



Newron Pharmaceuticals: an important industrial initiative supported by international venture capital specialists

Newron Pharmaceuticals S.p.A., a company strongly oriented towards research and development of new drugs, has been established in 1999 as the result of a management buy-out by the Centre of Research on the Central Nervous System from the pharmaceutical multinational Pharmacia&Upjohn (PNU).

The MBO was made possible by the participation of the British 3i Group, a leading international venture capital company that invests in concerns showing high growth potential. The 3i Group has taken over 43% of Newron's capital through the issue of new equity and convertible bonds to the total amount of L14 bn (US \$7.5m). 3i Group and the directors of Newron have set themselves the target of a stock market quotation within the next two-three years.

The management team and the researchers who have founded Newron Pharmaceuticals have contributed in the past to the conception and development of important drugs for the treatment of pathological conditions of the central nervous system (CNS), notably cabergoline (Cabaser) and reboxetine (Edronax), which are already on the market.

The restructuring of Pharmacia&Upjohn, that involved the closing down of the CNS research centre at Nerviano (Milan, Italy), was seized upon by Newron's founders as a great opportunity to realise a new project that would not disperse the Centre's valuable resources and technological skills.

At present, Newron Pharmaceuticals owns nine international patents on pharmaceuticals products.

The 3i Group's investment will contribute to the financing of research for these new molecules and to the development of a new drug to treat epilepsy. One new antiepileptic drug developed by Newron Pharmaceuticals, NW-1015, exhibits an innovative combination of pharmacological properties expected to offer definite advantages over other drugs at present under development.

Newron Pharmaceuticals' strategy is to concentrate its own forces on research up to the initial phases of clinical experimentation, and subsequently to grant licenses for its products or projects to selected industrial partners with the necessary competence to develop them into market.