballerup, Denmark, 9 January 2012

LEO Pharma A/S in-licenses compound from Virobay Inc. for development of investigational oral treatment of psoriasis

LEO Pharma A/S, a global pharmaceutical company specializing in dermatology, has entered into a multi-million dollar collaboration with the US biotech company Virobay Inc. to develop an investigational oral treatment for psoriasis.

The pharmaceutical company LEO Pharma A/S has signed an in-licensing deal with the US biotech company Virobay Inc. to develop an investigational oral treatment for psoriasis. The deal involves an upfront payment to Virobay of \$7 million, followed by milestone payments totaling up to \$300 million and tiered royalties.

The compound is currently being tested in preclinical studies. Phase I studies will be launched in Q4 2012, and testing on psoriasis patients is planned for Q1 2013.

"Virobay's expertise with this compound is outstanding internationally. Combined with LEO Pharma's expertise in dermatology and drug development, we are the perfect match to develop this compound further. Together with Virobay, we pursue new scientific findings and not least, together we will strive to develop a safe and effective oral treatment," comments Kim Kjøller, Senior Vice President, Global Development, LEO Pharma.

For Virobay, the deal represents a valuable opportunity for the small drug discovery company to work with an industry heavyweight.

"Collaborating with LEO Pharma makes it possible for us to conduct testing in a clinical program with world-leading dermatologists. However, first and foremost, we hope to develop a safe oral treatment for the estimated 125 million people worldwide who suffer from psoriasis," states Robert Booth, founder and CEO of Virobay.

More deals are expected in the future

The scientific collaboration with Virobay is the latest milestone in LEO Pharma's ambitious global growth strategy. More acquisitions and in-licensing deals are expected in the future as well as investments in internal drug discovery.

"We are actively seeking out new opportunities to expand our pipeline. Virobay's compound is a strong asset which will drive our innovation forward. The next steps take place in the laboratories where our researchers will work hard together to achieve new innovative solutions to dermatologic diseases," adds Kim Kjøller.

Contact

Anne Katrine Nørgaard, Corporate Communications Manager, LEO Pharma, +45 2875 4155

Robert Booth, CEO, Virobay, +1 650 833 5703

About Virobay Inc.

Founded in 2006, Virobay is a leader in the design, synthesis and development of small molecule inhibitors of cysteine proteases, a diverse class of enzymes that are key mediators in a variety of diseases, including autoimmunity, neuropathic pain, liver disease, cancer and cardiovascular disorders. Virobay's clinical pipeline currently includes product candidates in autoimmune disease, neuropathic pain and liver fibrosis. For more information, please visit www.virobayinc.com.

About LEO Pharma A/S

Founded in 1908, LEO Pharma is an independent, research-based pharmaceutical company. LEO Pharma develops, manufactures and markets pharmaceutical drugs for dermatologic and thrombotic patients in more than 100 countries globally. The company has its own sales forces in 61 countries and employs more than 4,600 employees worldwide. LEO Pharma is headquartered in Denmark and is wholly owned by the LEO Foundation. For more information, please visit www.leo-pharma.com.

You may also view the company fact sheet at http://www.leo-pharma.com/Admin/Public/Download.aspx?File=/Files/Filer/Leo_corporate_downloads/Leopharmafacts.pdf