



GLPG  
2007

# Annual Financial Report



**Galapagos**

## **GALAPAGOS ANNUAL FINANCIAL REPORT 2007**

This document, Galapagos' Annual Financial Report 2007 in the form a brochure, contains all required information as per the Belgian Code of Companies.

### **LANGUAGE OF THE ANNUAL FINANCIAL REPORT 2007**

According to Belgian law, Galapagos must publish its Annual Financial Report in Dutch. The Company makes also an English translation available. In case of differences in interpretation, the Dutch version will take precedence. Galapagos is responsible for the translation and conformity between the Dutch and English versions.

### **AVAILABILITY OF THE ANNUAL FINANCIAL REPORT 2007**

This document is available to the public free of charge and upon request:

Galapagos NV  
Investor Relations  
Generaal De Wittelaan L11 A3  
B-2800 Mechelen, Belgium  
Tel: +32 15 34 29 00  
[ir@glpg.com](mailto:ir@glpg.com)

For informational purposes, an electronic version of the Annual Financial Report 2007 is available on the website of Galapagos, [www.glpg.com](http://www.glpg.com).

Galapagos will use reasonable efforts to ensure the accuracy of the electronic version, but does not assume responsibility if inaccuracies or inconsistencies with the printed document arise as a result of any electronic transmission. Therefor, Galapagos considers only the printed version of the Annual Financial Report 2007 as legally valid. Other information on the website of Galapagos or on other websites does not form a part of this Annual Financial Report.

### **FORWARD-LOOKING STATEMENTS**

The Annual Financial Report 2007 may contain forward-looking statements, including, without limitation, statements containing the words "believes," "anticipates," "expects," "intends," "plans," "seeks," "estimates," "may," "will," "could," "stands to," 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 historic or 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.



**TABLE OF CONTENTS: GALAPAGOS ANNUAL FINANCIAL REPORT 2007**

|   |           |
|---|-----------|
| <b>REPORT OF THE BOARD OF DIRECTORS.....</b>                          | <b>4</b>  |
| <b>AUDITED CONSOLIDATED 2007 ANNUAL FINANCIAL STATEMENTS .....</b>    | <b>17</b> |
| REPORT OF THE INDEPENDENT AUDITORS.....                               | 18        |
| CONSOLIDATED INCOME STATEMENT.....                                    | 20        |
| CONSOLIDATED BALANCE SHEET .....                                      | 21        |
| CONSOLIDATED CASH FLOW STATEMENTS.....                                | 22        |
| CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY.....        | 23        |
| NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....                   | 24        |
| <b>AUDITED NON-CONSOLIDATED 2007 ANNUAL FINANCIAL STATEMENTS.....</b> | <b>76</b> |
| REPORT OF THE INDEPENDENT AUDITORS.....                               | 77        |
| NON-CONSOLIDATED ANNUAL ACCOUNTS (only available in Dutch).....       | 79        |



# Report of the Board of Directors



## BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS FOR THE FINANCIAL YEAR ENDING DECEMBER 31, 2007

Ladies and gentlemen,  
Dear shareholders,

With pleasure we present to you our report relating to Galapagos' non-consolidated and consolidated results during the financial year ended on December 31, 2007.

**Throughout this report the term "Galapagos NV" shall refer solely to the non-consolidated Belgian company. "Galapagos" or "Group" or "Company" shall refer to the consolidated group of companies.**

The companies included in the consolidated results are: Galapagos NV (Mechelen, Belgium); BioFocus DPI BV (Leiden, The Netherlands); BioFocus DPI (Holdings) Ltd and its subsidiaries i.e. BioFocus DPI Ltd, Cambridge Drug Discovery Holding Ltd, Cambridge Genetics Ltd, Cambridge Discovery Ltd (Saffron Walden, UK); BioFocus, Inc., BioFocus DPI LLC, Xenometrix Inc., BioFocus DPI, Inc. and Compound Focus, Inc. (USA); BioFocus DPI AG (Basel, Switzerland) and its subsidiary Discovery Partners International GmbH (Heidelberg, Germany); Inpharmatica Ltd (London, UK); and Galapagos SASU (Romainville, France).

### 1. OVERVIEW OF DEVELOPMENT, RESULT AND POSITION OF THE GALAPAGOS GROUP

Galapagos gained momentum as a drug discovery company in 2007. The Drug Discovery division showed outstanding results across all therapeutic areas, attracting big pharma partners for alliances in the rheumatoid arthritis and osteoporosis programs as well as for anti-infectives, the first alliance outside the Company's bone and joint diseases core area. By executing this partnering strategy, Galapagos can expand its internal drug discovery, while reducing the impact to cash burn in the years to come. Although the BioFocus DPI service division contributed a loss to the Group in 2007, restructuring and consolidation efforts undertaken in 2007 are expected to further enhance the division's strong competitive position and restore the division to profitability in 2008.

#### ***Innovative discovery***

Galapagos initiated its target discovery programs in bone and joint disease in 2003, using its patented adenoviral platform to identify disease targets in primary human cell assays. This has led to the discovery of novel targets (proteins) for rheumatoid arthritis, osteoarthritis and osteoporosis that may play a major role in these diseases. In all three disease areas we obtained *in vivo* validation from animal studies for the newly identified targets, showing the power of our discovery platform. Our novel targets have never been associated with the disease before and we have patents pending on the role of these proteins in the bone and joint disease. Our drug development is based on chemical molecules (compounds) that bind these targets. Also the chemical compounds are patented, both for their chemical structure and their potential role in combating the disease. The combination of patent protection on both the target and the compound provides a unique intellectual property basis for the commercialization of a new mode of action drug. Our aim is to develop 'first in class' disease modifying drugs. We are proud that in our rheumatoid arthritis program we have now moved our first lead compound targeting a Galapagos target into pre-clinical development, with an Investigational New Drug (IND) application planned in 2008. Overall, our Drug Discovery division achieved major progress in its programs, resulting in plans to enter the clinic in 2008. This will start end 2008 with our bone metastasis program and with our rheumatoid arthritis program in early 2009. More detailed information about the Company's R&D progress is given in section 3 of this report.



## ***Enterprising R&D partnering strategy***

In June 2007, Galapagos announced the expansion of the scope of its existing osteoarthritis alliance with GlaxoSmithKline (GSK) to include up to two drug discovery programs on selected GSK targets. Additionally, GSK made a €4.4 million equity investment in Galapagos by subscribing to newly issued Galapagos shares. Galapagos also entered into alliances with top ten pharma companies for its core R&D programs, in addition to signing a first major alliance outside the areas of bone and joint diseases. In October 2007, Galapagos entered a major alliance with Janssen Pharmaceutica (a Johnson & Johnson company) to develop novel oral therapeutics in rheumatoid arthritis. In December 2007, Galapagos entered into an alliance with Eli Lilly for the treatment of osteoporosis, and with GSK for the development of drugs against infectious diseases.

Through our alliance strategy, Galapagos is eligible to receive in excess of €1.7 billion in success-dependent downstream milestone revenues. Furthermore, Galapagos is eligible to receive up to double-digit royalties on the worldwide sales of medicines that result from these research programs.

## ***Growing and strengthening the service division***

The acquisitions made in 2006 to strengthen our BioFocus DPI service division have contributed to a year-on-year growth in revenues of 39% in segment revenues versus 2006. BioFocus DPI reported a segment loss before exceptional costs mainly due to lower than expected sales in biology services and chemical compound libraries as well as to the effect of site consolidations. To reduce the cost base and improve efficiencies, we integrated the BioFocus DPI sites in Saffron Walden, moved the Heidelberg operations into the Basel site and relocated the Leiden activities to a new facility. Medicinal chemistry services exceeded expectations. Management is confident that the restructuring and consolidation efforts affecting the service division will start to pay off in 2008 and will contribute to bring BioFocus DPI back into profitability.

## ***Details of the financial results***

### *Revenue*

Galapagos' revenues for the year 2007 grew 87% to €65.9 million (2006: €35.2 million). Of these revenues, €48.4 million were generated by BioFocus DPI, including €5.4 million inter-company revenues that were eliminated in the consolidation. The Drug Discovery division contributed €22.9 million to Group external revenues.

### *Results*

The Group net loss for the year 2007 was €21.9 million, or €1.06 per share, compared to €11.3 million, or €0.84 per share for 2006. The main contributing factor to the increase of the net loss was an increase in research and development costs from €15.9 million to €30.6 million. The BioFocus DPI segment result, before restructuring and one-off costs, was a loss of €3.9 million, for reasons as set forth above. Medicinal chemistry services exceeded expectations. General and administrative costs amounted to €19.4 million, including €1.4 million for stock-based compensation and other IFRS adjustments. As a percentage of revenue, general and administrative costs were reduced from 34% in 2006 to 29% in 2007. Restructuring costs and impairment amounted to €6.6 million, including costs related to the restructuring and consolidation of operations in Romainville and Saffron Walden, the consolidation of Heidelberg into Basel, and a €1.6 million write-off of intangible assets related to Galapagos SASU (previously called ProSkelia).

### *Cash flow and cash position*

Galapagos' cash and cash equivalents amounted to €49.3 million on 31 December 2007, compared to €51.5 million at the end of 2006. In 2007, €4.8 million in cash was received through capital increases. Strong cash flow in the second half of 2007 was related to upfront and milestone payments received from Galapagos' alliance partners Janssen Pharmaceutica, GSK and Eli Lilly.

### *Personnel*

At the end of 2007, the total number of employees working within the Group amounted to 452.



## *Environment*

All companies of the Group continued to hold the necessary permits for their exploitation, and to respect the applicable environmental rules.

## **2. OVERVIEW OF DEVELOPMENT, RESULT AND POSITION OF GALAPAGOS NV IN PARTICULAR**

In 2007 Galapagos NV made strong advances in its R&D programs, resulting in plans to initiate Phase I clinical trials in bone metastasis in late 2008 and in rheumatoid arthritis in early 2009. Galapagos NV also expanded its turn-key drug discovery alliance with GSK in the field of osteoarthritis and entered into new alliances with Janssen Pharmaceutica in rheumatoid arthritis, with Eli Lilly in osteoporosis, and with GSK in the field of anti-infectives. As part of the expansion of the osteoarthritis alliance, GSK made a €4.4 million equity investment in Galapagos by subscribing to newly issued shares.

Galapagos NV's operating income in 2007 amounted to €29.8 million compared to €7.6 million in 2006. Income from sales amounted to €25.7 million and includes revenues from the GSK alliance in osteoarthritis, income from research and development agreements (FTEs), contract production (CPU), fees for access to our viral libraries and revenues from the Janssen Pharmaceutica alliance in rheumatoid arthritis. The other operating income amounts to €4.1 million including €1.7 million in grants we received for our R&D projects and €1.7 million recharges to subsidiaries; the balance includes costs charged to third parties and recuperation of certain personnel costs.

Our operating costs of 2007 amounted to €27.9 million compared to €20.6 million in 2006. Purchases increased to €2.2 million compared to €1.8 million in 2006. Services and other goods increased to €18.3 million compared to €13.7 million in 2006, mainly as a result of the costs related to the further integration of Inpharmatica and Galapagos SASU, and the increased outsourcing for development of our internal pipeline.

Personnel costs in 2007 amounted to €6.2 million compared to €4.4 million in 2006. The number of employees with Galapagos NV at the end of 2007 amounted to 79.

Depreciation amounted to €0.8 million compared to €0.6 million in 2006; this increase is due to the first full year depreciation of the chemistry facilities in Mechelen in 2007. The other operational costs increased to €0.4 compared to €0.1 in 2006. The increase was mainly due to recharge of costs by BioFocus DPI AG.

Galapagos NV's 2007 financial income increased to €1.7 million compared to €0.3 million in 2006. This increase was due to interest charges to Galapagos NV's subsidiaries, and to increased interests on term accounts. Our 2007 financial costs amounted to €0.7 million compared to €0.4 million in 2006; the increase was due to leasing costs associated with the chemistry laboratories in 2007.

No significant extraordinary income was recorded in 2007. No extraordinary costs were incurred in 2007.

Investments in 2007 totaled 1.0 million. They consisted of €0.4 million for investments in intangible assets (software licenses) and €0.6 million for investments in tangible fixed assets relating to laboratory equipment, hardware, and technical equipment.

Galapagos NV's cash position at the end of 2007 amounted to €40.2 million, largely attributable to the payments from the collaborations with GSK, Janssen Pharmaceutica and Eli Lilly.

The non-consolidated annual accounts of Galapagos NV that we submit for your approval are established in accordance with Belgian accounting rules as well as the legal and statutory requirements. They show a positive result. The financial year 2007 closed with a profit of €2.8 million. Galapagos NV intends to use this result to reduce the losses carried forward of previous years.

In 2007, Galapagos NV nor its affiliates have made use of financial instruments (e.g. hedging).



### 3. ACTIVITIES IN THE AREA OF RESEARCH AND DEVELOPMENT

Our Drug Discovery division achieved major progress in its programs in bone and joint diseases and bone metastasis, resulting in plans to enter the clinic with its bone metastasis program in 2008 and with rheumatoid arthritis in early 2009. We announced that our rheumatoid arthritis candidate against kinase target GT418 demonstrates significant bone protection and reduced inflammation in the industry standard mouse model. The effect of this oral compound was at least equivalent to etanercept (Enbrel®), the injectable anti-TNF treatment for rheumatoid arthritis. Based on these encouraging results, pre-clinical development has started, with the aim to file an IND application by the end of 2008 and initiate a clinical Phase I trial shortly thereafter. In bone metastasis, our candidate drug has shown reduction of bone metastasis and bone degeneration comparable to zoledronate (Zometa®), the industry gold standard treatment for metastatic bone cancer, and superior prevention of metastases to other organs. The candidate drug has also demonstrated a reduction in tumor growth and prevention of blood vessel formation in preclinical animal studies, clearly differentiating the compound from zoledronate. Based on these encouraging results, Galapagos announced the initiation of pre-clinical development of its compound, with a planned initiation of dosing in humans in a Phase I clinical trial before the end of 2008. In our osteoarthritis program, we showed Proof of Principle (reduction of disease markers) and Proof of Concept (reduction of targeted symptoms) in pre-clinical models. Our compounds block cartilage degradation in diseased cartilage explants, while diseased mouse joints treated with this compound also showed reduced cartilage destruction. Galapagos' osteoarthritis program has progressed from validated targets to a Proof of Concept in animal models in 18 months. The data generated thus far encourage us to aim for delivery of a pre-clinical candidate in osteoarthritis by end 2008.

### 4. SHARES AND CAPITAL

#### *Capital increases and issue of shares*

On 1 January 2007, the share capital of Galapagos NV was €107,856,175.51, represented by 19,851,330 shares.

On April 4, 2007, a total number of 59,152 warrants were exercised as follows: 28,900 warrants under the Warrant Plan 2002 Belgium at an exercise price of €1.00 per warrant; 30,252 warrants under the Warrant Plan 2002 The Netherlands at an exercise price of €1.17 per warrant. Four warrants entitled to one share. This exercise resulted in a capital increase of €64,294.84 and the issue of 14,788 new shares.

With regard to Galapagos' acquisition of Inpharmatica Ltd. in December 2006, a second and a third tranche of shares was scheduled to be issued respectively in April and May 2007, the exact number of such issues depending on certain contractual provisions set forth in the acquisition agreement. In application thereof, on April 6, 2007, such a second tranche of 613,270 new shares was issued and allocated to former Inpharmatica shareholders. As a result, the capital was increased with €3,336,188.80 (and €2,072,852.60 issuance premium). On May 7, 2007, a third and last tranche of 113,378 new shares was issued and allocated to former Inpharmatica shareholders. As a result, the capital of the Galapagos NV increased with €616,776.32 (and €383,217.64 issuance premium). These capital increases were made in the framework of the authorized capital (Board decision of 5 December 2006).

On June 1, 2007, a total number of 203,000 warrants were exercised as follows: 52,318 warrants under the Warrant Plan 1999 Belgium at an exercise price of €1.00 per warrant; and 150,682 warrants under the Warrant Plan 2002 Belgium at an exercise price of €1.00 per warrant. Four warrants entitled to one share. The exercise resulted in a capital increase of €203,000 and the issuance of 50,750 new shares.

On June 28, 2007, the Board of Galapagos decided, within the framework of the authorized capital, to create maximum 404,560 warrants, for the benefit of employees, directors and consultants of Galapagos and its subsidiaries under a new warrant plan ("Warrant Plan 2007"). After acceptances, the total number of





## Galapagos

warrants de facto created and granted under this plan is of 364,440. The exercise price of the warrants is of €8.65. No warrants have been exercised under this plan per 31 December 2007.

On June 29, 2007, in connection with the expansion of our existing multiyear alliance in osteoarthritis with GSK, GSK has made an equity investment in Galapagos NV of €4,429,620 by subscribing to 513,281 newly issued shares at €8.63 per share. As a result hereof the capital of the Galapagos NV was increased with €2,787,115.83 (plus €1,642,504.17 issuance premium). This capital increase was made in the framework of the authorized capital.

On October 25, 2007, the Board of Galapagos decided, within the framework of the authorized capital, to create maximum 114,100 warrants for the benefit of employees of the French affiliate of Galapagos (Galapagos SASU) under a new warrant plan ("Warrant Plan 2007 RMV"). After acceptances, the total number of warrants de facto created and granted under this plan is of 108,850. The exercise price of the warrants is of €8.65. No warrants have been exercised under this plan per 31 December 2007.

On December 10, 2007, a total number of 128,131 warrants were exercised as follows: 104,636 warrants under the Warrant Plan 1999 Belgium at an exercise price of €1.00 per warrant; and 3,000 warrants under the Warrant Plan 2002 Belgium at an exercise price of €1.00 per warrant; and 20,495 warrants under the Warrant Plan 2002 The Netherlands at an exercise price of €1.17 per warrant. Four warrants entitled to one share. This exercise resulted in a capital increase of €131,615.15 and the issue of 32,032 new shares.

At the end of 2007, Galapagos NV's total share capital amounted to €114,995,166.45, represented by 21,188,829 shares.

### ***Shares and rights attached to the shares***

Of the 21,188,829 shares of Galapagos NV at the end of 2007, 3,118,633 were shares registered in the register of shareholders and 18,070,196 were bearer shares. All shares are issued and fully paid up and are of the same class. The bearer shares that were on a securities account on January 1, 2008, have been converted into dematerialized shares as of that date, according to applicable Belgian legislation.

Each share:

- entitles its holder to one vote at the Shareholders' Meetings;
- represents an identical fraction of the capital and has the same rights and obligations and participates equally in the profit of Galapagos NV;
- gives its holder a preferential subscription right to subscribe to new shares, convertible bonds or warrants in proportion to the part of the share capital represented by the shares already held. The preferential subscription right can be restricted or cancelled by a resolution approved by the Shareholders' Meeting, or by the Board of Directors subject to an authorization of the Shareholders' Meeting, in accordance with the provisions of the Belgian Company Code and Galapagos NV's articles of association.

