Galapagos
Interim Report
2010

Galápagos

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FORWARD LOOKING STATEMENTS

This Interim Report may contain forward-looking statements, including, without limitation, statements containing the words "believes", "anticipates", "expects", "intends", "plans", "seeks", "estimates", "may", "will" and "continues" as well as similar expressions. Such forward-looking statements may involve known and unknown risks, uncertainties and other factors which might cause the actual results, financial condition, performance or achievements of Galapagos, or industry results, to be materially different from any future results, financial conditions, performance or achievements expressed or implied by such forward-looking statements. Given these uncertainties, the reader is advised not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as of the date of publication of this document. Galapagos expressly disclaims any obligation to update any such forward-looking statements in this document to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, unless required by law or regulation.

Letter to our Shareholders

LETTER TO OUR SHAREHOLDERS

Dear Shareholder,

Galapagos made considerable progress in achieving its objectives for the full year 2010. The R&D division initiated its fifth clinical development program, expanded the number of discovery programs and achieved milestones in several alliances. The Company announced two additional risk-sharing alliances with Roche and Servier, worth in excess of €850 M in milestones, plus royalties and, in the case of Servier, exclusive US commercial rights for Galapagos. The service operations, bolstered by the acquisition of Argenta's drug discovery operations in February, continued to win new business. Overall, Galapagos recorded revenues of €49.9 M for the first six months, an increase of 27% over the first six months of 2009 on a pro forma basis[1], and confirms 2010 revenue guidance of at least €135 M.

Five programs in clinical development

Galapagos completed the Phase I clinical trials for GLPG0259, its first-in-class rheumatoid arthritis (RA) candidate drug. GLPG0259 showed good safety and tolerability as well as the desired drug profile to support once-daily oral dosing. We remain on track to start a Phase IIa study in the third quarter of 2010 to assess the efficacy of this novel candidate drug for RA patients. An interim readout of this Phase IIa study is expected in the second quarter of 2011. This is the first candidate drug based on Galapagos' technology to have completed a Phase I study. The candidate is based on the Galapagos target protein kinase MAPKAPK5, which had not been previously associated with RA; Galapagos discovered that MAPKAPK5 plays a key role in inflammation and in the breakdown of collagen in human joints. The candidate drug GLPG0259 demonstrated bone protection and reduced inflammation in a standard RA animal model. GLPG0259 is part of the option agreement with Janssen Pharmaceutica. Upon successful completion of a dose finding Phase II clinical trial for GLPG0259, Janssen has the exclusive option to license the program for €60 M, with further potential milestones to Galapagos of €776 M and double-digit royalties on global sales.

Galapagos also concluded a first-in-human study with candidate drug GLPG0187 for metastatic cancers, showing good safety and biomarker response. This candidate drug could offer a new therapeutic approach for cancer patients. It has a highly competitive therapeutic profile compared to currently available agents to treat metastasis. GLPG0187 blocks five integrin receptors known to be present in many metastatic cancers. In animal studies, oral dosing of GLPG0187 inhibits multiple processes involved in the spread and growth of tumors. The Company is on track to initiate a Phase Ib clinical study, including cancer patients, later this year.

1 Comparisons are to pro forma figures for 30 June 2009, which reflects the change in accounting policy for R&D incentives

Letter to our Shareholders

Nanocort® is undergoing a Phase II study for flares in multiple sclerosis; an interim readout is expected by the end of 2010. The first novel-mode-of action candidate drug from the arthritis alliance with GlaxoSmithKline, GLPG0555, completed a Phase I study; preparations are underway to begin Phase I trials for two more candidate drugs in the alliance. Furthermore, cachexia candidate drug GLPG0492 entered Phase I studies, marking the Company's fifth clinical development program.

Moving discovery programs forward, new alliances signed

In addition to its programs in development, Galapagos has research ongoing in over 50 discovery programs across its eight alliances with pharma companies and proprietary programs in orphan and other disease areas.

