



Newron Pharmaceuticals Completes €30 Million Series B Financing TVM invests in second closing of HBM-led financing

Milan, Italy – October 5, 2005 – Newron Pharmaceuticals SpA, a late-stage discovery and development company focusing on novel CNS therapies, today announced the completion of a €30 million Series B round with the addition of TVM in a second closing of €7 million.

The transaction represents the first investment by the recently closed TVM LSV VI fund, managed by TVM GmbH, Germany, one of the most experienced Venture Capital firms in the life science industry. TVM joins the lead investor HBM, advised by HBM Partners AG, as well as existing investors, 3i Group, Apax Partners and Atlas Venture. All existing investors have participated in the round, of which the first €23 million were raised earlier this year. Alexandra Goll, General Partner of TVM, has been appointed to Newron's Board of Directors, which is chaired by Rolf Stahel, former CEO of Shire Pharmaceuticals plc.

Newron will use the proceeds of the financing primarily to further advance the ongoing worldwide phase III clinical development of Safinamide for the treatment of Parkinson's disease and phase II development of Ralfinamide for neuropathic pain.

"Newron's unique approach in the treatment of Parkinson's disease and other neurodegenerative CNS disorders is highly attractive and will considerably impact the treatment paradigm in these diseases," commented Alexandra Goll.

Axel Bolte, of HBM Partners AG, representing the lead investor commented: "We are delighted to have TVM join us at this exciting time for Newron. Together we look forward to building a highly successful European biotech company".

"Completion of this round of financing with such high-quality investors is a validation of the potential of our pipeline. These funds will allow us to rapidly progress our efforts in bringing Safinamide to the market as a drug which has the potential to substantially alter the treatment of Parkinson's disease," commented Luca Benatti, CEO of Newron. "With highly promising phase II data, Safinamide may also play a role in the treatment of Restless Leg Syndrome. Furthermore, the transaction provides us with the means to continue the ongoing Phase II development of Ralfinamide, an innovative treatment for neuropathic pain that also has substantial potential in inflammatory pain."

About Newron Pharmaceuticals S.p.A.

Newron Pharmaceuticals S.p.A (<http://www.newron.com>) is a research and development company focused on novel therapies for diseases of the Central Nervous System (CNS), particularly Parkinson's disease and pain. Newron has initiated phase III trials with Safinamide, a unique molecule with multiple mechanisms of action, for the treatment of Parkinson's disease. Phase II trials with Safinamide in Restless Leg Syndrome (RLS) have shown promising results. Newron is also conducting phase II trials with Ralfinamide, a potent sodium channel blocker, for the treatment of neuropathic pain. Newron's clinical pipeline is supported by a broad portfolio of early stage proprietary compounds generated by its ion channel drug discovery platform. Newron is headquartered in Bresso, near Milan, Italy.



About HBM Partners AG

HBM Partners AG, founded in 2001, is one of the world's largest investment advisory groups in the sectors of biotechnology, emerging pharma and medical technology. The group invests globally in private, as well as public companies. HBM Partners AG's team of professionals has extensive experience in drug development, the biomedical sciences and the financial markets. Currently, HBM Partners AG manages several investment entities with total assets of approximately US\$800 million. To date, HBM has financed 60 private companies in Europe and the U.S. of which 21 companies have gone public and 6 companies were sold to strategic buyers. For further information please visit www.hbmpartners.com.

About TVM GmbH

TVM, founded in 1983, is one of the first venture capital firms formed in Germany, and an early entrant into the US market in 1986. Since inception TVM has raised over €1.4 billion in six fund generations and has established itself as a leading technology investment group in Europe and the United States. TVM funds have made investments in more than 220 information technology and life science companies where innovation, effective management and sound financial backing have enormous impact on company growth. The TVM in-depth knowledge of the European and US environment helps companies create businesses that enjoy access to science, management talent, distribution channels and capital on both sides of the Atlantic. More than 40 companies went public at European or US stock exchanges. Today, TVM is actively invested in over 70 companies. For further information please visit www.tvmvc.com.

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