In its meeting of 25 October 2007, in the presence of a notary public, the Board of Directors has resolved to amend article 9 of the Company's Articles of Association so as to make the Articles of Association compliant with the provisions of the law of 14 December 2005 relating to the abolition of the bearer shares, by adding the following to said article 9: "The bearer securities that have been issued by the company and which are credited to a securities account on the first of January two thousand and eight, exist in dematerialized form as from such date. The other bearer securities will also become automatically dematerialized to the extent that they will be credited to a securities account as from the first of January two thousand and eight."

### ***Authorized capital***

Conform the articles of association, the extraordinary Shareholders Meeting of Galapagos NV gave the authorization to the Board of Directors to increase the share capital of the company, in accordance with articles 603 to 608 of the Belgian Company Code, in one or several times, and under certain conditions set forth *in extenso* in the Articles of Association of Galapagos NV. This authorization is valid for a period of five years from the date of this authorization, i.e. 24 April 2007. The Board of Directors may increase the share



capital of Galapagos NV within the framework of the authorized capital for an amount of up to €107,856,175.51.

When increasing the share capital within the limits of the authorized capital, the Board of Directors may in Galapagos NV's interest restrict or cancel the shareholders' preferential subscription rights, even if such restriction or cancellation is made for the benefit of one or more specific persons other than the employees of the Company or its subsidiaries.

In 2007, Galapagos NV's Board of Directors has made use of the authorized capital in a number of instances: (i) the capital increases described in the paragraph "*Capital increases and issue of shares*" set forth above (all in the context of Board decisions made prior to 2007, except for the capital increase to the benefit of GSK); (ii) on June 28, 2007, in connection with the issuance of the Warrant Plan 2007 under which a maximum of 364,440 new shares can be issued for a total maximum capital increase of €1,978,909.20 (plus issuance premium); (iii) on June 29, 2007 for the issuance of 513,281 new shares to GSK, for a total capital increase of €2,787,115.83 (plus €1.642.504,17 issuance premium); and (iv) on October 25, 2007, in connection with the issuance of the Warrant Plan 2007 RMV under which a maximum of 108,850 new shares can be issued for a total maximum capital increase of €591,055.50 (plus issuance premium).

### ***Changes in share capital***

In accordance with the provisions of the Belgian Company Code, Galapagos NV may increase or decrease its capital by decision of the extraordinary Shareholders Meeting taken with a majority of 75% of the votes cast, at a meeting where at least 50% of the share capital of Galapagos NV is present or represented. If the attendance quorum of fifty percent is not met, a new extraordinary Shareholders Meeting must be convened at which the shareholders may decide on the agenda items irrespective of the percentage of share capital represented at this meeting. There are in this respect no conditions imposed by the bylaws that are more stringent than is required by law.

Within the framework of the powers under the authorized capital, the Board of Directors may also increase Galapagos NV's capital as specified in its Articles of Association.

### ***Purchase and sale of own shares***

At the extraordinary Shareholders Meeting of 24 April 2007, the Board of Directors was authorized to approve the acquisition, subject to the availability of sufficient retained earnings or profit reserves, of Galapagos NV's own shares representing up to 10% of Galapagos NV's capital at a price which may not be lower than €0.05 and not higher than hundred ten percent (110%) of the price at which such shares were quoted on the Brussels stock exchange on the day preceding the day of the purchase or exchange. This authorization was granted for a period of 18 months after the publication of such decision in the Annexes to the Belgian State Gazette. The authorization is also applicable to the acquisition of shares of Galapagos NV by its affiliates. The condition for the purchase and sale of own shares are set forth *in extenso* in the articles of association of Galapagos NV.

On December 31, 2007, neither Galapagos NV nor any subsidiary of Galapagos NV held any shares in Galapagos NV. On December 31, 2007, neither Galapagos NV nor any subsidiary of Galapagos NV had any third party hold any shares in Galapagos NV on their behalf.

### ***Anti-takeover provisions in Galapagos NV's Articles of Association***

The Board of Directors is expressly authorized during a period of three years as of the date of the general meeting which granted this authorization, i.e. 24 April 2007, to increase the Galapagos NV's share capital within the context of the authorized capital by contributions in kind or in cash with restriction or cancellation of the shareholders' preferential subscription rights, even after the BFIC has notified Galapagos NV of a public take-over offer for the Company's shares, provided that the relevant provisions of the Belgian Company Code are complied with including that the number of shares issued under such capital increase does not exceed one tenth of the shares representing the capital that is issued prior to such capital increase. The authorization referred to above may be renewed.



The articles of association explicitly authorize the Board of Directors to acquire and dispose of any own shares of Galapagos NV, without prior approval by the Shareholders Meeting, if this is necessary to avoid a threatening serious disadvantage for Galapagos NV. This authorization was granted for a period of three years from the publication of such decision in the Annexes to the Belgian State Gazette. This authorization applies under the same conditions to the acquisition of the shares of Galapagos NV by its subsidiaries.

### ***Anti-takeover provisions under Belgian laws***

Under Belgian law, public takeover bids for all the outstanding voting securities issued by the issuer are subject to the supervision of the BFIC. If the latter determines that a takeover violates Belgian law, it may lead to suspension of the exercise of the rights attached to any shares that were acquired in connection with the envisaged takeover. According to the Belgian law of April 1, 2007 on public takeovers, entered into force on September 1, 2007 (which implemented the EU Directive 2004/25/EC (Take over Directive) of the European Parliament and of the Council dated 21 April 2004 and concerning public takeovers) a mandatory takeover bid must be made when, as a result of its own acquisition or the acquisition by persons acting in concert with it, a person owns, directly or indirectly, more than 30% of the securities with voting rights in a Belgian company whose securities are admitted to trading on a regulated or recognized market. The acquirer must offer to all other shareholders the opportunity to sell their shares at the highest of (i) the highest price offered by the acquirer for shares of the issuer during the 12 months preceding the communication of the bid and (ii) the average price of the shares on the most liquid market of the last 30 calendar days prior to the date on which the obligation of the acquirer to offer the take over of the shares of other shareholders starts.

### ***Change of the Articles of Association***

Pursuant to the Belgian Company Code, any amendment to the Articles of Association such as an increase or decrease in the capital of Galapagos NV, and certain other matters such as the approval of the dissolution, merger or de-merger of Galapagos NV may only be authorized with the approval of at least seventy five percent of the votes validly cast at a Shareholders Meeting where at least fifty percent of Galapagos NV's share capital is present or represented.

### ***Agreements with and between Shareholders***

At the date of this report, Galapagos NV has no knowledge of the existence of any shareholders' agreements between Galapagos' shareholders.

Galapagos NV and GSK entered into a lock-up agreement entered in connection with the equity investment of €4,429,620 made by GSK on June 29, 2007 by subscribing to 513,281 newly issued shares; these shares are subject to a lock-up of one year as from June 29, 2007.

## **5. RISK FACTORS**

Typically for a biotechnology company, Galapagos is confronted with a number of risks and uncertainties. The Company wants to highlight the following risks: (i) the success of Galapagos is uncertain due to its limited operating history, its history of operating losses and the uncertainty of future profitability, (ii) Galapagos may need additional capital in the future to sufficiently fund its operations and research; (iii) there is a high risk that early-stage drug discovery and development might not successfully generate good drug candidates; (iv) Galapagos might not be able to commercialize its drug candidates successfully if problems arise in the testing and approval process or if competitors develop technologies which are more effective than those of Galapagos (v) most of Galapagos' expected future revenues are contingent upon collaborative and license agreements; (vi) Galapagos' success is dependent on intellectual property rights held by it and third parties and its interest in such rights is complex and uncertain; (vii) due to its lack of experience in conducting clinical trials and manufacturing, Galapagos needs to rely on third parties which may delay its clinical trials, or may jeopardize regulatory approval for its product candidates if such third parties do not perform as contractually required or expected.



For information on the Group's financial risk management (including capital management and management of risk relating to credit, liquidity, interests and currency exchange) reference is made to Note 35 of the 2007 consolidated accounts.

## 6. EXCEPTIONAL ACTIVITIES OF THE STATUTORY AUDITOR

The statutory auditor's remuneration for his activities in Belgium in connection with his control of Galapagos NV's statutory accounts amounted to €76,700 in 2007. The global remuneration for audit services performed by the statutory auditor and his network amounted to €285,300 in 2007. Other fees paid to the statutory auditor in 2007 amounted to €210,425 and related to other services rendered, in particular additional activities resulting from the changes in the scope of the group of companies to be consolidated, audit of valuations in the framework of acquisition projects, audit of specific areas of internal control, legal missions and tax related services. The Audit Committee and the Board of Directors are of the opinion that these ad hoc activities do not affect the independence of the statutory auditor in the performance of its statutory duties. The majority of the abovementioned additional fees have been pre-approved by the Audit Committee.

## 7. SIGNIFICANT EVENTS THAT TOOK PLACE AFTER THE END OF THE FINANCIAL YEAR

Galapagos announced the following significant events after 31 December 2007:

- January 3, 2008: oncology target discovery collaboration with Janssen Pharmaceutica;
- January 14, 2008: extension drug discovery collaboration with Eli Lilly in nuclear hormone receptor research;
- January 16, 2008: €4.4 million grant for rheumatoid arthritis drug development from the Flanders government through the Institute for the Promotion of Innovation by Science and Technology (IWT);
- January 25, 2008: €3.4 million milestone payment from Janssen Pharmaceutica NV under the October 25, 2007 alliance agreement in rheumatoid arthritis;
- February 28, 2008: selection of preclinical candidates and clinical plans in rheumatoid arthritis and bone metastasis. The Company also intends to select a pre-clinical candidate in osteoarthritis in the course of 2008;
- March 6, 2008: establishment of a sponsored ADR Level-1 facility in the US with the Bank of New York acting as depositary, effective March 13, 2008; and cancellation of the AIM listing effective April 7, 2008;
- April 10, 2008: collaboration between Galapagos and Bausch & Lomb in the field of ophthalmic diseases with potential milestones of up to €32 million and additional royalties on product sales.

## 8. GOING CONCERN AND ACCOUNTING STANDARDS

As the balance sheet of Galapagos NV shows a loss carry-over and the profit and loss account showed a loss for the financial year 2006 and showed only a small profit for the financial year 2007, the Board has examined the accounting standards and is of the opinion that the accounting standards can be applied under the assumption of continuity. Taking into account the solid cash position and the favorable developments of Galapagos NV's own drug discovery activities and its subsidiaries activities (drug discovery in Romainville; service activities at BioFocus DPI), the Board is of the opinion that it can submit the annual accounts in view of continuity. The Board is also of the opinion that additional financing could be obtained, if required.

Whilst Galapagos NV's cash position is sufficient for the Company's immediate and short term needs, the Board points out that if the R&D activities continue to go well, Galapagos NV may need to seek additional funding to support the continuing development of its pipeline. It can be expected that because of these increasing expenditures and resulting losses the net assets of Galapagos NV, without further cash injection, may fall below half of the share capital within the next 2 years. If and when this happens, the procedure according to article 633 of the Belgian Code of Companies will require the Board to draw up a report to be submitted to the Shareholders Meeting to decide upon the continuation or cessation of activities.



## 9. CORPORATE GOVERNANCE

On 29 March 2005, the Board of Directors approved the Company's Corporate Governance Charter. This Charter is in addition to the corporate governance provisions included in the Belgian Company Code and in the Company's articles of association. The Corporate Governance Charter aims to achieve an efficient management and appropriate control of the Company. This Charter, updated on March 10, 2008, is available on the website of the Company.

The Company's Corporate Governance Charter includes the following specific rules and charters:

- Charter of the Board of Directors;
- Charter of the Audit Committee;
- Charter of the Nomination- and Remuneration Committee;
- Charter of the Executive Committee;
- Guidelines for transactions between the Company and its directors and executive managers;
- Dealing Charter (which provides procedures and guidelines to prevent abuse of insider knowledge as to prevent insider trading and market manipulation).

The Board of Directors expressed its opinion that clear understandings relating to corporate governance contribute to long-term value creation and to a workable equilibrium between the entrepreneurship on the one hand and the control functions of the management organisms on the other hand. The Board of Directors has set as an objective that the provisions of the Belgian Corporate Governance Code (the so-called "Lippens-Code") be respected. However, the Board of Directors also determined that it is permissible not to comply with certain corporate governance provisions when the specific circumstances in which the Company operates are taken into account. In such cases, which are mentioned in this chapter, it applies the principle of "comply or explain".

### ***Board of Directors***

Galapagos' Board of Directors consists of minimum five and maximum nine members, including the Chairman and the CEO. The Chairman is a non-executive Director and does not hold the office of CEO. The Board of Directors consists of at least three independent Directors.

Except for Onno van de Stolpe, all Board members are non-executive Directors. In 2007, the following persons were members of the Board: Dr Raj Parekh (Chairman), Ir Onno van de Stolpe (CEO), Dr Laurent Ganem, Dr Harrold van Barlingen, Mr Geoff McMillan, Dr Barry Ross, Dr Ferdinand Verdonck, and Dr Rudi Pauwels; the latter three Directors are appointed as independent directors.

The Board's role is to pursue the long-term success of the Company by providing entrepreneurial leadership and enabling risks to be assessed and managed.

In 2007, the Board of Directors held 4 regular meetings, 5 meetings by telephone conference to discuss specific matters and 4 meetings in the presence of a notary, the latter relating to the issuance of the Warrant Plan 2007, the capital increase subscribed by GSK, the issuance of the Warrant Plan 2007 RMV, and the change of the articles of association in connection with the implementation of the law relating to dematerialized shares.

The Belgian Code on Corporate Governance provides that the individual attendance record of Directors should be disclosed. The Company decided not to comply with this provision, based on the consideration that the Board of Directors, as well as the Audit Committee and the Nomination and Remuneration Committee are collegial bodies, and deliberate and take decisions as collegial bodies. The attendance to the Board meetings and the meetings of the Committees, presented in a global attendance rate, guarantees decision-taking in compliance with the articles of association and in the interest of the Company. Overall attendance rate (present or duly represented) to the meetings of the Board of Directors was 90%.



According to the decision of the Annual General Meeting of April 3, 2007 the independent Directors receive a remuneration of €20,000 per year. The Chairman of the Audit Committee receives an additional amount of €5,000 for performing this activity. The non-executive Directors who do not qualify as independent Directors and who do not represent a shareholder of the Company also receive remuneration for their mandate as a Director of €20,000 per year. In the event a Director is less than 75% present on the meetings of the Board of Directors, the amounts referred to above will be proportionally decreased. Directors who represent a shareholder in the Board of Directors will only receive reimbursement of the expenses incurred for participating in the Board of Directors. The Chairman of the Board of Directors, Dr Raj Parekh, does not receive remuneration as the other Directors, nor is he entitled to reimbursement of expenses as the other Directors. However, a consultancy contract was made with the Chairman of the Company, under which the Chairman receives a monthly fee of £4,166 as compensation for giving strategic advice.

For clarity, the CEO does not receive any special remuneration for his work on the Board of Directors, as this is part of his total remuneration package in his capacity as member of the Executive Committee.

The Board of Directors points out that the Belgian Code on Corporate Governance does not recommend granting warrants to non-executive Directors, as this code contains a provision which states that non-executive Directors should not be entitled to performance-related remuneration such as stock related long-term incentive schemes. In deviation to this provision, the Board of Directors has decided to grant warrants to non-executive directors. This way, the Company has additional possibilities to attract competent non-executive Directors and to offer them an attractive additional remuneration that does not affect the cash position of the Company. Furthermore, the grant of warrants is a common use method in the sector in which the Company is active. Without this possibility, the Company would be confronted with a considerable disadvantage compared to competitors who do offer warrants to their non-executive Directors. The Board of Directors is of the opinion that the granting of warrants has no negative impact on the function of the non-executive Directors.

### ***Committees***

The ***Nomination- and Remuneration Committee*** consists of the following three non-executive Directors: Raj Parekh (Chairman), Ferdinand Verdonck and Rudi Pauwels, the majority of whom are independent Directors.

The Nomination and Remuneration Committee's role is twofold: drafting recommendations to the Board of Directors regarding the remuneration policy of Galapagos and the remuneration of Directors and members of the Executive Committee, and selecting the appropriate candidate-directors and making recommendations to the Board of Directors in relation to the appointment of Directors and members of the Executive Committee.

The Nomination and Remuneration Committee meets at least twice yearly. In 2007, the Nomination- and Remuneration Committee held 3 meetings, in which it dealt with matters including appointment of senior executives, grants of warrants and bonuses, new warrant plans and envelopes for salary increases.

The Nomination- and Remuneration Committee acts as a collegial body. The attendance to the Nomination- and Remuneration Committee meetings over the year 2007 is presented in a global attendance rate, which was 100%.

The ***Audit Committee*** consists of the following three Directors: Ferdinand Verdonck (Chairman), Barry Ross and Raj Parekh. All members of the Audit Committee are non-executive Directors, the majority of whom are independent. The Chairman is an independent non-executive Director.

The role of the Audit Committee is to follow up on financial reporting and verification of financial data, verify and follow up on the internal control mechanisms, evaluate and verify the effectiveness of the risk assessment systems, and follow up on the internal and external audit activities.

In 2007, the Audit Committee held 4 meetings, in which it dealt with matters including audit review and procedures.



The Audit Committee acts as a collegial body. The attendance to the Audit Committee meetings over the year 2007 is presented in a global attendance rate, which was 100%.

The tasks of the **Executive Committee** include the following matters: the research, identification and development of strategic possibilities and proposals which may contribute to Galapagos' development in general, the drafting and development of policy guidelines to be approved by the Board of Directors, Galapagos' management through, among other things, the implementation of policy guidelines, the supervision of the performance of the business in comparison with the strategic goals, plans and budgets, and the support of the CEO with the day-to-day management of Galapagos.

Per December 31, 2007, the Executive Committee consisted of eight (8) people: Ir Onno van de Stolpe (also Director), Dr Graham Dixon, Dr Andre Hoekema, Mr Richard Neale, Dr Chris Newton, Dr David Philips, Dr Dirk Pollet, Mr Leo Steenbergen (as from June 1, 2007). Mr David Smith has served on the Executive Committee until his resignation effective May 31, 2007. Per April 1, 2008, the Executive Committee was extended with Dr Piet Wigerinck.

The Executive Committee meets regularly, and at least once per month.

The remuneration of the CEO consists of a basic part, a variable part and other components. In deviation from the Belgian Corporate Governance Code the Board of Directors has elected not to comply with the corporate governance recommendation to disclose all parts of the CEO's remuneration, such as the basic salary. The Board of Directors explains this non-compliance by referring to privacy concerns.

In 2007, the members of the Executive Committee (including the CEO) were paid an aggregate amount of €1,740,767 in salaries. For their performance in 2007, an aggregate amount of €436,620 in bonuses was paid to these members. The amount of the bonuses paid is half of the amount of the bonuses awarded; the other half is deferred for three years and is conditional to certain performance parameters of the Galapagos share price being realized. Other components of their remuneration include contributions to the Company's pension and health insurance schemes, and certain fringe benefits of non-material value. In the course of 2007, a total amount of 325,000 warrants were offered to and accepted by the members of the Executive Committee.