To date, Galapagos has announced more than €120 M in payments from the pharma partners, demonstrating Galapagos' ability to offset the costs of its own discovery and development programs.

In the first half of the year, Galapagos announced an alliance with Roche for small molecule and antibody therapies based on novel modes of action in COPD; in May this alliance was expanded to include four additional antibody targets. Galapagos also signed an alliance with Servier in osteoarthritis, with Galapagos retaining all US commercial rights. Through its eight risk/reward sharing alliances, Galapagos is eligible to receive in excess of €3.3 billion in success-dependent milestone payments plus royalties on the worldwide sales of medicines that may result from these programs.

Strategy to deliver breakthrough medicines to patients with orphan diseases

The lack of novel disease-modifying therapies for orphan diseases presents significant opportunities for a company capable of delivering new mode-of-action therapies. Over the past years, Galapagos has established a strong franchise in orphan diseases. Galapagos has made a strategic decision to pursue cystic fibrosis (CF) as the first orphan disease in which the Company will discover, develop and register its own medicines. This decision is based on the successful collaboration with the CF Foundation, through which Galapagos identified the first ever disease-modifying targets for CF. With this strategy, Galapagos expects to benefit from the accelerated approval procedures and exclusive commercial rights granted to developers of orphan drugs through US and European regulatory agencies, to ultimately provide real medical benefit to this sizeable population of patients.

R&D division financial result

The R&D division reported six months revenues of €27.4 M with external revenue growth of 28% compared to the same period last year on a pro forma basis, and a segment loss of €11.5 M, compared to an €8.7 M loss for the first six months of 2009. R&D expenses in the first half year of 2010 were €33.1 M compared to €25.8 M in the same period of 2009. This planned expansion was due to the broader portfolio of research programs across a larger number of alliances, as well as increased costs of later stage clinical programs. The increased R&D expenses also reflect expenditures incurred for a number of potential success-based payments which are anticipated in the second half of 2010.

Service operations performance

Through the acquisition of Argenta Discovery's service operations in February, Galapagos grew its service operations substantially in 2010. Combined, BioFocus and Argenta had total revenues of €30.3 M and external sales growth of 24%. BioFocus signed new deals with CHDI, the TB Alliance and the University of Bristol, extended its compound management agreement with the U.S. National Institutes of Health, and announced achievement of a milestone in its collaboration with Ortho Biotech. The segment profit for the services division over the first six months of the year was €3.2 M, excluding €0.4 M of integration and restructuring costs and €1.2 M of ongoing intangible fixed asset depreciation costs of Argenta for the period to 30 June 2010. Argenta delivered according to expectations following the smooth integration into the Company. With both Argenta and BioFocus in its service division, Galapagos will capitalize on the capability for long-term, integrated service agreements.

Corporate developments

On the corporate level, Crucell CEO Ronald Brus joined the Board of Directors at the AGM in April 2010, thereby replacing Rudi Pauwels, who had resigned. In June, Garth Rapeport resigned from the Board of Directors after the acquisition of his company Respivert by Johnson and Johnson. The Company created two new warrant plans in April - under which, after acceptances, a total of 506,500 warrants were issued for the benefit of employees and 195,040 for the members of the Board. As a result of warrant exercises in April and June, a total of 279,218 new shares were issued and the Company's share capital increased by €2,407,297 (including issuance premium), bringing the total number of shares outstanding per 30 June 2010 to 23,890,038. Galapagos also announced the successful private placement of 1.3 M shares held by Apax Partners France, a venture capital investor since 2003, with European institutional investors in June.

Letter to our Shareholders

Group result and cash position

The net loss for the Group for the first half-year of 2010 was €10.5 M, compared to the loss of €7.3 M on a pro forma basis for the first six months of 2009. A net decrease of €20.2 M in cash and cash equivalents was recorded during the first half of 2010, compared to a decrease of €8.6 M in the same period last year. This difference is mainly due to the acquisition of Argenta for which Galapagos paid €16.8 M. The net cash flow used in operating activities was limited to €4.2 M, as compared to €5.4 M during the same period in 2009, despite the planned increase in R&D spending relative to last year. Galapagos' cash and cash equivalents amounted to €27.2 M on 30 June 2010.

