



Newron awarded EUR 5 million by the Italian government for R&D and training support

Milan, Italy – October 8, 2008 - Newron Pharmaceuticals S.p.A. (“Newron”), a research and development company focused on novel CNS and pain therapies, today announced that it has been awarded a grant of EUR 5 million from the Italian government’s Ministero dell’ Istruzione, dell’ Università e della Ricerca, towards a EUR 5.3 million R&D program ongoing at the company.

The grant, including EUR 0.26 m for training activities, supports the research and identification of novel compounds for the treatment of diseases of the Central Nervous System. The funds will cover R&D expenses incurred during a 48 month period from July 1, 2007 and training costs for a 36 month period from January 1, 2008.

About 42% of the grant will be non-reimbursable. The rest will bear interest of 0.5% per year and is required to be repaid within 10 years from the grant date.

Patricia Salvati, Newron’s VP Preclinical R&D, said: “We are proud that we have succeeded again in qualifying for significant public funding for our R&D efforts. This reaffirms the high quality of our ion channel research, as evidenced by the continuing success of our development compounds.”

About Newron Pharmaceuticals

Newron Pharmaceuticals S.p.A. (www.newron.com) is a biopharmaceutical company focused on novel therapies for diseases of the Central Nervous System and pain. Newron is undertaking phase III trials with safinamide for the treatment of Parkinson’s disease (PD) in conjunction with its partner, Merck Serono, which has exclusive worldwide rights to develop, manufacture and commercialize the compound in PD, Alzheimer’s disease, and other therapeutic applications. Newron recently reported excellent results for its compound ralfinamide in patients with Nerve Compression and Entrapment conditions, of which neuropathic low back pain (NLBP) represents the most common indication. There are no approved drugs for the treatment of NLBP. The Company expects to commence a phase IIb/III in NLBP later in 2008. In May 2008, Newron acquired Hunter-Fleming, a private UK bio-pharmaceutical company developing new medicines to treat neurodegenerative and inflammatory disorders. Newron is headquartered in Bresso, near Milan, Italy. The company is listed at SWX Swiss Exchange, trading symbol NWRN.

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This document contains forward-looking statements, including (without limitation) about (1) Newron's ability to develop and expand its business, successfully complete development of its current product candidates and current and future collaborations for the development and commercialisation of its product candidates and reduce costs (including staff costs), (2) the market for drugs to treat CNS diseases and pain conditions, (3) Newron's anticipated future revenues, capital expenditures and financial resources, and (4) assumptions underlying any such statements. In some cases these statements and assumptions can be identified by the fact that they use words such as "will", "anticipate", "estimate", "expect", "project", "intend", "plan", "believe", "target", and other words and terms of similar meaning. All statements, other than historical facts, contained herein regarding Newron's strategy, goals, plans, future financial position, projected revenues and costs and prospects are forward-looking statements.

By their very nature, such statements and assumptions involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described, assumed or implied therein will not be achieved. Future events and actual results could differ materially from those set out in, contemplated by or underlying the forward-looking statements due to a number of important factors. These factors include (without limitation) (1) uncertainties in the discovery, development or marketing of products, including without limitation negative results of clinical trials or research projects or unexpected side effects, (2) delay or inability in obtaining regulatory approvals or bringing products to market, (3) future market acceptance of products, (4) loss of or inability to obtain adequate protection for intellectual property rights, (5) inability to raise additional funds, (6) success of existing and entry into future collaborations and licensing agreements, (7) litigation, (8) loss of key executive or other employees, (9) adverse publicity and news coverage, and (10) competition, regulatory, legislative and judicial developments or changes in market and/or overall economic conditions.

Newron may not actually achieve the plans, intentions or expectations disclosed in forward-looking statements and assumptions underlying any such statements may prove wrong. Investors should therefore not place undue reliance on them. There can be no assurance that actual results of Newron's research programmes, development activities, commercialisation plans, collaborations and operations will not differ materially from the expectations set out in such forward-looking statements or underlying assumptions.

Newron does not undertake any obligation to publicly up-date or revise forward looking statements except as may be required by applicable regulations of the SWX Swiss Exchange where the shares of Newron are listed.

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