### ***Conflict of interest and related parties***

In the event of a transaction where a Director's interest conflicts with the interest of the Company, the Director shall notify the Board of Directors in advance of the conflict and will act in accordance with the relevant rules of the Company Code (i.e. article 523 of the Company Code).

In addition, the Company's Corporate Governance Charter includes a policy for transactions between the Company and its Directors and executive managers. Without prejudice to the procedure defined in article 523 of the Belgian Company Code, this policy provides that all transactions between the Company and its directors, its members of the Executive Committee or its representatives need the approval of the Board of Directors, which approval can only be provided at normal market conditions.

Such a conflict of interest, in the event it is not a conflict of interest as provided for in article 523 of the Belgian Company Code, shall be written down in the minutes, and the Director or member of the Executive Committee shall not vote.

No conflicts of interest between the Company and members of the Board were raised in 2007 and about which has not yet been reported in since the annual shareholders' meeting of 2007, except for the award of certain emoluments to the CEO, Mr Onno van de Stolpe. In connection herewith it was reported as follows in the Board meeting of December 11, 2007: "Board resolved to approve the recommendations of the Remuneration Committee. In application of article 523 of the Belgian Code of Companies the following is reported in connection with the bonus, the salary increase and the proposed warrant grant to the CEO: The



Chairman declares that Mr Onno van de Stolpe has informed the Board of Directors of a conflict of interest, concerning the proposed award to him of a bonus, a salary increase and a grant of warrants. It has been explained to the Board that the award of said benefits is proposed upon recommendation of the Remuneration Committee and is a justified reward for the results achieved by Mr van de Stolpe in 2007. The award of these benefits will have no material impact on the financial position of the Company. The Board shares the opinion of the Remuneration Committee that the proposed benefits are justified and reasonable. Mr van de Stolpe has not taken part in the deliberation and the vote concerning this decision." For clarity, the CEO's bonus amounted to €327,241.80 (half of this bonus is payable immediately and the other half deferred for 3 years and is conditional to certain performance parameters of the Galapagos share price being realized), his salary increase was of 5% and the proposed number of warrants to be offered (subject to approval of the Shareholders meeting) was of 50,000.

## 10. FURTHER INFORMATION

This report of the Board of Directors will also be made available on the Company website: [www.glpq.com/investor/financial\\_reports.htm](http://www.glpq.com/investor/financial_reports.htm).

\* \* \*

The Board of Directors of Galapagos NV, represented by all its members, declares that, as far as it is aware, the statutory accounts and consolidated financial statements, 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 as of December 31, 2007.

The Board of Directors of Galapagos NV, represented by all its members, further declares that, this report to the shareholders for the financial year ending December 31, 2007, gives a true and fair view on the development, results and position of the Company and its consolidated companies and on the most important risks and uncertainties with which the Company is being confronted.

\* \* \*

The Board of Directors thanks you for the confidence you show in Galapagos.

The Board of Directors will submit to you proposals of resolutions to approve the annual accounts for the financial year 2007, and to discharge the Directors and the Statutory Auditor, for the exercise of their mandate during the financial year that ended on 31 December 2007.

Mechelen, 14 April 2008.

On behalf of the Board of Directors,

(signed)

Onno van de Stolpe  
CEO

(signed)

Raj Parekh  
Chairman





GLPG  
2007

# Consolidated financial statements

## **GALAPAGOS NV**

### **STATUTORY AUDITOR'S REPORT TO THE SHAREHOLDERS' MEETING ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007**

To the shareholders

As required by law and the company's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us. This report includes our opinion on the consolidated financial statements together with the required additional comments.

#### ***Unqualified audit opinion on the consolidated financial statements***

We have audited the accompanying consolidated financial statements of GALAPAGOS NV ("the company") and its subsidiaries (jointly "the group") for the year ended 31 December 2007, prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. Those consolidated financial statements comprise the consolidated balance sheet as at 31 December 2007, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 148.724 (000) EUR and a consolidated loss for the year of 21.948 (000) EUR.

The board of directors of the company is responsible for the preparation of the consolidated financial statements. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. We have assessed the basis of the accounting policies used, the consolidation policies, the reasonableness of accounting estimates made by the company and the presentation of the consolidated financial statements, taken as a whole, and the board of directors and responsible officers of the company have replied to all our requests for explanations and information. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements as of 31 December 2007 give a true and fair view of the group's assets, liabilities, financial position and results, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

***Additional comments***

The preparation and the assessment of the information that should be included in the directors' report on the consolidated financial statements and the company's compliance with the requirements of the Companies Code and its articles of association are the responsibility of the board of directors.

Our responsibility is to include in our report the following additional comments which do not change the scope of our audit opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law and is in agreement with the consolidated financial statements. However, we are unable to express an opinion on the description of the principle risks and uncertainties confronting the group, or on the status, future evolution, or significant influence of certain factors on its future development. We can, nevertheless, confirm that the information given is not in obvious contradiction with any information obtained in the context of our appointment.

Diegem, 15 April 2008

**The Statutory Auditor**

---

**DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises**  
SC s.f.d. SCRL  
Represented by Gert Vanhees



## Consolidated financials

### CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER

| Thousands of €  | Notes      | 2007           | 2006           | 2005          |
|---|------------|----------------|----------------|---------------|
| <b>Revenues</b>   | <b>4</b>   | <b>65,936</b>  | <b>35,170</b>  | <b>11,240</b> |
| Cost of sales   | 5          | -30,166        | -19,533        | -4,829        |
| <b>Gross profit</b>   |            | <b>35,770</b>  | <b>15,637</b>  | <b>6,411</b>  |
| Other income  | 5          | 1,545          | 2,975          | 78            |
| R&D Expenditure   | 5          | -30,633        | -15,863        | -8,900        |
| General and administrative costs                                  | 5          | -19,444        | -11,963        | -3,537        |
| Sales and marketing expenses                                      | 5          | -2,455         | -1,972         | -421          |
| Restructuring costs and impairment                                | 5          | -6,623         | -621           | -281          |
| <b>Operating loss</b>   | <b>5,6</b> | <b>-21,840</b> | <b>-11,807</b> | <b>-6,650</b> |
| Finance income  | 7          | 1,081          | 370            | 368           |
| Finance costs   | 8          | -1,747         | -1,057         | -369          |
| <b>Loss before tax</b>  |            | <b>-22,506</b> | <b>-12,494</b> | <b>-6,651</b> |
| Income tax  | 9          | 558            | 1,159          | 110           |
| <b>NET LOSS FOR THE YEAR</b>                                      | <b>10</b>  | <b>-21,948</b> | <b>-11,335</b> | <b>-6,541</b> |
| <b>Weighted average number of ordinary shares in issue ('000)</b> | <b>10</b>  | <b>20,680</b>  | <b>13,543</b>  | <b>8,936</b>  |
| Basic and diluted loss per share in €                             | 10         | -1.06          | -0.84          | -0.73         |



## CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER

## Assets

| Thousands of €                      | Notes | 2007           | 2006*<br>restated | 2005          |
|-------------------------------------|-------|----------------|-------------------|---------------|
| <b>NON-CURRENT ASSETS</b>           |       |                |                   |               |
| Goodwill                            | 11    | 33,952         | 32,996            | 29,481        |
| Intangible assets                   | 12    | 6,090          | 9,449             | 4,869         |
| Property, plant and equipment       | 13    | 22,914         | 25,540            | 9,399         |
| Deferred tax assets                 | 22    | 352            | 727               |               |
| Available for sale financial assets | 15    | 1,049          | 1,054             | 978           |
| Current income tax receivable       | 9     | 3,167          | 6,323             |               |
| Other non-current assets            | 16    | 457            | 308               | 291           |
| <b>CURRENT ASSETS</b>               |       |                |                   |               |
| Inventories                         | 14    | 4,948          | 3,499             | 3,142         |
| Trade and other receivables         | 16    | 21,356         | 18,370            | 9,517         |
| Current income tax receivable       | 9     | 5,144          | 6,476             | 269           |
| Cash and cash equivalents           | 17    | 49,295         | 51,519            | 23,617        |
| <b>TOTAL ASSETS</b>                 |       | <b>148,724</b> | <b>156,261</b>    | <b>81,563</b> |

## Equity and liabilities

| Thousands of €                      | Notes | 2007           | 2006           | 2005          |
|-------------------------------------|-------|----------------|----------------|---------------|
| <b>TOTAL EQUITY</b>                 |       |                |                |               |
| Share capital                       | 18    | 110,855        | 103,458        | 68,793        |
| Share premium account               | 19    | 48,268         | 44,170         | 19,816        |
| Translation differences             | 20    | -1,535         | 10             | 3             |
| Accumulated losses                  |       | -58,962        | -38,096        | -27,476       |
| <b>TOTAL LIABILITIES</b>            |       |                |                |               |
| <b>NON-CURRENT LIABILITIES</b>      |       |                |                |               |
| Pension liabilities                 | 28    | 664            | 905            |               |
| Provisions                          | 26    | 2,498          | 10,328         |               |
| Deferred tax liabilities            | 22    | 292            | 594            | 1,542         |
| Finance lease liabilities           | 23    | 1,747          | 4,595          | 4,606         |
| Other non-current liabilities       | 25    | 1,536          | 642            | 214           |
| <b>CURRENT LIABILITIES</b>          |       |                |                |               |
| Post employment benefit obligations |       | 226            |                |               |
| Provisions                          | 26    | 933            | 933            |               |
| Financial lease liabilities         | 23    | 2,621          | 3,172          | 2,967         |
| Other financial liabilities         | 21    |                |                | 394           |
| Trade and other payables            | 25    | 39,525         | 25,431         | 9,568         |
| Current income tax payable          | 9     | 56             | 119            | 1,136         |
| <b>TOTAL LIABILITIES AND EQUITY</b> |       | <b>148,724</b> | <b>156,261</b> | <b>81,563</b> |

\* In the 2006 financial statements the business combinations for Proskelia SASU and Inpharmatica Ltd were included based on temporary values. In 2007 the corrections to these temporary values were calculated based on final figures. This resulted in a restatement of the 2006 figures. We refer to note 32 for additional information.



## CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEARS ENDED 31 DECEMBER

| Thousands of €  | Notes | 2007           | 2006          | 2005          |
|---|-------|----------------|---------------|---------------|
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>               |       |                |               |               |
|   |       | 51,519         | 23,617        | 10,274        |
| Result from operations  |       | -21,866        | -11,807       | -6,650        |
| <b>Adjustments for:</b>   |       |                |               |               |
| Depreciation of property, plant and equipment                       | 13    | 6,643          | 3,480         | 941           |
| Amortization of intangible fixed assets                             | 12    | 1,711          | 1,246         | 374           |
| Impairment loss on intangible assets                                |       | 1,561          | 10            |               |
| Exchange gain on translation of net assets of subsidiary            |       | -79            | -68           | -219          |
| Share based compensation  |       | 1,098          | 703           |               |
| Increase / Decrease provisions                                      |       | -1,507         | -74           |               |
| Increase / Decrease pension liabilities (assets)                    |       | -15            |               |               |
| Negative goodwill   |       |                | -2,425        |               |
| <b>Operating cash flows before movements in working capital</b>     |       | <b>-12,454</b> | <b>-8,933</b> | <b>-5,554</b> |
| (Increase)/Decrease in inventories                                  |       | -1,449         | 293           | 943           |
| (Increase)/Decrease in receivables                                  |       | -3,131         | -3,487        | -2,319        |
| Increase/(Decrease) in payables                                     |       | 14,094         | 7,326         | 3,377         |
| Increase/(Decrease) in provisions                                   |       |                |               | -7            |
| <b>Cash used in operations</b>                                      |       | <b>-2,940</b>  | <b>-4,801</b> | <b>-3,560</b> |
| Interest paid and other financial costs                             | 7     | -1,746         | -1,057        | -369          |
| Taxes   |       | 5,057          | -3,452        | 42            |
| <b>NET CASH FLOWS USED IN OPERATING ACTIVITIES</b>                  |       | <b>371</b>     | <b>-9,310</b> | <b>-3,887</b> |
| Purchase of property, plant and equipment                           | 13    | -6,045         | -4,120        | -1,061        |
| Purchase of and expenditure in intangible fixed assets              | 12    | -1,037         | -146          | -50           |
| Proceeds from disposal of property, plant and equipment             | 13    | 1,117          |               |               |
| Acquisition of subsidiary   |       |                | 1,798         | -2,807        |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>                        |       | <b>-5,965</b>  | <b>-2,468</b> | <b>-3,918</b> |
| Repayment of obligations under finance leases and other debts       |       | -2,506         | -1,553        | -351          |
| Proceeds of Capital and Share premium increases, net of issue costs |       | 4,829          | 40,949        | 20,821        |
| Proceeds from share issues  |       |                |               | 322           |
| Interest received and other financial income                        | 7     | 1,081          | 370           | 368           |
| <b>NET CASH FROM FINANCING ACTIVITIES</b>                           |       | <b>3,404</b>   | <b>39,766</b> | <b>21,160</b> |
| <b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>             |       | <b>-2,190</b>  | <b>27,986</b> | <b>13,355</b> |
| Effect of exchange rates on cash and cash equivalents               |       | -34            | -86           | -12           |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                     |       | <b>49,295</b>  | <b>51,519</b> | <b>23,617</b> |



## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

| Thousands of €  | Share capital  | Share premium | Translation difference | Retained earnings | Total          |
|---|----------------|---------------|------------------------|-------------------|----------------|
| <b>Balance at 1 January 2005</b>                        | <b>31,536</b>  |               |                        | <b>-21,170</b>    | <b>10,366</b>  |
| Capital increase  | 17,675         | 4,877         |                        |                   | 22,551         |
| Cost of capital increase                                | -1,962         |               |                        |                   | -1,962         |
| BioFocus acquisition                                    | 18,934         | 14,939        |                        |                   | 33,873         |
| Share based compensation                                |                |               |                        | 235               | 235            |
| Unissued shares for BioFocus                            | 2,610          |               |                        |                   | 2,610          |
| Net loss for the year                                   |                |               |                        | -6,541            | -6,541         |
| Translation difference                                  |                |               | 3                      |                   | 3              |
| <b>Balance at 31 December 2005</b>                      | <b>68,793</b>  | <b>19,816</b> | <b>3</b>               | <b>-27,476</b>    | <b>61,136</b>  |
| Exchanged differences on translating foreign operations |                |               | 6                      | 33                | 39             |
| Net result  |                |               |                        | -11,335           | -11,335        |
| Share based compensation                                |                |               |                        | 682               | 682            |
| Issue of share capital                                  | 35,781         | 24,354        |                        |                   | 60,135         |
| Cost of capital increase                                | -1,596         |               |                        |                   | -1,596         |
| Exercise warrants                                       | 459            |               |                        |                   | 459            |
| Other   | 21             |               |                        | 1                 | 22             |
| <b>Balance at 31 December 2006</b>                      | <b>103,458</b> | <b>44,170</b> | <b>9</b>               | <b>-38,095</b>    | <b>109,542</b> |
| Exchanged differences on translating foreign operations |                |               | -1,544                 |                   | -1,544         |
| Net result  |                |               |                        | -21,948           | -21,948        |
| Share based compensation                                |                |               |                        | 1,098             | 1,098          |
| Issue of share capital                                  | 6,741          | 4,098         |                        |                   | 10,839         |
| Cost of capital increase                                | 256            |               |                        |                   | 256            |
| Exercise warrants                                       | 400            |               |                        |                   | 400            |
| Other   |                |               |                        | -17               | -17            |
| <b>Balance at 31 December 2007</b>                      | <b>110,855</b> | <b>48,268</b> | <b>-1,535</b>          | <b>-58,962</b>    | <b>98,626</b>  |

The consolidated financial statements of Galapagos NV (hereafter the "Group" or the "Company") were approved by the Board of Directors and authorized for issue on 14 April 2008. They were signed on its behalf by:

Onno van de Stolpe  
Executive Director  
14 April 2008



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. General information

Galapagos NV ("the Company" or "the Group") is a limited liability company incorporated in Belgium and has its registered office at Generaal De Wittelaan L11/A3, 2800 Mechelen, Belgium.

Galapagos NV is a biotechnology company founded in 1999 as a joint venture between Crucell BV and Tibotec NV. Galapagos focuses on the identification of disease modifying drug targets and the subsequent development of breakthrough medicine based on these targets. Galapagos' technologies are commercialized through a separate business unit, which until the acquisition of BioFocus plc ("BioFocus") operated under the trade name of Galadeno.

On 6 May 2005 Galapagos NV raised €22.4 million in an initial public offering on Euronext Brussels (ticker symbol: GLPG) and Euronext Amsterdam (GLPGA), amounting to a net cash contribution of €20.8 million.

On 17 October 2005 the Company agreed to acquire 100% of the share capital of BioFocus, a company listed on the Alternative Investment Market (AiM) and incorporated in the United Kingdom when its all share offer became unconditional. BioFocus plc was immediately de-listed and Galapagos NV was admitted for trading on AiM (ticker symbol: GLPG). As of 31 December 2005 the Company owned 92.6% of the issued share capital of BioFocus plc, with the remaining shares acquired on 9 January 2006.

On 6 July 2006 the Company acquired 100% of the share capital of the subsidiaries of Discovery Partners International Inc, but not of the parent company. The entities which were bought with cash are ChemRx Inc (now BioFocus DPI Inc), a company incorporated in the US, and DPI AG (now BioFocus DPI AG), a company incorporated in Switzerland and their subsidiaries (a full list of which can be found at note 32).

On 19 September 2006 Galapagos NV raised €11.1 million in a private placement on Euronext Brussels (ticker symbol: GLPG) and Euronext Amsterdam (GLPGA), amounting to a net cash contribution of €10.7 million.

On 6 December 2006, the Company agreed to acquire 100% of the share capital of Inpharmatica Ltd, a company incorporated in the UK, when its all share offer became unconditional. On 31 December 2006, the Company owned 100% of the share capital of Inpharmatica.

On 22 December 2006 the Company acquired 100% of the share capital of ProSkelia SASU, incorporated in France, from ProStrakan plc. ProSkelia was bought in exchange for new shares, in a deal which also involved the repayment of cash balances to ProStrakan immediately following the transfer of ownership, with the effect that the net consideration did not include any cash. At the same time Galapagos NV raised €31 million in a private placement on Euronext Brussels (ticket symbol: GLPG) and Euronext Amsterdam (GLPGA), amounting to a net cash contribution of €29.6 million.

During 2007 BioFocus DPI combined the sites in Cambridge, transferred its activities from Heidelberg to Basel, and moved into a new building in Leiden.

On 6 March 2008 Galapagos announced they received a Level 1 American Depositary Receipt (ADR) quotation in the United States. In addition, the Company announced that the quotation on the Alternative Investment Market (AIM) of the London Stock Exchange will be cancelled.