Company outlook for the second half and full year 2010

In previous years, Galapagos has shown a consistent performance of delivering about one-third of revenues in the first half of the year and about two-thirds in the remainder. The Company reiterates full-year 2010 guidance figures: revenues of more than €135 M, a 27% increase compared to consolidated revenues of 2009; a positive operational result and cash flow and a positive net result.

The Company continues to advance toward achievement of its strategic objectives for 2010:

- Six programs in clinical trials before year end, including GLPG0259 in Phase II
- Deliver four pre-clinical candidates
- Advance alliances according to plan
- Capitalize on the Argenta acquisition
- Further leverage the target discovery platform
- Achieve the financial guidance given for full year 2010

Lastly, we thank our shareholders for their support in the first half of 2010. Galapagos' strategy is proving to be a viable way to build a leading position in European biotech. With your support, Galapagos will continue to grow its alliance portfolio, advance its proprietary clinical pipeline, and increase profitability and revenues of its service operations.

Onno van de Stolpe
Chief Executive Officer

Raj Parekh
Chairman

Related party transactions

In the first six months of 2010, no transactions with related parties were made which have material impact on the financial position and results of the Company. There were also no changes to related party transactions disclosed in the Annual Financial Report 2009 that potentially had material impact to the financials of the first six months of 2010.

Declaration of responsible persons

The Board of Directors of Galapagos NV, represented by all its members, declares that, as far as it is aware, the financial statements in this Interim Report, made up according to the applicable standards for financial statements, give a true and fair view of the equity, financial position and the results of the Company and its consolidated companies. The Board of Directors of Galapagos NV, represented by all its members, further declares that this letter to the shareholders gives a true and fair view on the information that has to be contained therein.

Risk factors

Management refers to its description of risk factors in the Company's Annual Financial Report 2009, p.12, which remains valid for 2010. In summary, the principal risks and uncertainties faced by the Galapagos Group include: financial and liquidity risk, foreign exchange risk, reliance on alliance partners and key service division customers, competition, reliance on key personnel and intellectual property, and risks associated with drug discovery and (pre-)clinical development.

Management also refers to Financial risk management given in the Company's Annual Financial Report 2009, pp. 72, 73 & 74, which remains valid for 2010.

Because Galapagos' reporting currency is the euro, the operations and financial position of entities operating in other currencies needs to be translated into euros in the consolidation process. As there is an ongoing fluctuation between these foreign currencies and the euro, a negative impact might occur on the consolidated financial results.

UNAUDITED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Note: Galapagos receives R&D incentive payments in various jurisdictions and from various government institutions, which are presented as other income since December 2009. For better comparison, pro forma figures for 30 June 2009 have been presented, reflecting this change.

Income statement

Thousands of €	Jun 2010	Pro forma Jun 2009	Reported Jun 2009
Services revenue	23,965	18,676	18,676
R&D revenue	19,849	16,950	16,950
Other income	6,081	3,796	2,537
Total operating income	**49,895**	**39,422**	**38,163**
Services cost of sales	-16,631	-10,325	-10,325
R&D expenditure	-33,064	-25,751	-25,751
General and administrative costs	-10,306	-9,894	-9,894
Sales and marketing expenses	-1,389	-1,115	-1,115
Restructuring and integration costs	-390		
Operating profit/loss (-)	**-11,885**	**-7,663**	**-8,922**
Finance income	1,586	685	685
Finance cost	-610	-343	-343
Profit/loss (-) before tax	**-10,909**	**-7,322**	**-8,581**
Taxes	392	22	1,282
NET PROFIT/LOSS (-)	**-10,517**	**-7,299**	**-7,299**
NET PROFIT/LOSS (-) attributable to:			
• Owners of the parent	-10,517	-7,299	-7,299
Earnings/loss (-) per share from continuing operations (€)	**-0.45**	**-0.34**	**-0.34**