A complete list of all companies owned by Galapagos, is detailed in note 32.

The following financial statements are presented in Euros.





## 2. Accounting policies

### *Basis of preparation*

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The principal accounting policies used for the preparation of these consolidated financial statements are set out below.

### *Standards and interpretations effective in the current period*

In the current year the Group has applied the following standards:

- IFRS 7 Financial Instruments: Disclosures (applicable for accounting years beginning on or after 1 January 2007)
- IAS 1 Presentation of Financial Statements - Amendment - Capital Disclosures (applicable for accounting years beginning on or after 1 January 2007)

The impact of the application of IFRS 7 and the amendments to IAS 1 consists of providing additional disclosures in the notes to the financial statements on financial instruments and capital management of the Group (see note 35).

Four interpretations, issued by the 'International Financial Reporting Interpretations Committee' are applicable to the current period. These are:

- IFRIC 7 Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies (applicable for accounting years beginning on or after 1 March 2006)
- IFRIC 8 Scope of IFRS 2 (applicable for accounting years beginning on or after 1 May, 2006)
- IFRIC 9 Reassessment of Embedded Derivatives (applicable for accounting years beginning on or after 1 June 2006)
- IFRIC 10 Interim Financial Reporting and Impairment (applicable for accounting years beginning on or after 1 November 2006)

These interpretations do not have a significant influence on the Group and therefore did not lead to any changes in the Group's accounting policies.

### *Early adoption of Standards and Interpretations*

The Group decided not to apply any Standards or Interpretations in advance of their effective dates.

### *Standards and Interpretations in issue but not yet adapted*

The Group did not apply the following Standards and Interpretations in advance of their effective dates; these Standards were issued at the date of these financial statements, but were not yet effective at the balance sheet date:

- IAS 1 Presentation of Financial Statements (annual periods beginning on or after 1 January 2009). This Standard replaces IAS 1 Presentation of Financial Statements (revised in 2003) as amended in 2005.
- Amendment to IAS 27 Consolidated and Separate Financial Statements (applicable for annual periods beginning on or after 1 July 2009). This Standard amends IAS 27 Consolidated and Separate Financial Statements (revised 2003).
- IFRS 3 Business Combinations (applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009). This Standard replaces IFRS Business Combinations as issued in 2004.



- IFRS 8 Operating Segments (applicable for accounting years beginning on or after 1 January 2009).
- Amendment to IAS 23 Borrowing Costs (applicable for accounting years beginning on or after 1 January 2009).
- IFRIC 11 IFRS 2 Group and Treasury share Transactions (applicable for accounting years beginning on or after 1 March 2007).
- IFRIC 12 Service Concession Arrangements (applicable for accounting years beginning on or after 1 January 2008).
- IFRIC 13 Customer Loyalty Programmes (applicable for accounting years beginning on or after 1 July 2008).
- IFRIC 14 'IAS 19 The limit on a defined benefit asset, minimum funding requirements and their interaction' (applicable for accounting years beginning on or after 1 January 2008).

Based on the current business model and basis for financial reporting, management does not expect that the application of these standards and interpretations will have an important impact on the financial statements of the Group in the period of initial application.

### *Going Concern basis*

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standard Board (IASB) and the interpretations issued by the IASB's International Financial Reporting Interpretation Committee, which have been endorsed by the European Commission.

The consolidated financial statements provide a general overview of the Group's activities and the results achieved. They give a true and fair view of the entity's financial position, its financial performance and cash flows, on a going concern basis.

### *Group accounting*

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Together these comprise the Group. Control is achieved where the Company has the power to govern the financial and operating policies of another entity so as to obtain benefits from its activities.

The results of subsidiaries are included in the consolidated income statement from the effective date of acquisition up to the date when control ceases to exist.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

### *Business combinations*

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any cost directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognized at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non Current Assets Held for Sale and Discontinued Operations, which are recognized and measured at fair value less costs to sell.

### *Business combinations and related goodwill*

Goodwill arising on business combinations is recognized as an asset and initially measured at cost, being the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary at the date of acquisition. Goodwill is not amortized but



tested for impairment on an annual basis and whenever there is an indication that the cash generating unit to which goodwill has been allocated may be impaired. Goodwill is stated at cost less accumulated impairment losses. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Where there exists an excess of acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost, all fair values and cost calculations are reassessed. In the event that an excess still exists, it is immediately recognized in profit or loss.

### *Intangible assets*

Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally generated intangible asset, arising from the Group's development activities is recognized only if all of the following conditions are met:

- Technically feasible to complete the intangible asset so that it will be available for use or sale;
- The group has the intention to complete the intangible assets and use or sell it;
- The group has the ability to use or sell the intangible assets;
- The intangible asset will generate probable future economic profits, or indicate the existence of a market;
- Adequate technical, financial and other resources to complete the development are available;
- The group is able to measure reliably the expenditure attributable to the intangible asset during its development.

The amount capitalized as internally generated intangible assets is the sum of the development costs incurred at the date that the asset meets the conditions described above.

Internally generated intangible assets are amortized on a straight-line basis over their useful lives. Where no internally generated asset can be recognized, development cost is recognized as an expense in the period in which it is incurred.

Intellectual property, which comprises patents, licenses and rights is measured internally at purchase cost and is amortized on a straight-line basis over the estimated useful life on the following bases:

- Customer relationships: 1-10 years
- In process technology: 3-5 years
- Software & Databases: 3-5 years
- Brands, Licenses, Patents & know how: 5-10 years

Unless it has an indefinite life in which case this fact is disclosed along with the reasons for having an indefinite life.

### *Property, plant and equipment*

Property, plant and equipment is recognized at cost less accumulated depreciation and any impairment loss. Depreciation is recognized so as to write off the cost or valuation of assets over their useful lives, using the straight-line method, on the following bases:

- Installation & Machinery: 4-15 years
- Furniture, fixtures & vehicles: 4-5 years

Any gain or loss incurred at the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset, and is booked in profit or loss.

### *Leasehold improvements*

Leasehold improvements are depreciated over the term of the lease, unless a shorter useful life is expected.

### *Assets held under finance lease*

Assets held under finance leases are depreciated over their useful lives on the same bases as owned assets or, where shorter, over the term of the relevant lease.



## *Inventories*

Inventories are stated at the lower of cost and net realizable value. The net realizable value represents the estimated sales price less all estimated costs for completion and costs for marketing, sales and logistics.

Cost of raw materials comprises mainly purchase costs. Raw materials are not ordinarily interchangeable, and they are as such accounted for using the specific identification of their individual cost.

The costs of work in progress comprise costs of materials, direct costs for personnel, and manufacturing overheads linked to transportation costs of inventory to the production location.

Molecule screening libraries are stated at cost on acquisition and written off over their useful economic lives, calculated by reference to utilization, but which in any event cannot exceed 5 years.

## *Financial instruments*

Financial assets and financial liabilities are recognized on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

- *Trade receivables*

Trade receivables do not carry any interest and are stated at their nominal value reduced by appropriate allowances for irrecoverable amounts.

- *Available for sale financial assets*

Available for sale investments are stated at fair value, except for those equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. Those equity instruments are stated at cost.

Gains and losses arising from changes in fair value are recognized directly in equity until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the net profit or loss for the period. Impairment losses recognized in profit or loss for equity investments classified as available for sale are not subsequently reversed through profit or loss. Impairment losses recognized in profit or loss for debt instruments classified as available for sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition at the impairment loss.

- *Cash and cash equivalents*

Cash and cash equivalents are carried on the balance sheet at nominal value. For the purposes of the cash flow statements, cash and cash equivalents comprise cash on hand, deposits held on call with banks, other short term, highly liquid investments and bank overdrafts. On the balance sheet, bank overdrafts are included in borrowings as current liabilities.

- *Trade payables*

Trade payables bear no interest and are measured at their nominal value.

## *Taxation*

Income tax in the profit or loss accounts represents the sum of the tax currently payable and deferred tax.

The tax currently payable is the expected tax payable on the taxable profit of the year. The taxable profit of the year differs from the profit as reported in the financial statements as it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided in full using the "balance sheet liability method", on temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.



The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets relating to tax losses carried forward are recognized to the extent that it is probable that the related tax benefit will be realized.

### *Foreign currencies*

- **Functional and presentation currency**  
Items included in the financial statements of each of the Group's entities are valued using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Euros, which is the Company's functional and presentation currency.
- **Transactions and balances in foreign currency**  
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transaction. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at closing rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Non-monetary assets and liabilities measured at historical cost that are denominated in foreign currencies are translated using the exchange rate at the date of the transaction.

- **Financial statements of foreign group companies**  
The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
  - Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
  - Income and expenses for each income statement are translated at average exchange rate;
  - All resulting exchange differences are recognized as a separate component of equity.

Such exchange rates are recognized in profit or loss in the period in which the foreign operation is disposed of.

### *Revenue recognition*

The Group generates revenues from the sale of products, providing research and development services, revenue from target discovery and development activities, license or royalty agreements and from grants. The revenue recognition policy can be summarized as follows:

- Sales of molecule collections and reagents are recognized as product revenue when delivered;
- Contract research and development services are recognized as service revenues at fair value as such services are rendered. These services are usually in the form of a defined number of the Group's full-time equivalent ("FTE") at a specified rate per FTE;
- Research milestone payments are recognized as revenues when earned, unless the Group has continuing involvement in the program, in which case the milestone revenue is only recognized in full if amounts earned do not exceed costs incurred. In addition, the payments have to be acquired irrevocably; the agreement cannot contain any clause for repayment.
- Sales from the BioFocus DPI business unit typically comprise multiple elements combined in one or more license agreements. The elements in such multiple element arrangements are accounted for as follows:
  - Upfront non-refundable license fees are only recognized as revenue at fair value when products were delivered and/or services were rendered in a separate transaction and the Group has fulfilled all conditions and obligations under the related agreement. In case of continuing involvement of the Group, the upfront fee would not be regarded as a separate transaction and the upfront non-refundable license fees will be deferred at fair value over the period of the collaboration;



- Molecule collections or viruses and technology access fees are recognized as license revenue over the period in which access is granted;
  - Fees charged for collections information are recognized as license revenue when delivered, only if the Group has no continuing involvement in the use of the information, otherwise revenue is recognized similarly as upfront non-refundable license fees;
  - Fees for options to negotiate or license are recognized as license revenue at fair value, over the option period or licence period unless the Group has no continuing involvement with the licensed targets, in which case such fees are recognized as license revenue when earned;
  - Royalties are recorded as license revenue when earned;
- The Group receives operational grants from certain governmental agencies, which support the Group's research and development efforts in defined projects. These grants generally aim to partly reimburse approved expenditures incurred as defined in research and development efforts of the Group and are credited to the income statement when the relevant expenditure has been incurred and there is reasonable assurance that the grant is receivable;
  - Revenues from term licenses are spread over the period to which the licenses relate, reflecting the obligation over the term, to update content and provide ongoing maintenance;
  - Revenues from perpetual licenses are recognized immediately upon sale to the extent that there are no further obligations, and only if the license imposes no time restrictions.
  - Revenue under compound repository services is recorded as costs are incurred, which includes indirect costs that are based on provisional rates estimated by management. If actual costs are subsequently calculated to be greater than provisional rates, the additional income is recorded if there is a contractual right to submit updated claims. A reserve is provided against receivables for estimated losses that may result from rate negotiations, audit adjustments and/or lack of government funding availability if it is deemed necessary. To the extent that we incur adjustments due to rate negotiations or lack of government funding availability, revenue may be impacted.

### *Equity instruments*

Equity instruments issued by the Company are measured by the fair value of the proceeds received, net of direct issue costs.

### *Research & development costs*

Research costs are charged to the income statement as incurred. The Group capitalizes development costs as intangible assets only if the criteria for internally generated intangible assets are met, otherwise such costs are expensed. The Group considers that the regulatory and clinical risks inherent to the development of clinical targets preclude it from capitalizing the development costs incurred in its drug development business.

### *Defined contribution plans*

Contributions to defined contribution pension plans are recognized as an expense in the income statement as incurred.

### *Defined benefit plans*

For defined benefit plans, the cost of providing benefits is determined using the "projected unit credit method", with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses that exceed 10 per cent of the greater of the present value of the Group's defined benefit obligation and the fair value of plan assets as at the end of the prior year are amortized over the expected average remaining working lives of the participating employees. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

For defined benefits plans, the amount recognized in the balance sheet is determined as the present value of the defined obligations adjusted for the unrecognized actuarial gains and losses and less any past service costs not yet recognized and the fair value of any plan assets.



## *Provisions*

Provisions are recognized on the balance sheet when a group company has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligations. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of the money and, when appropriate, the risk specified to the liability.

## *The Group as lessee*

Leases are classified as finance leases whenever the terms of the lease substantially transfers all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognized as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. The payments are divided proportional between the financial costs and a diminution of the outstanding balance of the obligation, so that the periodic interest rate on the outstanding balance of the obligation would be constant. Interest is charged directly against income, unless it is directly attributable to the corresponding asset, in which case they are capitalized.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

## *The Group as lessor*

Rental income from operating leases is recognized on a straight line basis over the term of the relevant lease.

## *Impairment of tangible and intangible assets*

At each balance sheet date, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually, and whenever there is an indication that the asset might be impaired. The recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset or cash generating unit is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined, had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income, unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment is treated as a revaluation increase.



### *Net loss per share*

Basic net loss per share is computed based on the weighted average number of shares outstanding during the period. Diluted net loss per share, if any, is computed based on the weighted-average number of shares outstanding including the dilutive effect of warrants.

### *Share-based payments*

The Group uses equity-settled share-based payments as an incentive to certain employees, directors and consultants. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the warrants is expensed over the vesting period, based on the Group's estimate of shares that will eventually vest.

Fair value is measured by use of the Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

### *Segment reporting*

Segment results include revenue and expenses directly attributable to a segment and the relevant portion of revenue and expenses that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities comprise those operating assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets and liabilities do not include income tax items.

## **3. Segment reporting**

### *Business segments*

For management purposes, the Group is divided into two operating divisions: Drug Discovery and BioFocus DPI. These divisions form the basis upon which the Group reports its primary segment information.

Principal activities are as follows:

#### *Drug Discovery*

The Drug Discovery division has programs in bone and joint diseases, bone metastasis and anti-infectives. Galapagos' Drug Discovery division has programs to develop novel drugs based on disease-modifying drug targets in selected disease areas for which there is a need for safe and effective medicines.

#### *BioFocus DPI*

The BioFocus DPI service division delivers a full suite of target-to-drug discovery products and services to pharmaceutical and biotech companies, encompassing target discovery and drug discovery services through to delivery of pre-clinical candidates. In addition, BioFocus DPI provides adenoviral reagents for rapid identification and validation of novel drug targets, compound libraries for drug screening as well as chemogenomics and ADMET database products to select targets and compounds.

All of the Group's operations are continuing.

Segment information about these businesses for the years ended 31 December 2007, 2006 and 2005 is presented below.





2007

**Revenue**

| Thousands of €         | Drug Discovery | BioFocus DPI  | Eliminations  | Total         |
|------------------------|----------------|---------------|---------------|---------------|
| External sales         | 22,945         | 42,991        |               | 65,936        |
| Inter-segment sales    | 252            | 5,436         | -5,688        |               |
| <b>Segment revenue</b> | <b>23,197</b>  | <b>48,427</b> | <b>-5,688</b> | <b>65,936</b> |

Inter-segment sales are charged at prevailing market rates

**RESULT**

| Thousands of €               | Drug Discovery | BioFocus DPI | Eliminations | Total          |
|------------------------------|----------------|--------------|--------------|----------------|
| Segment result               | -6,425         | -3,866       |              | -10,291        |
| Unallocated expenses         |                |              |              |                |
| G & A costs                  |                |              |              | -4,926         |
| Integration costs            |                |              |              | -6,623         |
| <b>Operating loss</b>        |                |              |              | <b>-21,840</b> |
| Net finance costs            |                |              |              | -666           |
| <b>Loss before taxation</b>  |                |              |              | <b>-22,506</b> |
| Income tax credit            |                |              |              | 558            |
| <b>Net loss for the year</b> |                |              |              | <b>-21,948</b> |

**ASSETS AND LIABILITIES**

| Thousands of €                   | Drug Discovery | BioFocus DPI  | Eliminations   | Total          |
|----------------------------------|----------------|---------------|----------------|----------------|
| <b>Total segment assets</b>      | <b>138,799</b> | <b>32,913</b> | <b>-22,988</b> | <b>148,724</b> |
| <b>Total segment liabilities</b> | <b>34,623</b>  | <b>38,462</b> | <b>-22,988</b> | <b>50,097</b>  |

**OTHER INFORMATION**

| Thousands of €                  | Drug Discovery | BioFocus DPI | Eliminations | Total |
|---------------------------------|----------------|--------------|--------------|-------|
| Net Capital additions           |                |              |              |       |
| - Property, plant and equipment | 881            | 4,201        |              | 5,082 |
| - Intangible assets             | 396            | 74           |              | 470   |
| Depreciation / Impairment       | 2,271          | 4,372        |              | 6,643 |
| Amortization / Impairment       | 1,760          | 1,512        |              | 3,272 |



2006

| <b>Revenue</b>         |                       |                     |                     |               |
|------------------------|-----------------------|---------------------|---------------------|---------------|
| Thousands of €         | <b>Drug Discovery</b> | <b>BioFocus DPI</b> | <b>Eliminations</b> | <b>Total</b>  |
| External sales         | 4,202                 | 30,950              |                     | 35,152        |
| Inter-segment sales    |                       | 3,935               | -3,935              |               |
| <b>Segment revenue</b> | <b>4,202</b>          | <b>34,885</b>       | <b>-3,935</b>       | <b>35,152</b> |

Inter-segment sales are charged at prevailing market rates

| <b>RESULT</b>                |                       |                     |                     |                |
|------------------------------|-----------------------|---------------------|---------------------|----------------|
| Thousands of €               | <b>Drug Discovery</b> | <b>BioFocus DPI</b> | <b>Eliminations</b> | <b>Total</b>   |
| Segment result               | -11,590               | 3,448               |                     | -8,142         |
| Unallocated expenses         |                       |                     |                     |                |
| G & A costs                  |                       |                     |                     | -5,469         |
| Integration costs            |                       |                     |                     | -621           |
| Negative goodwill            |                       |                     |                     | 2,425          |
| <b>Operating loss</b>        |                       |                     |                     | <b>-11,807</b> |
| Net finance costs            |                       |                     |                     | -687           |
| <b>Loss before taxation</b>  |                       |                     |                     | <b>-12,494</b> |
| Income tax credit            |                       |                     |                     | 1,159          |
| <b>Net loss for the year</b> |                       |                     |                     | <b>-11,335</b> |

| <b>ASSETS AND LIABILITIES</b>    |                       |                     |                     |                |
|----------------------------------|-----------------------|---------------------|---------------------|----------------|
| Thousands of €                   | <b>Drug Discovery</b> | <b>BioFocus DPI</b> | <b>Eliminations</b> | <b>Total</b>   |
| <b>Total segment assets</b>      | <b>132,462</b>        | <b>44,239</b>       | <b>-9,055</b>       | <b>167,646</b> |
| <b>Total segment liabilities</b> | <b>22,090</b>         | <b>45,070</b>       | <b>-9,055</b>       | <b>58,103</b>  |

| <b>OTHER INFORMATION</b>        |                       |                     |                     |              |
|---------------------------------|-----------------------|---------------------|---------------------|--------------|
| Thousands of €                  | <b>Drug Discovery</b> | <b>BioFocus DPI</b> | <b>Eliminations</b> | <b>Total</b> |
| Net Capital additions           |                       |                     |                     |              |
| - Property, plant and equipment | 2,145                 | 2,675               |                     | 4,820        |
| - Intangible assets             |                       | 146                 |                     | 146          |
| Depreciation / Impairment       | 651                   | 2,817               |                     | 3,468        |
| Amortization / Impairment       | 138                   | 1,108               |                     | 1,246        |



## 2005

| <b>Revenue</b>         |                       |                     |                     |               |
|------------------------|-----------------------|---------------------|---------------------|---------------|
| Thousands of €         | <b>Drug Discovery</b> | <b>BioFocus DPI</b> | <b>Eliminations</b> | <b>Total</b>  |
| External sales         | 2,120                 | 9,120               |                     | 11,240        |
| Inter-segment sales    |                       | 262                 | -262                |               |
| <b>Segment revenue</b> | <b>2,120</b>          | <b>9,382</b>        | <b>-262</b>         | <b>11,240</b> |

Inter-segment sales are charged at prevailing market rates

| <b>RESULT</b>                |                       |                     |                     |               |
|------------------------------|-----------------------|---------------------|---------------------|---------------|
| Thousands of €               | <b>Drug Discovery</b> | <b>BioFocus DPI</b> | <b>Eliminations</b> | <b>Total</b>  |
| Segment result               | -6,413                | 3,581               |                     | -2,832        |
| Unallocated expenses         |                       |                     |                     |               |
| G & A costs                  |                       |                     |                     | -3,537        |
| Integration costs            |                       |                     |                     | -281          |
| <b>Operating loss</b>        |                       |                     |                     | <b>-6,650</b> |
| Net finance costs            |                       |                     |                     | -1            |
| <b>Loss before taxation</b>  |                       |                     |                     | <b>-6,651</b> |
| Income tax credit            |                       |                     |                     | 110           |
| <b>Net loss for the year</b> |                       |                     |                     | <b>-6,541</b> |

| <b>ASSETS AND LIABILITIES</b>    |                       |                     |                     |               |
|----------------------------------|-----------------------|---------------------|---------------------|---------------|
| Thousands of €                   | <b>Drug Discovery</b> | <b>BioFocus DPI</b> | <b>Eliminations</b> | <b>Total</b>  |
| <b>Total segment assets</b>      | <b>40,988</b>         | <b>42,461</b>       | <b>-1,886</b>       | <b>81,563</b> |
| <b>Total segment liabilities</b> | <b>6,764</b>          | <b>15,549</b>       | <b>-1,886</b>       | <b>20,427</b> |

| <b>OTHER INFORMATION</b>       |                       |                     |                     |              |
|--------------------------------|-----------------------|---------------------|---------------------|--------------|
| Thousands of €                 | <b>Drug Discovery</b> | <b>BioFocus DPI</b> | <b>Eliminations</b> | <b>Total</b> |
| Net Capital additions          |                       |                     |                     |              |
| - Property plant and equipment | 890                   | 807                 |                     | 1,697        |
| - Intangible assets            | 35                    | 15                  |                     | 50           |
| Depreciation / Impairment      | 460                   | 482                 |                     | 942          |
| Amortization / Impairment      | 159                   | 215                 |                     | 374          |

The Group's operations are located in Belgium, The Netherlands, United Kingdom, USA, France and Switzerland. The Group's Drug Discovery division is located in Belgium and France and its BioFocus DPI division is located in all other sites.



The following table provides an analysis of the Group's sales to external customers by geographical market:

| Thousands of € | 2007          | 2006          | 2005          |
|----------------|---------------|---------------|---------------|
| United Kingdom | 19,051        | 5,200         | 2,082         |
| Rest of Europe | 36,527        | 8,933         | 5,010         |
| United States  | 10,358        | 19,885        | 3,845         |
| Rest of World  |               | 1,134         | 303           |
| <b>Total</b>   | <b>65,936</b> | <b>35,152</b> | <b>11,240</b> |

The following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment and intangible assets analyzed by the geographical area in which the assets are located:

| Thousands of € | Carrying amount of segment assets |               |               | Additions to property, plant & equipment and intangible assets |              |              |
|----------------|-----------------------------------|---------------|---------------|--|--------------|--------------|
|                | 2007                              | 2006*         | 2005          | 2007   | 2006*        | 2005         |
| United Kingdom | 11,116                            | 13,887        | 10,816        | 2,141  | 1,409        | 304          |
| Rest of Europe | 15,715                            | 18,052        | 3,452         | 3,397  | 2,664        | 1,442        |
| USA            | 2,173                             | 3,050         |               | 777  | 945          |              |
| <b>Total</b>   | <b>29,004</b>                     | <b>34,989</b> | <b>14,268</b> | <b>6,315</b>   | <b>5,018</b> | <b>1,746</b> |

\* = restated, for further information see note 33.

#### 4. Revenues

| Thousands of €          | 2007          | 2006          | 2005          |
|-------------------------|---------------|---------------|---------------|
| Biology                 | 13,047        | 11,630        | 3,669         |
| Chemistry               | 14,497        | 8,387         | 1,684         |
| Discovery Products      | 13,025        | 10,019        | 3,767         |
| Research collaborations | 21,209        | 3,892         |               |
| Government grants       | 4,158         | 1,224         | 2,120         |
| <b>Total</b>            | <b>65,936</b> | <b>35,152</b> | <b>11,240</b> |

Biology consists of FTE services and related access fees and milestones under external contracts for the provision of target discovery and drug discovery services.

Chemistry includes FTE services and related access fees under external service contracts as well as the provision of chemistry based software and research tools under license agreements, which may also involve ongoing maintenance obligations.

Discovery Products consists of the sale of chemical compound libraries on exclusive and non-exclusive bases. It also includes the management of compound stores and the procurement of such compounds, known as "compound repository services".

Research collaborations include project related milestone and upfront payments that the Group receives for her collaborative research activities.



Government grants are revenue grants received towards the cost of internal research and development programs. The grants are predominantly for research activities carried out in Belgium and France and in many cases carry clauses which require the Company to maintain a presence in the same region for a number of years. Failure to do so may result in the repayment of all or part of the grants received

## 5. Operating result

Result from operations has been arrived after charging (-)/crediting:

### *Cost of sales*

| Thousands of €           | 2007           | 2006           | 2005          |
|--------------------------|----------------|----------------|---------------|
| Personnel costs          | -17,709        | -8,036         | -1,914        |
| Disposables and lab fees | -8,663         | -6,919         | -1,770        |
| Depreciation             | -3,000         | -3,180         | -719          |
| Other operating expenses | -794           | -1,398         | -426          |
| <b>Total</b>             | <b>-30,166</b> | <b>-19,533</b> | <b>-4,829</b> |

### *Other income*

| Thousands of €                                     | 2007         | 2006         | 2005      |
|--|--------------|--------------|-----------|
| Expenses charged through                           | 1,520        | 568          | 78        |
| Negative goodwill immediately recognized (note 32) |              | 2,425        |           |
| Other  | 25           |              |           |
| <b>Total</b>                                       | <b>1,545</b> | <b>2,993</b> | <b>78</b> |

The expenses charged through relate to the cross charges of costs of employees, customers, etc ...

### *R&D costs*

| Thousands of €                  | 2007           | 2006           | 2005          |
|---------------------------------|----------------|----------------|---------------|
| Personnel costs                 | -13,864        | -4,468         | -4,078        |
| Disposables and lab fees        | -10,618        | -4,753         | -2,003        |
| Subcontracting & premises costs | -3,681         | -5,281         | -2,145        |
| Depreciation                    | -2,470         | -1,361         | -674          |
| <b>Total</b>                    | <b>-30,633</b> | <b>-15,863</b> | <b>-8,900</b> |

Compared to last year, the costs of research and development have increased significantly because of the acquisition of ProSkelia (Galapagos SASU), and an increase in R&D activities, which results in increased personnel charges and disposables and lab fees.

### *General and administrative costs*

| Thousands of €           | 2007           | 2006           | 2005          |
|--------------------------|----------------|----------------|---------------|
| Personnel costs          | -6,466         | -6,642         | -1,319        |
| Premises costs           | -6,096         | -3,374         | -1,023        |
| Professional fees        | -952           | -693           | -81           |
| Director fees            | -801           | -145           | -964          |
| Depreciation             | -2,884         | -396           |               |
| Other operating expenses | -2,245         | -713           | -150          |
| <b>Total</b>             | <b>-19,444</b> | <b>-11,963</b> | <b>-3,537</b> |

Premises costs include rent, service charges, property taxes and utility costs such as light, heat and water.

Other operational costs mainly contain travel expenses, telephone, consultancy costs and fees.



The increase of these costs, including depreciation costs, can be explained by the fact that these costs last year were only included for the newly acquired subsidiaries from the date that they were included in the consolidation scope. For the current accounting year, these were included for a full year.

### *Sales and marketing costs*

| Thousands of €           | 2007          | 2006          | 2005        |
|--------------------------|---------------|---------------|-------------|
| Personnel costs          | -1,624        | -1,112        | -249        |
| Other operating expenses | -831          | -860          | -172        |
| <b>Total</b>             | <b>-2,455</b> | <b>-1,972</b> | <b>-421</b> |

### *Restructuring costs and impairment*

| Thousands of €           | 2007          | 2006        | 2005        |
|--------------------------|---------------|-------------|-------------|
| Severance pay            | -2,963        |             | -281        |
| Other                    | -2,099        | -621        |             |
| Impairment (see note 12) | -1,561        |             |             |
| <b>Total</b>             | <b>-6,623</b> | <b>-621</b> | <b>-281</b> |

The severance pay relates to the combining of the different sites in the United Kingdom and the restructuring in France.

The other costs mainly concern costs related to the combining of the different sites in the United Kingdom, the relocation of the German activities to our site in Switzerland and the move of the Leiden activities to a new building. The majority of the costs concern the rent charges for early termination of the contracts (€788,000) and concern additional depreciation on property, plant and equipment for an amount of €494,000.

## 6. Personnel costs

The number of employees at the end of the year was:

|              | 2007       | 2006       | 2005       |
|--------------|------------|------------|------------|
| <b>Total</b> | <b>452</b> | <b>454</b> | <b>201</b> |

The average number of employees during the year was:

|                      | 2007       | 2006       | 2005       |
|----------------------|------------|------------|------------|
| Executive Directors  | 8          | 7          | 4          |
| Laboratory staff     | 382        | 247        | 75         |
| Administrative staff | 70         | 34         | 27         |
| <b>Total</b>         | <b>460</b> | <b>288</b> | <b>106</b> |

Their aggregate remuneration comprised:

| Thousands of €        | 2007           | 2006           | 2005          |
|-----------------------|----------------|----------------|---------------|
| Wages and salaries    | -30,229        | -16,205        | -5,165        |
| Social security costs | -4,687         | -2,277         | -1,454        |
| Pension costs         | -1,703         | -1,018         | -256          |
| Other costs           | -3,044         | -758           | -685          |
| <b>Total</b>          | <b>-39,663</b> | <b>-20,258</b> | <b>-7,560</b> |

The other personnel costs mainly relate to costs for meal tickets, canteen costs, travel expenses, costs for temporary personnel and costs for warrants granted for €1,098,000 (2006: €682,000, 2005: €256,000). For the costs of warrants granted, we refer to note 29.

**7. Investment revenues**

| Thousands of €                  | 2007         | 2006       | 2005       |
|---------------------------------|--------------|------------|------------|
| Interest on bank deposits       | 215          | 122        | 203        |
| Interest on short term deposits | 866          | 248        | 165        |
| <b>Total</b>                    | <b>1,081</b> | <b>370</b> | <b>368</b> |

**8. Finance costs**

| Thousands of €                              | 2007          | 2006          | 2005        |
|---|---------------|---------------|-------------|
| Interest on obligations under finance lease | -786          | -694          | -293        |
| Other financial costs                       | -961          | -363          | -76         |
| <b>Total</b>                                | <b>-1,747</b> | <b>-1,057</b> | <b>-369</b> |

The other financial charges mainly relate to exchange rate results.

**9. Taxes****Tax assets and liabilities**

| Thousands of €             | 2007         | 2006          | 2005       |
|----------------------------|--------------|---------------|------------|
| <b>Tax assets</b>          |              |               |            |
| Non-current tax receivable | 3,167        | 6,323         |            |
| Current tax receivable     | 5,144        | 6,476         | 269        |
| Other                      |              |               |            |
| <b>Total</b>               | <b>8,311</b> | <b>12,799</b> | <b>269</b> |

The tax receivables mainly relate to refunds resulting from tax credits on research expenses in France.

| Thousands of €         | 2007      | 2006       | 2005         |
|------------------------|-----------|------------|--------------|
| <b>Tax liabilities</b> |           |            |              |
| Income tax payable     | 56        | 119        | 1.136        |
| Other                  |           |            |              |
| <b>Total</b>           | <b>56</b> | <b>116</b> | <b>1.136</b> |

**Income taxes recognised in profit or loss**

| Thousands of €         | 2007       | 2006         | 2005       |
|------------------------|------------|--------------|------------|
| <b>Current tax</b>     |            |              |            |
| Foreign tax            | 485        | 906          |            |
| Deferred tax (Note 22) | 73         | 253          | 110        |
| <b>Total</b>           | <b>558</b> | <b>1,159</b> | <b>110</b> |

Corporation tax is calculated at 34% (2006: 34%, 2005: 34%) of the estimated assessable profit for the year. The applied tax rate for other territorial jurisdictions is the tax rate that is applicable in these respective territorial jurisdictions on the estimated taxable result of the accounting year.



The tax of the year can be reconciled to the accounting loss as follows:

| Thousands of €   | 2007        | %  | 2006          | %  | 2005   | %  |
|--|-------------|----|---------------|----|--------|----|
| Loss before tax  | -22,506     | 34 | -12,494       | 34 | -6,651 | 34 |
| Income tax credit, calculated using the Belgian statutory tax rate on the accounting loss before tax | -7,652      |    | -4,248        |    | -2,261 |    |
| Effect of expenses that are not deductible in determining taxable profit                             | 854         |    | -260          |    |        |    |
| Effect of revenue that is exempt from taxation   | -55         |    | -427          |    |        |    |
| Effect of unused tax losses not recognized as deferred tax assets                                    | 5,577       |    | 2,994         |    | 2,261  |    |
| Adjustment recognized in the current year in relation to the current tax of prior years              |             |    | 479           |    |        |    |
| Effect of different tax rates of subsidiaries operating in other jurisdictions                       | 718         |    | 305           |    |        |    |
| Other increase /(decrease)   |             |    | -2            |    |        |    |
| <b>Tax credit for the year</b>   | <b>-558</b> |    | <b>-1,159</b> |    |        |    |

The main difference between the theoretical tax and the effective tax is explained by the deferred tax assets on tax losses carried forward for which the company does not think that it is probable that these will be realized in the foreseeable future.

## 10. Loss per share

Basic loss per share is calculated by dividing the net result attributable to shareholders by the weighted average number of ordinary shares issued during the year, excluding ordinary shares purchased by the Company, held as treasury shares.

| Thousands of €  | 2007         | 2006         | 2005         |
|---|--------------|--------------|--------------|
| Result for the purpose of basic loss per share, being net loss      | -21,948      | -11,335      | -6,541       |
| <b>Number of shares (thousands)</b>                                 |              |              |              |
| Weighted average number of shares for the purpose of loss per share | 20,680       | 13,543       | 8,936        |
| <b>Basic and diluted loss per share (Euros)</b>                     | <b>-1.06</b> | <b>-0.84</b> | <b>-0.73</b> |

The Group had two categories of dilutive potential ordinary shares: warrants and anti-dilution warrants. The anti-dilution warrants have been cancelled by the Extraordinary Shareholders Meeting held on 29 March 2005, subject to the condition precedent of the realization of the projected public offering. As the Group is reporting a net loss, the warrants have an anti-dilutive effect rather than a dilutive effect. Consequently, basic and diluted loss per share are the same.

On 29 June 2007, upon reaching a research milestone under the 2006 research agreement with GSK, there were 513.281 shares issued for a total value of €4.429.620. Since it was stated in the contract that these shares would be bought at prevailing market rate and in cash, the amount of shares that would be effectively issued could not yet be calculated as of 31 December 2006. As a result, this was not taken into account for purpose of the calculation of the net loss per share as of 31 December 2006. Since this transaction was realized during 2007, the shares issued in this transaction are included in the weighted average number of shares for the purpose of loss per share per 31 December 2007. During the current book year no new similar contracts were closed.





## 11. Goodwill

| Thousands of €                         |               |
|--|---------------|
| <b>At 1 January 2005</b>               |               |
| Acquired through business combinations | 29,481        |
| <b>At 31 December 2005</b>             |               |
| Acquired through business combinations | 7,237         |
| Restatement                            | -1,158        |
| <b>At 31 December 2006</b>             |               |
| Restatement                            | -2,564        |
| Restated at 31 December 2006           | 32,996        |
| Increases                              | 956           |
| <hr/>                                  |               |
| <b>At 31 December 2007</b>             | <b>33,952</b> |

In 2007 the goodwill acquired in 2006 was reduced to €4,673,000, following changes in provisional values. At the end of 2006 acquisitions were done for which the value was determined based on provisional estimates.

In 2006, the goodwill acquired in 2005 was reduced to €28,323,000, following changes in provisional values resulting from the creation of a deferred tax asset in the opening balance.

The increase in goodwill in 2007 consists of:

- The realization of the earn-out clause relating to the acquisition of Inpharmatica. At the end of 2006, the estimated earn-out of Inpharmatica amounted to €6,409,000. The difference of €388,000 was allocated to goodwill.
- The costs of acquisition for an amount of €568,000 relating to Inpharmatica and ProSkelia (Galapagos SASU).

The goodwill was allocated to the Drug Discovery and to the BioFocus DPI cash generating units (CGU's) for the annual exceptional impairment test as described below:

| Thousands of € | 2007          | 2006<br>restated* | 2005          |
|----------------|---------------|-------------------|---------------|
| BioFocus DPI   | 33,359        | 32,790            | 29,481        |
| Drug Discovery | 593           | 206               |               |
| <b>Total</b>   | <b>33,952</b> | <b>32,996</b>     | <b>29,481</b> |

The recoverable amounts for the CGU's were determined based on value in use calculation. The most important assumptions for these calculations are the discount percentage, the growth rate and the expected changes in sales price and direct cost during the period. Management estimates the discount rate based on percentages that are applicable in the current market (before taxes) and that take into account the time value of money and the specific risks of the CGU's. The growth increase is based on the growth predictions for the industry. Changes in sales prices and direct costs are based on historical experience and expectations of future changes in the market.