Statement of comprehensive income

Thousands of €	Jun 2010	Pro forma Jun 2009	Reported Jun 2009
Profit/loss (-) for the period	**-10,517**	**-7,299**	**-7,299**
Exchange difference arising on translating of foreign operations	1,301	360	360
Other comprehensive income/loss (-)	**1,301**	**360**	**360**
Total comprehensive income/loss (-) attributable to:			
• Owners of the parent	-9,216	-6,939	-6,939

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

Thousands of €	30 Jun 10	31 Dec 09
NON-CURRENT ASSETS	**81,485**	**59,024**
Goodwill	42,710	33,751
Intangible assets	15,538	3,480
Property, plant and equipment	20,473	19,285
Deferred tax assets	1,700	1,700
Available for sale financial assets and other non-current assets	1,064	808
CURRENT ASSETS	**58,251**	**84,686**
Inventories	1,774	1,816
Trade and other receivables	21,592	24,305
Current tax receivables	4,581	7,679
Cash and cash equivalents	27,165	47,391
Other current assets	3,138	3,495
TOTAL ASSETS	**139,736**	**143,709**

Equity and liabilities

Thousands of €	30 Jun 10	31 Dec 09
TOTAL EQUITY	**103,181**	**108,877**
Share capital	124,381	122,870
Share premium account	55,798	54,901
Translation differences	-725	-2,026
Accumulated losses	-76,273	-66,868
TOTAL LIABILITIES	**36,555**	**34,832**
NON-CURRENT LIABILITIES	**8,502**	**3,488**
Pension liabilities	872	872
Provisions	763	127
Deferred tax liabilities	4,947	564
Finance lease liabilities	851	964
Other non-current liabilities	1,068	961
CURRENT LIABILITIES	**28,053**	**31,344**
Finance lease liabilities	419	520
Trade and other payables	12,556	15,130
Current tax payable		44
Other current liabilities	15,078	15,650
TOTAL EQUITY AND LIABILITIES	**139,736**	**143,709**

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE

Note: Galapagos receives R&D incentive payments in various jurisdictions and from various government institutions, which are presented as other income since December 2009. For better comparison, pro forma figures for 30 June 2009 have been presented, reflecting this change.

Thousands of €	2010	Pro forma 2009	Reported 2009
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**47,391**	**27,316**	**27,316**
Result from operations	-11,885	-7,663	-8,922
Adjustments for:			
Depreciation of property, plant and equipment	3,618	3,090	3,090
Amortization of intangible fixed assets	1,751	809	809
Exchange gain/loss (-) on translation of net assets of subsidiary	173	-552	-552
Share based compensation	1,117	1,675	1,675
Increase/Decrease (-) provisions		31	31
Increase/Decrease (-) pension liabilities (assets)			
Operating cash flows before movements in working capital	**-5,226**	**-2,610**	**-3,869**
Increase(-)/Decrease in inventories	155	-308	-308
Increase(-)/Decrease in receivables	9,847	6,331	486
Increase/Decrease(-) in payables	-8,748	-8,627	-8,627
Increase/Decrease(-) provisions	15		
Cash used in operations	**-3,957**	**-5,214**	**-12,319**
Interest paid and other financial costs	-250	-208	-208
Taxes	-23	-22	7,083
NET CASH USED IN OPERATING ACTIVITIES	**-4,230**	**-5,445**	**-5,445**
Purchase of property, plant and equipment	-1,480	-2,917	-2,917
Purchase of and expenditure in intangible fixed assets		-882	-882
Proceeds from disposal of intangible assets		215	215