## *BioFocus DPI*

The recoverable value for this CGU was determined based on a value in use calculation which uses input values from a three year plan as approved by the Board of Directors.

The applied discount rate (after taxes) was 12.5% (2006: 12.5%, 2005: 10%) and the perpetual growth rate 2%. The cashflows for the following years were extrapolated on the basis of a prudent estimation of the growth of this segment. The company believes that a possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

## *Drug Discovery*

The recoverable value for this CGU was determined based on a value in use calculation which uses input values from a three year plan as approved by the Board of Directors.

The applied discount rate (after taxes) was 12.5% (2006: 12.5%, 2005: 10%). Additional key assumptions related the assessment of the timing and the amounts of the milestone payments under the different research collaboration contracts, by which the management decided based on the current status of the research project and standard industrial benchmarks. The company believes that a possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to significantly exceed the aggregate recoverable amount of the cash-generating unit.



## 12. Intangible assets

| Thousands of €                             | Customer relationships | In process technology | Software & databases | Brands, licenses, patents & know-how | Total         |
|--|------------------------|-----------------------|----------------------|--------------------------------------|---------------|
| <b>Acquisition value</b>                   |                        |                       |                      |                                      |               |
| At 1 January 2005                          |                        | 386                   | 266                  | 909                                  | 1,561         |
| Acquisitions through business combinations | 2,591                  | 619                   | 839                  | 741                                  | 4,790         |
| Additions                                  |                        |                       | 35                   | 15                                   | 50            |
| Translation differences                    | -24                    | -6                    | -8                   | -7                                   | -45           |
| <b>At 31 December 2005</b>                 | <b>2,567</b>           | <b>999</b>            | <b>1,132</b>         | <b>1,658</b>                         | <b>6,356</b>  |
| Acquisitions through business combinations | 393                    | 9,711                 | 3,280                | 599                                  | 13,983        |
| Additions                                  |                        |                       |                      | 146                                  | 146           |
| Translation differences                    | 53                     | 12                    | 19                   | 18                                   | 102           |
| Transfer                                   |                        | -386                  | 386                  |                                      |               |
| <b>At 31 December 2006</b>                 | <b>3,013</b>           | <b>10,336</b>         | <b>4,817</b>         | <b>2,421</b>                         | <b>20,587</b> |
| Restatement                                |                        | -7,650                | -1,130               |                                      | -8,780        |
| Restated at 31 December 2006               | 3,013                  | 2,686                 | 3,687                | 2,421                                | 11,807        |
| Additions                                  |                        |                       | 468                  | 2                                    | 470           |
| Translation differences                    | -216                   | -49                   | -331                 | -121                                 | -717          |
| <b>At December 2007</b>                    | <b>2,797</b>           | <b>2,637</b>          | <b>3,824</b>         | <b>2,302</b>                         | <b>11,560</b> |
| <b>Amortization and write-downs</b>        |                        |                       |                      |                                      |               |
| At 1 January 2005                          |                        | 95                    | 225                  | 793                                  | 1,113         |
| Charge for the year                        | 123                    | 96                    | 112                  | 43                                   | 374           |
| <b>At 31 December 2005</b>                 | <b>123</b>             | <b>191</b>            | <b>337</b>           | <b>836</b>                           | <b>1,487</b>  |
| Charge for the year                        | 558                    | 155                   | 403                  | 130                                  | 1,246         |
| Impairment                                 | 10                     |                       |                      |                                      | 10            |
| Transfer                                   |                        | -191                  | 191                  |                                      |               |
| <b>At 31 December 2006</b>                 | <b>691</b>             | <b>155</b>            | <b>931</b>           | <b>966</b>                           | <b>2,743</b>  |
| Restatement                                |                        |                       | -412                 | 28                                   | -384          |
| Restated at 31 December 2006               | 691                    | 155                   | 519                  | 994                                  | 2,359         |
| Charge for the year                        | 545                    | 155                   | 884                  | 127                                  | 1,711         |
| Impairment                                 |                        | 1,561                 |                      |                                      | 1,561         |
| Translation differences                    | -65                    | -21                   | -59                  | -16                                  | -161          |
| <b>At 31 December 2007</b>                 | <b>1,171</b>           | <b>1,850</b>          | <b>1,344</b>         | <b>1,105</b>                         | <b>5,470</b>  |
| <b>Carrying amount</b>                     |                        |                       |                      |                                      |               |
| At 31 December 2005                        | 2,444                  | 808                   | 795                  | 822                                  | 4,869         |
| At 31 December 2006                        | 2,322                  | 10,181                | 3,887                | 1,454                                | 17,844        |
| Restatement                                |                        |                       |                      |                                      |               |
| Restated at 31 December 2006               | 2,322                  | 2,531                 | 3,168                | 1,428                                | 9,450         |
| <b>At 31 December 2007</b>                 | <b>1,626</b>           | <b>787</b>            | <b>2,480</b>         | <b>1,197</b>                         | <b>6,090</b>  |



The in process technology contains programs for research and development for an amount of €501,000 (2006 restated: €2,267,000, 2005: nihil). These assets came into our possession through the business combinations in 2006 and require further R&D for some years before they will be ready for use. These assets are included at fair value.

## **2006 restatement**

The valuation of the early stage R&D projects, taken over from ProSkelia in 2006, was determined for purposes of the 2006 closing based on provisionally estimated future cashflows. The probability of these cashflows was adjusted based on standard industrial success rates medicinal research programs and discounted at a weighted average capital cost of 12.5%. During 2007 management decided to reduce the value of these early stage R&D projects to zero because of insufficient elements to come to a correct valuation. This as the Group has contractually agreed to reimburse the value of these early stage R&D projects only through an earn-out (see note 26). As a result, the carrying amount per 31 December 2006 of the in process technology decreased from €10,181,000 to €2,531,000.

The valuation of the software & databases related intangible fixed assets, taken over from Inpharmatica and ProSkelia, was determined for purposes of the 2006 closing based on provisional values. During 2007, this valuation exercise was completed. This led to a decrease of the carrying amount per 31 December 2006 of software & databases from €3,887,000 to €3,168,000.

## **Impairment loss**

During 2007, the Group decided to stop a research program, that was taken over through the acquisition of ProSkelia in 2006, and that was reported under the Drug Discovery segment. This was done because the research field was considered non-core and because there was faster than expected progress made in the other research programs of the group. In addition, there was no partner found for this program in the short run. This resulted in an impairment loss of €1,561,000 on the value of that research program. Because of this, the net book value of the research program was reduced to zero (2006: €1,561,000, 2005: nihil).

**13. Property, plant and equipment**

| Thousands of €                            | Land & buildings | Installation & machinery | Furniture, fixtures & vehicles | Other tangible assets | Total         |
|---|------------------|--------------------------|--------------------------------|-----------------------|---------------|
| <b>Acquisition value</b>                  |                  |                          |                                |                       |               |
| At 1 Januari 2005                         | 158              | 3,396                    | 181                            | 1,884                 | 5,619         |
| Additions                                 | 3                | 1,105                    | 9                              | 580                   | 1,697         |
| Acquisition through business combinations | 454              | 5,402                    | 296                            | 129                   | 6,281         |
| Disposals                                 |                  | -549                     |                                |                       | -549          |
| Translation differences                   | -3               | -49                      | -3                             | -1                    | -56           |
| <b>At 31 December 2005</b>                | <b>612</b>       | <b>9,305</b>             | <b>483</b>                     | <b>2,592</b>          | <b>12,992</b> |
| Additions                                 | 389              | 3,172                    | 22                             | 1,715                 | 5,298         |
| Acquisition through business combinations | 5,541            | 9,209                    | 12                             | 383                   | 15,145        |
| Disposals                                 |                  | -478                     |                                |                       | -478          |
| Disposals of subsidiaries                 |                  | -12                      |                                |                       | -12           |
| Translation differences                   | 4                | 68                       | 6                              | 3                     | 81            |
| <b>At 31 December 2006</b>                | <b>6,546</b>     | <b>21,264</b>            | <b>523</b>                     | <b>4,693</b>          | <b>33,026</b> |
| Restatement                               |                  | -428                     |                                |                       | -428          |
| Restated at 31 December 2006              | 6,546            | 20,836                   | 523                            | 4,693                 | 32,598        |
| Additions                                 | 2,925            | 2,954                    | 63                             | 103                   | 6,045         |
| Transfer                                  | -25              | 120                      | -6                             | -89                   |               |
| Sales and disposals                       | -274             | -613                     | -7                             | -69                   | -963          |
| Translation differences                   | 379              | -1,059                   | -32                            | -26                   | -738          |
| Other increase (decrease)                 |                  | -154                     |                                |                       | -154          |
| <b>At 31 December 2007</b>                | <b>9,551</b>     | <b>22,084</b>            | <b>541</b>                     | <b>4,612</b>          | <b>36,788</b> |
| <b>Depreciation and write-downs</b>       |                  |                          |                                |                       |               |
| At 1 January 2005                         | 40               | 2,251                    | 131                            | 572                   | 2,994         |
| Charge for the year                       | 13               | 705                      | 52                             | 172                   | 942           |
| Sales and disposals                       |                  | -343                     |                                |                       | -343          |
| <b>At 31 December 2005</b>                | <b>53</b>        | <b>2,613</b>             | <b>183</b>                     | <b>744</b>            | <b>3,593</b>  |
| Charge for the year                       | 374              | 2,406                    | 49                             | 639                   | 3,468         |
| <b>At 31 December 2006</b>                | <b>427</b>       | <b>5,019</b>             | <b>232</b>                     | <b>1,383</b>          | <b>7,061</b>  |
| Restatement                               | 2                | -5                       |                                |                       | -3            |
| Restated at 31 December 2006              | 429              | 5,014                    | 232                            | 1,383                 | 7,058         |
| Charge for the year                       | 1,701            | 4,266                    | 20                             | 656                   | 6,643         |
| Transfer                                  |                  |                          |                                |                       |               |
| Translation differences                   | 499              | -320                     | -15                            | 9                     | 173           |
| <b>At 31 December 2007</b>                | <b>2,629</b>     | <b>8,960</b>             | <b>237</b>                     | <b>2,048</b>          | <b>13,874</b> |
| <b>Carrying amount</b>                    |                  |                          |                                |                       |               |
| At 1 January 2006                         | 559              | 6,692                    | 300                            | 1,848                 | 9,399         |
| <b>At 31 December 2006</b>                | <b>6,118</b>     | <b>15,822</b>            | <b>291</b>                     | <b>3,309</b>          | <b>25,540</b> |
| <b>At 31 December 2007</b>                | <b>6,922</b>     | <b>13,124</b>            | <b>304</b>                     | <b>2,564</b>          | <b>22,914</b> |



There are no pledged items of property, plant and equipment. There are also no restrictions in use on any items of property, plant and equipment.

## 14. Inventories

| Thousands of €                          | 2007         | 2006         | 2005         |
|---|--------------|--------------|--------------|
| Raw materials and supplies (net)        | 573          | 377          | 483          |
| Work in progress (net) – Finished goods | 4,208        | 2,724        | 2,659        |
| Advance payments                        | 167          | 398          |              |
| <b>Total</b>                            | <b>4,948</b> | <b>3,499</b> | <b>3,142</b> |

The work in progress consists of incomplete molecule collections and are valued at the lowest of the cost price and the net realizable value. Finished goods contain completed molecule collections that are available for sale and that are valued at the lowest of the cost price and the net realizable value. There are no write-offs on stock.

## 15. Available for sale financial assets

Available for sale financial assets of €918,000 (2006: €1,001,000) represent an investment in common stock in an unlisted biotechnology company incorporated in the USA. The shares are not traded on the open market, however the fair value is based on purchases of the same class of stock during the year.

| Thousands of €                      | Measurement at cost |              |            | Measurement at fair value |              |            |
|-------------------------------------|---------------------|--------------|------------|---------------------------|--------------|------------|
|                                     | 2007                | 2006         | 2005       | 2007                      | 2006         | 2005       |
| Loans and receivables               | 131                 | 53           |            |                           |              |            |
| Available for sale financial assets | 918                 | 1,001        | 978        | 918                       | 1,001        | 978        |
| <b>Total</b>                        | <b>1,049</b>        | <b>1,054</b> | <b>978</b> | <b>918</b>                | <b>1,001</b> | <b>978</b> |

## 16. Trade and other receivables

| Thousands of €                           | 2007          | 2006          | 2005         |
|--|---------------|---------------|--------------|
| Trade receivables                        | 14,915        | 12,594        | 6,646        |
| Allowance for bad debt and doubtful debt | -315          | -297          |              |
| Prepayments                              | 1,239         | 1,297         | 1,780        |
| Other receivables                        | 1,095         | 2,588         | 358          |
| Other current – non current assets       | 4,878         | 2,496         | 1,024        |
| <b>Total</b>                             | <b>21,813</b> | <b>18,678</b> | <b>9,808</b> |

|                                |        |        |       |
|--------------------------------|--------|--------|-------|
| Included in current assets     | 21,356 | 18,370 | 9,517 |
| Included in non-current assets | 457    | 308    | 291   |

The Group considers that the carrying amount of trade and other receivables approximates their fair value. The other current – fixed assets mainly include accrued income from subsidy projects and deferred charges.



## 17. Cash and cash equivalents

| Thousands of €         | 2007          | 2006          | 2005          |
|------------------------|---------------|---------------|---------------|
| Bank balances          | 17,485        | 11,731        | 4,672         |
| Short term deposits    | 29,810        | 39,412        | 18,546        |
| Other cash equivalents | 2,000         |               |               |
| Cash at hand           |               | 376           | 399           |
| <b>Total</b>           | <b>49,295</b> | <b>51,519</b> | <b>23,617</b> |

The bank balances and cash held by the Group and short-term bank deposits have an original maturity of three months to six months. The carrying amount of these assets approximates their fair value. The cash and cash equivalents have no restrictions upon them.

## 18. Share capital

The share capital of Galapagos NV, as included in the bylaws, reconciles to the 'Capital' on the balance sheet as follows:

| In thousand €                            | 2007    | 2006    | 2005   |
|--|---------|---------|--------|
| Share capital Galapagos NV               | 114,995 | 107,856 | 68,979 |
| Costs of increase of capital (cumulated) | -4,140  | -4,398  | -2,796 |
| Non-issued shares for BioFocus           |         |         | 2,610  |
| Capital                                  | 110,855 | 103,458 | 68,793 |

Costs of capital increases are netted against the proceeds of capital increases, in accordance with IAS 32 *Financial instruments: disclosure and presentation*. The non-issued shares for BioFocus for 2005 relate to the squeeze out with respect to the acquisition of BioFocus, that was not yet fully realized at the end of 2006.



## History of Share Capital

The overview below represents the evolution of the share capital as included in the bylaws of Galapagos NV.

| Date               | Share Capital Increase New Shares (in €) | Share Capital Increase Warrants (in €) | Number of shares issued | Aggregate Number of shares after transaction | Aggregate Share Capital after transaction (in €) |
|--------------------|--|--|-------------------------|--|--|
| <b>1 Jan 2005</b>  |  |  |                         | <b>23,754,226</b>                            | <b>32,368,706.00</b>                             |
| 29-Mar-05          |  |  |                         | 5,938,554 <sup>(1)</sup>                     | 32,368,706.00                                    |
| 10-May-05          | 15,573,143.00                            | 390,010.16                             | 2,941,816               | 8,880,370                                    | 48,331,859.16                                    |
| 08-Jun-05          |  | 1,577,354.18                           | 289,795                 | 9,170,165                                    | 49,909,213.34                                    |
| 17-Oct-05          | 15,392,456.80                            |  | 2,824,304               | 11,994,469                                   | 65,301,670.14                                    |
| 20-Oct-05          | 1,205,234.80                             |  | 221,144                 | 12,215,613                                   | 66,506,904.94                                    |
| 24-Oct-05          | 160,404.40                               |  | 29,432                  | 12,245,045                                   | 66,667,309.34                                    |
| 27-Okt-05          | 1,765,859.95                             |  | 324,011                 | 12,569,056                                   | 68,433,169.29                                    |
| 30-Nov-05          | 410,199.70                               | 136,200.00                             | 105,066                 | 12,674,122                                   | 68,979,568.99                                    |
| <b>31 Dec 2005</b> |  |  |                         | <b>12,674,122</b>                            | <b>68,979,568.99</b>                             |
| 09-Jan-06          | 1,496,891.55                             |  | 274,659                 | 12,948,781                                   | 70,476,460.54                                    |
| 23-Mar-06          |  | 407,850.00                             | 101,962                 | 13,050,743                                   | 70,884,310.54                                    |
| 19-Sep-06          | 7,087,856.89                             |  | 1,305,074               | 14,355,817                                   | 77,972,167.43                                    |
| 08-Dec-06          | 2,537,433.60                             |  | 466,440                 | 14,822,257                                   | 80,509,601.03                                    |
| 21-Dec-06          | 854,852.48                               |  | 157,142                 | 14,979,399                                   | 81,364,453.51                                    |
| 21-Dec-06          | 51,500.00                                |  | 11,600                  | 14,990,999                                   | 81,415,953.51                                    |
| 22-Dec-06          | 26,440,222.00                            |  | 4,860,331               | 19,851,330                                   | 107,856,175.51                                   |
| <b>31 Dec 2006</b> |  |  |                         | <b>19,851,330</b>                            | <b>107,856,175.51</b>                            |
| 04-April-07        |  | 64,294.84                              | 14,788                  | 19,866,118                                   | 107,920,470.35                                   |
| 06-April -07       | 3,336,188.80                             |  | 613,270                 | 20,479,388                                   | 111,256,659.15                                   |
| 07-May-07          | 616,776.32                               |  | 113,378                 | 20,592,766                                   | 111,873,435.47                                   |
| 01-Jun-07          |  | 203,000.00                             | 50,750                  | 20,643,516                                   | 112,076,435.47                                   |
| 29-Jun-07          | 2,787,115.83                             |  | 513,281                 | 21,156,797                                   | 114,863,551.30                                   |
| 10-Dec-07          |  | 131,615.15                             | 32,032                  | 21,188,829                                   | 114,995,166.45                                   |
| <b>31 Dec 2007</b> |  |  |                         | <b>21,188,829</b>                            | <b>114,995,166.45</b>                            |

<sup>(1)</sup> number post reverse split 1:4





On 1 January 2005, the Company's share capital was of €32,368,706 represented by 23,754,226 shares without nominal value (note: the EGM of 29 March 2005 decided to implement a reverse split 1:4 of the number of shares, so that 23,754,226 pre-reverse split shares equal 5,938,554 post-reverse split shares).

On 29 March 2005, the Extraordinary General Meeting of shareholders ("EGM") decided to increase the capital of the Company by means of a public offer to private and institutional investors to subscribe to new shares of the Company for a maximum amount of €35,000,000. This EGM also proceeded, subject to the realization of the Company's initial public offering ("IPO"), i.a. to: (i) a 1:4 reverse share split after which the share capital of the Company remained the same (€32,368,706.00) but was represented by 5,938,554 shares instead of 23,754,226 shares before the reverse share split; (ii) abolish the different classes of shares; consequently the entire share capital of the Company is represented one category of shares; (iii) record that the exercise term of the anti-dilution warrants issued in 2002 was to expire in case of an IPO of the Company; and (iv) create the Warrant Plan 2005 for employees, directors and consultants, under which a minimum of 125,000 warrants were created and the maximum to be determined in accordance with the result of the IPO but not exceeding 500,000.

On 10 May 2005, in execution of the resolutions of the EGM of 29 March 2005, the Board of Directors established the realization of the condition precedent of the IPO and subsequently established: (i) the realization of the capital increase with €15,573,143 and the issue of 2,857,142 new shares; (ii) the exercise of 338,696 warrants (number pre reverse split 1:4) resulting in a capital increase with €390,010.16 and the issue of an additional 84,674 new shares; (iii) the issue of 467,421 new warrants within the framework of the Warrant Plan 2005 (none of these warrants have been exercised per 31 December 2006); and (iv) the issue of 963,303 new warrants within the framework of the IPO-Managers' over-allotment option.

On 8 June 2005, the Board of Directors established the capital increase pursuant to the exercise of 289,795 warrants granted within the framework of the IPO-Managers' over-allotment option, resulting in a capital increase with €1,577,354.18 and the issue of 289,795 new shares.

On 19 September 2005, the Board of Directors resolved to make a recommended all share offer for the entire issued and to be issued share capital of BioFocus plc of Saffron Walden, U.K., whereby Galapagos offered 0.225 Galapagos shares for each BioFocus share. The offer was made on 21 September 2005 and it was declared unconditional as to acceptances on 12 October 2005 when valid acceptances for 76.9% of the issued share capital of BioFocus had been received. As of 17 October 2005, the Company's shares are also traded on the Alternative Investment Market (AIM) of the London Stock Exchange. On 26 October 2005 valid acceptances of the offer had been received for up to 92.6% of the BioFocus share capital; consequently, on 8 November 2005, the Board of Directors resolved to start the compulsory acquisition procedure for the BioFocus shares that were then not yet owned by Galapagos; this procedure was closed on 29 December 2005. In connection with the acquisition of BioFocus, the following increases of the share capital of Galapagos NV took place: (i) on 17 October 2005, the share capital was increased with €15,392,456.80 and 2,824,304 new shares were issued; (ii) on 20 October 2005, the share capital was increased with €1,205,234.80 and 221,144 new shares were issued; (iii) on 24 October 2005, the share capital was increased with €160,404.40 and 29,432 new shares were issued; (iv) on 27 October 2005, the share capital was increased with €1,765,859.95 and 324,011 new shares were issued; (v) on 30 November 2005, the share capital was increased with €410,199.70 and 75,266 new shares were issued; and finally (vi) on 9 January 2006, following the end of the compulsory acquisition procedure, the share capital was increased with €1,496,891.55 and 274,659 new shares were issued.

On 30 November 2005, a total of 119,200 warrants (number pre reverse split 1:4) were exercised by employees, i.e. 19,200 warrants under the Warrant Plan 1999 Belgium (exercise price: €1.00) and 100,000 warrants under the Warrant Plan 2002 The Netherlands (exercise price: €1.17), resulting in a capital increase of €136,200 and the issue of 29,800 new shares.



On 31 December 2005 the share capital of the Company amounted to €68,979,568.99 and was represented by 12,674,122 shares without nominal value.

On 3 February 2006, within the framework of the authorized capital, the Board of Directors created the Warrant Plan 2006 Belgium/The Netherlands for employees, directors and consultants, under which 350,000 warrants were created. No warrants have been exercised under this plan per 31 December 2007.

On 23 March 2006, a total of 407,850 warrants were exercised by employees, under the Warrant Plan 2002 Belgium, resulting in a capital increase of €407,850 and the issue of 101,962 new shares.

On 12 May 2006, within the framework of the authorized capital, the Board of Directors created the Warrant Plan 2006 U.K., substantially for U.K. based employees of Galapagos, under which 453,715 warrants were created. No warrants have been exercised under this plan per 31 December 2007.

On 19 September 2006, within the framework of the authorized capital, the Board of Directors decided to increase the share capital of the Company with €7,087,856.89 (plus €4,005,273.11 in issuance premium) by means of a private placement, wholly subscribed by Fortis Bank NV (Belgium), resulting in the issuance of 1,305,074 new shares.

In December 2006, Galapagos acquired Inpharmatica Limited. The acquisition price of Inpharmatica consisted out of three components: the ongoing business was valued at €6.5 million, the estimated cash at an additional €6 million and the potential maximum earn-out related to commercial milestones at €6.6 million. Galapagos would issue the new shares, on the basis of €8.82 per share (the average share price of Galapagos over the last thirty days prior to 5 December 2006). On 8 December 2006, as consideration for this acquisition of Inpharmatica Limited and within the framework of the authorized capital, the Board of Directors decided to increase the capital of the Company by the issuance of maximum 2,165,532 new shares under the suspending condition of the actual contribution in kind to Galapagos' assets of 41,487,248 "C Preference" shares of Inpharmatica Limited as well as under certain other suspending conditions. On the same day, the Board of Directors established that 31,033,843 of such Inpharmatica "C Preference" shares were actually contributed in kind and in consideration therefore resolved to increase the share capital of Galapagos with €2,537,433.60 (plus €1,576,567.20 in issuance premium) and to issue 466,440 new shares to the relevant contributing Inpharmatica shareholders.

On 21 December 2006, the Board of Directors established that the remaining 10,453,405 of the aforementioned Inpharmatica "C Preference" shares were actually contributed in kind and in consideration therefore resolved to increase the share capital of Galapagos with €854,852.48 (plus €531,139.96 in issuance premium) and to issue 157,142 new shares to the relevant contributing Inpharmatica shareholders.

On 21 December 2006, a total of 46,400 warrants were exercised by employees, as follows: (i) 4,800 warrants under the Warrant Plan 1999 Belgium and 11,600 warrants under the Warrant Plan 2002 Belgium, with exercise price of €1.00 per warrant; and (ii) 30,000 warrants under the Warrant Plan 2002 The Netherlands, with exercise price of €1.17 per warrant. This exercise of warrants resulted in a capital increase of €51,500.00 and the issue of 11,600 new shares.

On 22 December 2006, within the framework of the authorized capital and in conjunction with the acquisition of ProSkelia SASU (afterwards renamed Galapagos SASU), the Board of Directors decided to increase the share capital of the Company with €18,842,457 (plus €12,157,543 in issuance premium) through a private placement of new shares with institutional investors in the US and Europe, resulting in the issuance of 3,463,683 new shares.

On 22 December 2006, within the framework of the authorized capital, the Board of Directors decided: (i) to increase the capital of the Company by the issuance to ProSkelia B.V. (currently called ProStrakan Holdings B.V.) of 1,396,648 new shares in consideration for the contribution in kind to Galapagos' assets by ProSkelia B.V. of 100% of the shares of ProSkelia SASU (renamed Galapagos SASU), and consequently (ii) to increase the share capital of the Company with €7,597,765 (plus €4,902,235 in issuance premium).



On 31 December 2006, the Company's share capital was of €107,856,175.51, represented by 19,851,330 shares without nominal value.

On April 4, 2007, a total number of 59,152 warrants were exercised as follows: 28,900 warrants under the Warrant Plan 2002 Belgium with exercise price of €1.00 per warrant; and 30,252 warrants under the Warrant Plan 2002 The Netherlands, with exercise price of €1.17 per warrant. Four warrants entitled to one share. This exercise resulted in a capital increase of €64,294.84 and the issue of 14,788 new shares.

With regard to Galapagos' acquisition of Inpharmatica Limited as referred to here before,

(i) on April 6, 2007, a second tranche of 613,270 new shares was issued and allocated to the former Inpharmatica shareholders. A commercial milestone relating to Inpharmatica's business and that would have significantly increased the number of Galapagos shares to be issued in further consideration, was not achieved by Inpharmatica at the agreed upon date, and no further Galapagos shares related to this second tranche need to be issued. As a result, the capital was increased with €3,336,188.80 (and €2,072,852.60 issuance premium).

(ii) on May 7, 2007, a third and last tranche of 113,378 new shares was issued and allocated to former Inpharmatica shareholders. As a result, the capital of the Galapagos increased with €616,776.32 (and €383,217.64 issuance premium).

On June 1, 2007, a total number of 203,000 warrants were exercised as follows: 52,318 warrants under the Warrant Plan 1999 Belgium at an exercise price of €1.00 per warrant; and 150,682 warrants under the Warrant Plan 2002 Belgium at an exercise price of €1.00 per warrant. Four warrants entitled to one share. The exercise resulted in a capital increase of €203,000 and the issuance of 50,750 shares.

On June 28, 2007, the Board of Galapagos decided, within the framework of the authorized capital, to create maximum 404,560 warrants, for the benefit of employees, directors and consultants of Galapagos and its subsidiaries under a new warrant plan ("Warrant Plan 2007"). After acceptances, the total number of warrants de facto created and granted under this plan is of 364,440. The exercise prices of the warrants is of €8.65. No warrants have been exercised under this plan per 31 December 2007.

On June 29, 2007, in connection with the expansion of our existing multiyear alliance in arthritis with GSK, GSK has made an equity investment in Galapagos NV of €4,429,620 by subscribing to 513,281 newly issued shares at €8.63 per share. As a result hereof the capital of the Galapagos NV was increased with €2,787,115.83 (plus €1,642,504.17 issuance premium). This capital increase was made in the framework of the authorized capital.

On October 25, 2007, the Board of Galapagos decided, within the framework of the authorized capital, to create maximum 114,100 warrants for the benefit of employees of the French affiliate of Galapagos (Galapagos SASU) under a new warrant plan ("Warrant Plan 2007 RMV"). After acceptances, the total number of warrants de facto created and granted under this plan is of 108,850. The exercise price of the warrants is of €8.65. No warrants have been exercised under this plan per 31 December 2007.

On December 10, 2007, a total number of 128,131 warrants were exercised as follows: 104,636 warrants under Warrant Plan 1999 Belgium at €1 per warrant; 3,000 warrants under Warrant Plan 2002 Belgium at €1 per warrant; 20,495 warrants under Warrant Plan 2002 The Netherlands at €1.17 per warrant. Four warrants entitled to one share. This exercise resulted in a capital increase of €131,615.15 and the issue of 32,032 new shares.

At the end of 2007, the total share capital amounted to €114,995,166.45, represented by 21,188,829 shares. All shares are issued and fully paid up and are of the same class.



|                          | Ordinary shares | Total       |
|--------------------------|-----------------|-------------|
| <b>Other information</b> |                 |             |
| Par value of shares      | 5.43            | <b>5.43</b> |

The Board of Directors is authorized for a period of 3 years starting from the date of the General Shareholders' Meeting that granted the authorization, being 24 April 2007, to increase the share capital of the Company within the framework of the authorized capital through contributions in kind or in cash, with limitation of the shareholders' preferential rights, even after the CBFA has given notice of a public take-over bid on the Company's shares, provided that the relevant stipulations in the Companies' Code are complied with, including that the number of issued shares cannot be more than one tenth of the shares prior to the capital increase, representing the share capital of the Company. The mentioned authorization can be renewed.

The authorized capital, as approved by the General Shareholders' Meeting of 24 April 2007, amounted to €107,856,175.51. Per 31 December 2007, there was already €5,357,080.53 used, so that there still remains an available amount of €102,499,094.98 under the authorized capital.

## 19. Share premium

| Thousands of €  | 2007          | 2006          | 2005          |
|---|---------------|---------------|---------------|
| On 1 January  | 44,170        | 19,816        |               |
| Increase as a result of capital increase in cash                      | 1,643         | 16,163        | 4,878         |
| Increase as a result of capital increase through contribution in kind | 2,455         | 8,191         | 14,938        |
| <b>On 31 December</b>   | <b>48,268</b> | <b>44,170</b> | <b>19,816</b> |

## 20. Translation differences

| Thousands of €  | 2007          | 2006      | 2005     |
|---|---------------|-----------|----------|
| In thousand €   | 10            | 3         |          |
| On 1 January  | -1,545        | 7         | 3        |
| Translation differences, arised from translating foreign activities | <b>-1,535</b> | <b>10</b> | <b>3</b> |



## 21. Derivative financial instruments

### *Currency derivatives*

The Group does not actively use currency derivatives to hedge planned future cashflows. In the past, there were some foreign currency contracts, that were taken over with the acquisition of BioFocus plc by the Company, and these were executed in the course of 2005 and 2006. Since the acquisition, there were no more similar new contracts within the Group. The foreign currency contracts related to currencies of the Group's most important markets.

At the balance sheet date, total notional amount of outstanding forward foreign exchange contracts that the Group has committed are Nil (2006: Nil, 2005: €4,800,000).

At 31 December 2007 the fair value of the Group's currency derivatives is estimated to be Nil (2006: nil, 2005: €394,000).

There are no changes in the value of the non-hedging currency derivatives, because the contracts have ended and therefore no result was taken into the profit or loss accounts of this year. Previous years, there was an expense included for this (2006: € 394,000, 2005: € 230,000).

The Group does not designate its foreign currency denominated debt as a hedge instrument for the purpose of hedging the translation of its foreign operations.

## 22. Deferred tax

| Thousands of €  | 2007   | 2006   | 2005   |
|---|--------|--------|--------|
| I Recognized deferred tax assets and liabilities  |        |        |        |
| Assets  | 352    | 727    |        |
| Liabilities   | -292   | -594   | -1,542 |
| II Deferred tax assets unrecognised   | 51,961 | 46,013 |        |
| III Deferred taxes  | 73     | 253    |        |
| Deferred tax expenses net relating to origination and reversal of temporary differences | 73     | 253    |        |

Other temporary differences, that could give rise to deferred taxes, relate to the notional interest deduction for an amount of €2,271,000 (2006: €966,000, 2005: nihil).

The unused tax losses carried forward at December 31, 2007, 2006 and 2005 amount to €155,890,000, €141,187,000 and €53,500,000 respectively.

The tax losses carried forward can be compensated with future profits of the Group for an indefinite period. Given the uncertainty whether the Group is able to generate taxable profits in the near future, the Group has not recorded any deferred tax assets for this. The notional interest deduction can be carried forward for maximum 7 years.

**23. Finance lease liabilities**

| Thousands of €                                   | Minimum lease payments |              |              | Present value of minimum lease payments |              |              |
|--|------------------------|--------------|--------------|---|--------------|--------------|
|  | 2007                   | 2006         | 2005         | 2007                                    | 2006         | 2005         |
| Amounts payable under finance lease              |                        |              |              |   |              |              |
| Within one year                                  | 2,989                  | 3,832        | 3,889        | 2,621                                   | 3,172        | 2,967        |
| In the second to fifth year                      | 1,886                  | 4,653        | 4,498        | 1,378                                   | 4,038        | 3,648        |
| After five years                                 | 895                    | 1,180        | 1,104        | 369                                     | 557          | 958          |
|  | <b>5,770</b>           | <b>9,665</b> | <b>9,491</b> | <b>4,368</b>                            | <b>7,767</b> | <b>7,573</b> |
| Less future finance charges                      | 1,402                  | 1,898        | 1,918        |   |              |              |
| <b>Present value of lease obligations</b>        | <b>4,368</b>           | <b>7,767</b> | <b>7,573</b> |   |              |              |
| Less amount due for settlement within 12 months  |                        |              |              | 2,621                                   | 3,172        | 2,967        |
| <b>Amount due for settlement after 12 months</b> |                        |              |              | <b>1,747</b>                            | <b>4,595</b> | <b>4,606</b> |

  

| Thousands of €              | Net book value |              |              | Acquisition cost |               |               |
|-----------------------------|----------------|--------------|--------------|------------------|---------------|---------------|
|                             | 2007           | 2006         | 2005         | 2007             | 2006          | 2005          |
| <b>Leased assets</b>        |                |              |              |                  |               |               |
| Land & buildings            | 397            | 4,309        | 4,317        | 502              | 6,563         | 6,344         |
| Installation & machinery    | 3,207          | 3,763        | 2,005        | 5,902            | 6,141         | 3,520         |
| Furniture, fixture vehicles | 119            | 152          |              | 184              | 180           |               |
| Other tangible assets       |                | 92           | 147          |                  | 179           | 179           |
| <b>Total</b>                | <b>3,723</b>   | <b>8,316</b> | <b>6,469</b> | <b>6,588</b>     | <b>13,063</b> | <b>10,043</b> |

The Group leases certain of its installation and machinery under finance leases. For the year ended 31 December 2007, the average borrowing rate was 11% (2006: 11%, 2005: 9%). The interest rates were fixed at the date of the contracts. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair value of the Group's lease obligations approximates their carrying value.

**24. Operating lease obligations***The Group as lessee*

The Group has rental contracts for office and laboratories which qualify as operating leases as follows:

| Thousands of €  | 2007         | 2006         | 2005         |
|---|--------------|--------------|--------------|
| Minimum lease payments under operating leases recognized in income for the year | 4,466        | 1,536        | 1,433        |
| <b>Total</b>  | <b>4,466</b> | <b>1,536</b> | <b>1,433</b> |

At the balance sheet date, the Group had outstanding commitments for future minimum rent payments, which fall due as follows:

| Thousands of €                         | 2007          | 2006         | 2005         |
|--|---------------|--------------|--------------|
| Within one year                        | 3,290         | 4,792        | 1,979        |
| In the second to fifth years inclusive | 6,540         | 3,830        | 3,955        |
| After five years                       | 3,341         |              | 910          |
| <b>Total</b>                           | <b>13,171</b> | <b>8,622</b> | <b>6,844</b> |



## *The Group as lessor*

The Group holds surplus office and manufacturing buildings, which following the consolidation of sites in 2007 are sublet to third parties under non-cancelable operating leases in order to cover costs. Future minimum rentals receivable under non-cancelable operating leases are as follows:

| Thousands of €                          | 2007       | 2006         | 2005       |
|---|------------|--------------|------------|
| Within one year                         | 530        | 1,537        | 368        |
| In the second and fifth years inclusive |            | 1,153        | 607        |
| <b>Total</b>                            | <b>530</b> | <b>2,690</b> | <b>975</b> |

## 25. Trade and other payables

| Thousands of €                      | 2007          | 2006          | 2005         |
|-------------------------------------|---------------|---------------|--------------|
| Trade payables                      | 13,293        | 11,805        | 4,064        |
| Other creditors                     | 1,536         | 643           | 552          |
| Accruals                            | 2,858         | 5,820         | 862          |
| Deferred income                     | 23,374        | 7,806         | 4,304        |
| <b>Total</b>                        | <b>41,061</b> | <b>26,074</b> | <b>9,782</b> |
| Included in current liabilities     | 39,525        | 25,431        | 9,568        |
| Included in non-current liabilities | 1,536         | 643           | 214          |

The increase in trade and other payables can be explained mainly by the exponential rise of the deferred income, caused by the income from important partnership agreements and sale contracts, which cannot yet be recognized as revenue in accordance with the Group's valuation rules.