Thousands of €	2010	Pro forma 2009	Reported 2009
Proceeds from disposal of property, plant and equipment	12	154	154
Acquisitions, disposals of subsidiaries, associates or joint ventures, net of cash acquired	-16,839		
NET CASH USED IN INVESTING ACTIVITIES	**-18,307**	**-3,430**	**-3,430**
Repayment of obligations under finance leases and other debts	-260	-129	-129
Proceeds from share issues	2,408	182	182
Interest received and other financial income	163	251	251
NET CASH FROM FINANCING ACTIVITIES	**2,311**	**304**	**304**
INCREASE/DECREASE (-) IN CASH AND CASH EQUIVALENTS	**-20,226**	**-8,571**	**-8,571**
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**27,165**	**18,745**	**18,745**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Thousands of €	Share capital	Share premium	Translation differences	Accumulated losses	Total
Balance at 1 Jan 2009	**110,855**	**48,268**	**-2,307**	**-72,492**	**84,324**
Net result				3,010	3,010
Other comprehensive income			282		282
Share based compensation				2,642	2,642
Issue of share capital	10,831	6,633			17,464
Exercise warrants	1,184				1,184
Other				-28	-28
Balance at 31 Dec 2009	**122,870**	**54,901**	**-2,026**	**-66,868**	**108,877**
Net result				-10,517	-10,517
Other comprehensive income			1,301		1,301
Share based compensation				1,119	1,119
Exercise warrants	1,511	897			2,408
Other				-7	-7
Balance at 30 Jun 2010	**124,381**	**55,798**	**-725**	**-76,273**	**103,181**

UNAUDITED SEGMENT REPORTING FOR THE SIX MONTHS ENDED 30 JUNE

Note: Galapagos receives R&D incentive payments in various jurisdictions and from various government institutions, which are presented as other income since December 2009. For better comparison, pro forma figures for 30 June 2010 have been presented, reflecting this change.

2010

Thousands of €	R&D	Services	Intersegment eliminations	Unallocated	Galapagos Group
External revenues	19,849	23,965			43,813
Other income	6,314	318	-551		6,081
Intersegment sales	1,189	6,030	-7,219		
Revenues	**27,352**	**30,313**	**-7,770**		**49,895**
Gross margin	**27,352**	**9,684**	**-3,772**		**33,264**
R&D expenditure	-36,614		3,550		-33,064
General and administrative costs	-2,109	-6,392	230		-8,270
Unallocated G&A costs				-2,036	-2,036
Sales and marketing expenses	-125	-1,255	-9		-1,389
Restructuring and integration costs		-390			-390
Operating results	**-11,496**	**1,647**		**-2,036**	**-11,885**

2009 pro forma

Thousands of €	R&D	Services	Intersegment eliminations	Unallocated	Galapagos Group
External revenues	16,950	18,676			35,626
Other income	3,424	958	-586		3,796
Intersegment sales		6,441	-6,441		
Revenues	**20,374**	**26,076**	**-7,027**		**39,422**
Gross margin	**20,374**	**10,634**	**-1,911**		**29,097**
R&D expenditure	-27,646		1,895		-25,751
General and administrative costs	-1,352	-6,161	16		-7,497
Unallocated G&A costs				-2,397	-2,397
Sales and marketing expenses	-52	-1,063			-1,115
Operating results	**-8,676**	**3,410**		**-2,397**	**-7,663**

2009 reported

Thousands of €	R&D	Services	Intersegment eliminations	Unallocated	Galapagos Group
External revenues	16,950	18,676			35,626
Other income	1,074	958			2,032
Intersegment sales		6,441	-6,441		
Revenues	**18,024**	**26,076**	**-6,441**		**37,659**
Gross margin	**18,024**	**10,634**	**-1,325**		**27,333**
R&D expenditure	-26,556		1,309		-25,247
General and administrative costs	-1,352	-6,161	16		-7,497
Unallocated G&A costs				-2,397	-2,397
Sales and marketing expenses	-52	-1,063			-1,115
Operating results	**-9,936**	**3,410**		**-2,397**	**-8,922**

EXPLANATORY NOTES FOR GALAPAGOS' UNAUDITED SIX MONTHS RESULTS ENDED 30 JUNE 2010

Accounting policies

The accounting policies and methods of computation in the interim financial statements are identical to those used in the most recent annual financial statements, with exception of the new standard described below.

IFRS 3: Business Combinations

In January 2008, the International Accounting Standards Board (the IASB) issued a revised IFRS 3 Business Combinations. This standard requires that all acquisition-related costs (e.g. finder's fees, advisory, legal, accounting, valuation and other professional or consulting fees) are to be recognized as period expenses and generally written-off rather than added to goodwill (as previously). Costs incurred to issue debt or equity securities will continue to be recognized in accordance with the Standards on financial instruments. This change reflects the Board's move to focus on what is given to the vendor as consideration, rather than on what is spent to achieve the acquisition.

Operating segments

For management purposes, the Group is divided into two operating divisions: R&D and Service operations. These divisions are the basis on which the Group reports its primary segment information:

R&D operations

Galapagos' R&D operations are specialized in the discovery and development of small molecule and antibody therapies with novel modes-of-action. Galapagos funds these programs through alliance payments from its pharma partners, cash generated by its profitable service operations and its cash reserves. Many of these programs are based on proprietary disease-modifying drug targets in disease areas for which there is a need for safe and effective medicines.

Service operations

Galapagos' service operations offer target-to-drug discovery products and services to pharmaceutical and biotech companies and to patient foundations, encompassing target discovery and validation, screening and drug discovery through to delivery of pre-clinical candidates. The service division has two operating units: BioFocus, which Galapagos has operated since 2005, and Argenta, which Galapagos acquired in February 2010. The acquisition of Argenta further solidified Galapagos' position as the premier western drug discovery services company. Galapagos operates these units in parallel, with both providing additional capacity and drug discovery capabilities to the Galapagos Group.

The operational results of these segments are evaluated monthly at the Executive Committee meetings for resource allocation and performance measurement. Intersegment sales are charged at prevailing market rates.

DETAILS OF THE UNAUDITED HALF-YEAR 2010 FINANCIAL RESULTS

Note: All comparisons are to pro forma figures for 30 June 2009, which reflects the change in accounting policy for R&D incentive payments.

Revenues

Galapagos' revenues for the first half of 2010 amounted to €49.9 M compared to €39.4 M on a pro forma basis in the same period of 2009. The R&D division is on track to full year guidance with revenues of €27.4 M (including €1.2 M intersegment sales), compared to €20.4 M in the same period last year (+28% on external revenue). The service operations reported total revenues of €30.3 M, including €6.0 M in intersegment revenues. As a result of the Argenta acquisition, external revenue grew by 24% as compared to the same period last year.

Results

The net loss for the first half-year of 2010 was €10.5 M, compared to the loss of €7.3 M on a pro forma basis for the first six months of 2009. The segment profit for the services division over the first six months of the year was €1.6 M, or €3.2 M excluding exceptional integration and restructuring costs (€0.4 M) plus ongoing intangible fixed asset depreciation costs of Argenta (€1.2 M for the period to 30 June 2010). Gross margins of the running business of the service operations were 38%, compared to 41% in the first half of last year. Argenta delivered according to expectations following the smooth integration into the Company. With both Argenta and BioFocus in its service division, Galapagos will capitalize on the capability for long-term, integrated service agreements.

The R&D division reported a segment loss of €11.5 M, compared to €8.7 M the first six months of 2009, on a pro forma basis. R&D expenses for the Group in the first half-year of 2010 were €33.1 M compared to €25.8 M in the same period of 2009. This planned expansion was due to the broader portfolio of research programs across a larger number of alliances, as well as increased costs of later stage clinical programs. The increased R&D expenses also reflect expenditures incurred for a number of potential success-based payments which are anticipated in the second half of 2010.

General and administrative expenses for the Group were €10.3 M in the first half of 2010, compared to €9.9 M in the first six months of 2009. The general and administrative expenses in the first half of 2010 decreased to 21% of revenues (from 25% in 2009).

Cash flow and cash position

A net decrease of €20.2 M in cash and cash equivalents was recorded during the first half of 2010, compared to a decrease of €8.6 M in the same period last year. This difference is mainly due to the acquisition of Argenta for which Galapagos paid €16.8 M. The net cash flow used in operating activities was limited to €4.2 M, as compared to €5.4 M during the same period in 2009, despite the planned increase spending in R&D relative to last year. Galapagos' cash and cash equivalents amounted to €27.2 M on 30 June 2010.

Acquisitions

On 2 February 2010 Galapagos completed the acquisition of 100% of the shares of the UK-based company Argenta Discovery 2009 Ltd. (Argenta), a privately held contract research drug discovery company, and the results of that company have been integrated into the half year 2010 financial reporting. The total consideration, including cash on balance, paid at closing amounted to €19.7 M. This transaction has been accounted for using the purchase method of accounting and conforms with IFRS 3.

Through the acquisition, Galapagos solidifies its position as the premier Western drug discovery services company. Furthermore, the acquisition brings Galapagos additional capacity and adds specific expertise in respiratory models.

The goodwill arising from the acquisition of Argenta is related to the strong profitability that will contribute to the Group profit and cash flow and to anticipated operating synergies between the BioFocus and Argenta service operations.

Condensed balance sheet Argenta at acquisition date

Thousands of €	2 Feb 2010
Non-current assets	**16,028**
Intangible assets (trade name, customer relations & contracts)	13,809
Tangible assets	2,219
Current assets	**1,108**
Trade and other receivables	1,108
Non-current liabilities	**-5,225**
Current liabilities	**-4,031**
Cash	**2,862**
NET ASSETS	**10,742**
Goodwill	8,959
TOTAL CONSIDERATION	**19,701**
NET CASH OUTFLOW ARISING ON ACQUISITION	**16,839**
Cash consideration	19,701
Cash and cash equivalents acquired	-2,862

CORPORATE INFORMATION

Registered office

Galapagos NV has its registered office at Generaal De Wittelaan L11 A3, 2800 Mechelen, Belgium.

Business number

Galapagos NV is registered with the Register of Legal Entities ("Rechtspersonenregister") under company number 0466.460.429. Galapagos is registered in Mechelen, Belgium.

Legal form

Galapagos NV is a limited liability company ("Naamloze Vennootschap") incorporated under Belgian law. It has the capacity of a company that has called upon and calls upon public savings. Galapagos NV is incorporated for an unlimited duration.

Listings

Euronext Brussels	GLPG
Euronext Amsterdam	GLPG
OTC Pink Sheets	GLPYY

Financial calendar 2010

3Q10 interim update	12 November 2010
Full year results 2010	4 March 2011
Annual shareholders' meeting	26 April 2011

Financial year

The financial year starts on 1 January and ends on 31 December.

Statutory auditor

Deloitte Bedrijfsrevisoren, represented by Mr. Gert Vanhees
Berkenlaan 8b
1931 Diegem, Belgium

Availability of the Interim Report

This document is available to the public free of charge and upon request:
Galapagos NV
Investor Relations
Generaal De Wittelaan L11 A3
2800 Mechelen, Belgium
Tel: +32 15 34 29 00
ir@glpg.com

For informational purposes, an electronic version of the Interim Report 2010 is available on the website of Galapagos, www.glpg.com/investor/financial_reports.htm.

Galapagos NV
Generaal De Wittelaan L11 A3
2800 Mechelen
Belgium
Tel: +32 15 34 29 00
Fax: +32 15 34 29 01
E-mail: ir@glpg.com

Galápagos

www.glpg.com