## 26. Provisions

| Thousands of €                                    | Provisions for guarantees | Restructuring provision | Other provisions | Total         |
|---|---------------------------|-------------------------|------------------|---------------|
| <b>Balance per 31 December 2005</b>               | <b>0</b>                  | <b>0</b>                | <b>0</b>         | <b>0</b>      |
| Additions   |                           |                         | 591              | 591           |
| Reversed  |                           |                         | -72              | -72           |
| Changes in consolidation scope including earn-out | 151                       | 70                      | 21,904           | 22,125        |
| Translation differences                           |                           |                         | 1                | 1             |
| <b>Balance per 31 December 2006</b>               | <b>151</b>                | <b>70</b>               | <b>22,424</b>    | <b>22,645</b> |
| Restatement                                       |                           |                         | -11,384          | -11,384       |
| Restated at 31 December 2006                      | <b>151</b>                | 70                      | 11,040           | 11,261        |
| Additional provisions                             |                           | 697                     | 37               | 734           |
| Provisions utilized amounts                       |                           | -476                    | -7,978           | -8,454        |
| Reversed  |                           | -42                     | -68              | -110          |
| <b>Balance per 31 December 2007</b>               | <b>151</b>                | <b>249</b>              | <b>3,031</b>     | <b>3,431</b>  |
| Included in current liabilities                   |                           |                         | 933              | 933           |
| Included in non-current liabilities               | 151                       | 249                     | 2,098            | 2,498         |

On 31 December 2005 there were no provisions on the balance sheet and there were no movements in provisions.



The restatement of the 'other provisions' per 31 December 2006 results from the decision to reduce the value of the early stage R&D projects to zero, because of insufficient elements to come to a reliable valuation. Because of the fact that there was no price paid for these early stage projects with the acquisition of ProSkelia, the relating earn-out obligation was brought back to zero. This had an impact of €11,384,000 on the balance per 31 December 2006.

The use of 'other provisions' mainly concerns the realization of the earn-out concerning the acquisition of Inpharmatica for an amount of €6,409,000. Other provisions also contain €892,000 concerning rent contracts.

ProSkelia is entitled to *earn-outs* for a maximum amount of €14.5 million, in case of achieving predetermined milestones in the research programs that were taken over by Galapagos. The achievement of these milestones will generate a net positive cashflow for the Group, but this is still too uncertain to be recorded as contingent assets.

## 27. Contingent Liabilities and Assets

See note 26 for a description of assets and liabilities acquired through business combinations which were considered for but not presented as contingent.

## 28. Retirement benefit schemes

### Defined contribution plans

The Group operates defined contribution systems for all of its qualifying employees. The assets of the schemes are held separately from those of the Group in designated funds. For defined contribution systems, the Group pays contributions to publicly or privately administered pension- or insurance funds. Once the contribution is paid, the Group does not have any remaining obligation.

The personnel of the Group in Belgium are part of a defined contribution plan. These arrangements are subject to a minimum guaranteed return in accordance with the Belgian legislation. These plans are financed through a group insurance for which the insurance company also guarantees a minimum return.

The paid amounts by the Group to these plans amount to €1,850,435 of which €223,619 were still due per 31 December 2007. (€1,018,000 for 2006 of which €219,000 of contributions were not due, €355,000 for 2005 of which €50,000 of contributions were not due). These amounts do not include the pension contributions of Galapagos SASU (see below).

### Defined benefit plans

The companies of the Group use two defined benefit plans. The defined benefit plans are not supported by funds and the liabilities are determined based on yearly actuarial calculations. The plans are compulsory under the French Chemical and Pharmaceutical Industrial Collective agreements and require that the partnership pays a fixed pension amount, depending on the seniority of the employees and the moment they retire, as determined by the French Social Security system. These pension obligations were taken up since the acquisition of Proskelia SASU by the Company in 2006. Therefore, no figures per 31 December 2005 are required and there is no cost taken up in the profit or loss accounts for the period ended on 31 December 2006. In 2007, a total amount of €407,367 was paid by Galapagos SASU under this scheme.

In addition, there are also seniority premiums paid in France. The provisions for these payments amount to €329,000 (€336,000 per 2006, nihil per 2005).





Obligations included in the balance sheet :

| Thousands of €                                     | 31/12/2007 | 31/12/2006 |
|--|------------|------------|
| Present value of funded defined benefit obligation | 351,536    | 441,405    |
| Fair value of plan assets                          |            |            |
| Shortage   | 351,536    | 441,505    |
| Actuarial gains (or losses) not recognized         | -31,669    | 22,941     |
| Liability included in the balance sheet            | 319,867    | 464,446    |

The present value of the gross obligation developed as follows:

| Thousands of €                        | 2007     | 2006    |
|---------------------------------------|----------|---------|
| Opening balance                       | 441,505  |         |
| Acquired through business combination |          | 441,505 |
| Current service cost                  | 28,776   |         |
| Interest cost                         | 16,012   |         |
| Benefits paid                         |          |         |
| Actuarial (gains) or losses           | 45,256   |         |
| Curtailements                         | -180,013 |         |
| Closing balance                       | 351,536  | 441,505 |

Amounts recognized in profit or loss for defined benefit plans are as follows:

| Thousands of €                 | 2007     | 2006 |
|--------------------------------|----------|------|
| Current service cost           | 28,776   |      |
| Interest costs                 | 16,012   |      |
| Expected return on plan assets |          |      |
| Actuarial gains and losses     |          |      |
| Past service cost              |          |      |
| Curtailements                  | -189,367 |      |
| Total expense                  | -144,579 |      |

This amount is recorded in general and administrative costs.



The obligation included in the balance sheet reconciles as follows:

| Thousands of €                                    | 2007     | 2006 |
|---|----------|------|
| Opening balance                                   | 464,446  |      |
| Total expense                                     | -144,579 |      |
| Paid allowances and contributions by the employer |          |      |
| Closing balance                                   | 319,867  |      |

The most important actuarial assumptions are:

| Thousands of €           | 31/12/2007 | 31/12/2006 |
|--------------------------|------------|------------|
| Discount rate            | 4,75%      | 4,25%      |
| Expected salary increase | 2,50%      | 2,50%      |

Adjustments resulting from experience amount to:

| Thousands of €                        | 31/12/2007 | 31/12/2006 |
|---------------------------------------|------------|------------|
| Present value of the gross obligation | 351,536    | 441,505    |
| Experience adjustments                | 6,398      |            |

The expected contributions for 2008 for defined benefit plans equal zero.

## 29. Warrant plans

Presented below is a summary of stock warrant plans activity for the reported periods. After the reverse 4:1 share split decided by the Shareholders' Meeting of 29 March 2005, 4 warrants of the 1999 and 2002 plans will entitle the warrant holder to subscribe to one share. One warrant of the new warrant plans created as of 2005 onwards will entitle the warrant holder to subscribe to one share. In the summaries and tables below, the numbers of the warrant plans 1999 and 2002 are divided by 4 to avoid a mixture of rights.

### Warrant plans 1999

#### *Warrant plan Belgium 1999*

Pursuant to the Warrant Plan Belgium 1999, a total number of 137,335 warrants were issued to and subscribed by Galapagos NV. At 31 December 2007, an aggregate number of 60,539 warrants were granted to directors, management and personnel of Galapagos NV. No more warrants are outstanding under this plan. No further warrants can be granted under this plan. The number of warrants outstanding under this plan was of 40,439 per 31 December 2005 and of 39,239 per 31 December 2006. The warrants had a term of eight years. The warrants can be exercised at the latest on 15 December 2009. Each vested warrant entitles the warrant holder to subscribe for one Share. The exercise price of the warrants was the highest of either €4 or the price against which the most recent capital increase occurred prior to the date of the offer of the warrants. The warrants vested according to the following scheme: 10% of the number of warrants granted vested upon the date of the grant; 20% vested at the first anniversary of the grant; 40% vested at the second anniversary of the grant; 60% vested at the third anniversary; 100% vested at the end of the third calendar year following the grant.

#### *Warrant plan The Netherlands 1999*

At 31 December 2007, 31 December 2006 and 31 December 2005 no more warrants are outstanding under the Warrant Plan Netherlands 1999, i.e. no warrants were available for granting and no warrants can be exercised anymore.



## **Warrant plans 2002**

At the Extraordinary Shareholders Meeting of 1 March 2002, one warrant plan was approved in favor of the management and personnel of Galapagos NV ("Warrant Plan Belgium 2002") and a second warrant plan in favor of management and personnel of Galapagos NV's subsidiary ("Warrant Plan The Netherlands 2002").

### *Warrant plan Belgium 2002*

Pursuant to the Warrant Plan Belgium 2002, a total number of 753,250 warrants were created. At 31 December 2007, an aggregate number of 793,705 (see below) warrants were allotted to directors, management and personnel of Galapagos NV, of which 466,005 warrants are still outstanding at 31 December 2007. On 27 February 2007, the Board of Directors resolved that no further grants of warrants would be made under this plan and cancelled the 18,775 warrants that were still available for offering under this plan. The number of warrants outstanding under this plan was of 627,762 per 31 December 2005 and of 522,900 per 31 December 2006. The warrants have a term of eight years. The warrants can be exercised at the latest on 1 February 2012. According to the original provisions of the Warrant Plan Belgium 2002, each vested warrant entitled the warrant holder to subscribe for one share. The vesting scheme is identical as in Warrant Plan Belgium 1999, except that for directors the warrants vest linear over a period of 36 months at 1/36 per month.

The Board of Directors determines the exercise price of the warrants at the moment the warrants are offered to a beneficiary, in accordance with the specific exercise price provisions in the Warrant Plan Belgium 2002. The Warrant Plan Belgium 2002 provides that the exercise price of the warrants is to be determined by an auditor and at least equal to €1.00, provided that, if the Galapagos NV's shares are listed or traded on a stock market, the Board of Directors may choose whether the exercise price equals at least (a) the closing price of the last day preceding the date of the offer, or (b) the average of the price per share, as listed on the stock market, of the last thirty days, or any other relevant period, preceding the date on which the warrants are offered. As no warrants have been granted under this plan after the IPO, all warrants granted under this plan have an exercise price of €4.00 per warrant (post-reverse split 1:4 of the Company's shares) as determined in accordance with the terms of the plan.

Under the Warrant Plan Belgium 2002, a total of 753,250 warrants (recalculated after reverse share split 1:4) were created. Warrants were granted under this plan as follows: (i) in 2002: 565,831 warrants; (ii) in 2003: 27,750 warrants; (iii) in 2004: 40,750 warrants; and (iv) in 2005: 159,375 warrants. By a decision of the Board of Directors of 15 January 2004 in connection with the departure of Dr R. Brown (CSO at that time) it was resolved that 59,231 warrants out of the package granted to Dr Brown, which number of warrants would become void (not vested) as a result of his departure, would not so become void upon his departure per 1 April 2004 but would remain in existence and return to the Company to enable the Company to grant these warrants to one or more future employees or directors. When adding up all grants under the Warrant Plan Belgium 2002, a total of 793,706 warrants have been granted, but in this total number the 59,231 warrants referred here before are double-counted. The number of warrants actually granted under said plan is therefore 734,475.

### *Warrant plan The Netherlands 2002*

Pursuant to the Warrant Plan Netherlands 2002, a total number of 125,000 warrants were created. At 31 December 2007, the Company has allotted an aggregate number of 120,649 warrants pursuant to this Warrant Plan Netherlands 2002. At 31 December 2007 no more warrants were outstanding under this plan. The number of warrants outstanding under this plan was of 20,187 per 31 December 2005, and of 12,687 per 31 December 2006. On 27 February 2007, the Board of Directors resolved that no further grants of warrants would be made under this plan and cancelled the 4,351 warrants that were still available for offering under this plan. The exercise period of the warrants amounts to four years, which exercise period starts as from the date of offer. The warrants can be exercised at the latest on 1 February 2012. A vested warrant entitled the holder of such warrant to subscribe for one share of Galapagos NV. The vesting scheme is comparable as in the Warrant plan Belgium 1999, with the exception that as a consequence of the IPO all warrants became fully vested. In respect of warrants that have been granted prior to the date of listing of Galapagos NV's shares, the exercise price of such warrants amount to the higher of either €4.68 or the market value of Galapagos NV's share Class D as determined by the Board of Directors (Note: at the occasion



of the Company's IPO in May 2005, the different classes of shares have been abolished so that as of the IPO all shares are of one and the same class). The Warrant Plan the Netherlands 2002 further provides that, once Galapagos NV's shares are listed, the exercise price of any warrants will equal, at the discretion of the Board of Directors, either the closing price of Galapagos NV's shares on the trading day preceding the day on which the warrants were granted, the average share price of the preceding 30 day period, or any other relevant period.

### *Warrant plan Belgium 2005*

Pursuant to the Warrant Plan Belgium 2005, a total number of 467,421 warrants were created (notary deed of 29 March 2005). At 31 December 2006, an aggregate number of 458,600 warrants were allotted to directors and employees of the Group, of which 412,455 warrants were still outstanding at 31 December 2007. The number of warrants outstanding under this plan was of 282,500 per 31 December 2005 and of 458,600 per 31 December 2006. On 27 February 2007, the Board of Directors resolved that no further grants of warrants would be made under this plan and cancelled the 8,821 warrants that were still available for offering under this plan. The warrants have a term of eight years. The warrants can be exercised at the latest on 29 March 2015. According to the provisions of the Warrant Plan Belgium 2005, each vested warrant entitled the warrant holder to subscribe for one share. The vesting scheme is identical as in the Warrant plan Belgium 1999, except that for directors the warrants vest linear over a 36 months period at 1/36 per month. The exercise price of the warrants will be decided as at least (a) the closing price of the last day preceding the date of the offer, or (b) the average of the price per share, as listed on the stock market, of the last thirty days, or any other relevant period, proceeding the date on which the warrants are offered.

### **Warrant plans 2006**

#### *Warrant Plan 2006 Belgium/The Netherlands*

Pursuant to the Warrant Plan 2006 Belgium/The Netherlands, a total number of 350,000 warrants were created (notary deed 3 February 2006). At 31 December 2007, an aggregate number of 347,548 warrants were allotted to directors and employees of the Group of which 300,069 warrants were still outstanding at 31 December 2007. The number of warrants outstanding per 31 December 2006 was of 194,395. On 11 December 2007, the Board of Directors resolved that no further grants of warrants would be made under this plan and cancelled the 2,452 warrants that were still available for offering under this plan. The warrants have a term of eight years. The warrants created under this Plan can be exercised at the latest on 2 February 2016 (i.e. 10 years after the date of creation of the Plan). According to the provisions of the Warrant Plan 2006 Belgium/The Netherlands, each vested warrant entitled the warrant holder to subscribe for one share. The vesting scheme is identical as in the Warrant plan 2005. The exercise price of the warrants will be decided by the Board as at least (a) the closing price of the last trading day preceding the date of the offer, or (b) the average of the closing price per share, as quoted on the stock market, of the last thirty days proceeding the date on which the warrants are offered.

#### *Warrant Plan 2006 U.K.*

Pursuant to the Warrant Plan 2006 U.K., a total number of 453,715 warrants were created (notary deed 12 May 2006). At 31 December 2007, an aggregate number of 425,386 warrants were allotted to employees of the Group, of which 371,025 warrants were still outstanding at 31 December 2007. The number of warrants outstanding per 31 December 2006 was of 384,833. On 11 December 2007, the Board of Directors resolved that no further grants of warrants would be made under this plan and cancelled the 28,329 warrants that were still available for offering under this plan. The warrants have a term of eight years. The warrants can be exercised at the latest on 11 May 2016 (i.e. 10 years after the date of creation of the Plan). According to the provisions of the Warrant Plan 2006 U.K., each vested warrant entitled the warrant holder to subscribe for one share. The vesting scheme is identical as in the Warrant plan 2005. The exercise price of the warrants will be decided by the Board as at least (a) the closing price of the last trading day preceding the date of the offer, or (b) the average of the closing price per share, as quoted on the stock market, of the last five trading days preceding the date on which the warrants are offered.



## Warrant plans 2007

### *Warrant Plan 2007*

Pursuant to the Warrant Plan 2007, a total number of 364,440 warrants were created (notary deed of 28 June 2007). All of these warrants have been offered to and accepted by directors and employees of the Group. The exercise price of the warrants has been fixed by the Board of Directors at €8.65 (which was the average stock price for the 30 days preceding the date of the offer, which was also on 28 June 2007). There are no more warrants available for distribution under this plan. Per 31 December 2007, the number of warrants outstanding under this plan was of 363,778 (662 warrants became void in 2007). The warrants have a term of eight years and can be exercised at the latest on 27 June 2015. According to the provisions of the Warrant Plan 2007, each vested warrant entitles the warrant holder to subscribe for one share. The vesting scheme is identical as in the Warrant plan 2005.

### *Warrant Plan 2007 RMV*

Pursuant to the Warrant Plan 2007 RMV, a total number of 108,850 warrants were created (notary deed of 25 October 2007). All of these warrants have been offered to and accepted by employees of Galapagos SASU (Romainville, France). The exercise price of the warrants has been fixed at €8.65 by the Board of Directors (which was higher than the average stock price for the 30 days preceding the date of the offer, which was also on 25 October 2007). There are no more warrants available for distribution under this plan. Per 31 December 2007, the number of warrants outstanding under this plan was of 108,850. The warrants have a term of eight years and can be exercised at the latest on 24 October 2015. According to the provisions of the Warrant Plan 2007 RMV, each vested warrant entitles the warrant holder to subscribe for one share. The vesting scheme is identical as in the Warrant plan 2005.

The number of outstanding warrants (including warrants still available for distribution) as a percentage of outstanding shares as per 31 December 2007 was 9.54% - per 31 December 2006 was 9.34% - per 31 December 2005 was 9.30%.



|  | Warrants         | Weighted average exercise price |
|--|------------------|---------------------------------|
| <b>Outstanding at 1 January 2005</b>   | <b>693,574</b>   | <b>4.12</b>                     |
| Exercisable at 1 January 2005          | 175,037          | 4.47                            |
| Granted during the period              | 441,875          | 7.34                            |
| Forfeited during the period            | -52,563          | 5.53                            |
| Exercised during the period            | -114,474         | 4.60                            |
| Expired during the period              |                  |                                 |
| <b>Outstanding at 31 December 2005</b> | <b>968,412</b>   | <b>5.50</b>                     |
| Exercisable at 31 December 2005        | 349,930          | 4.04                            |
| Granted during the period              | 769,999          | 8.72                            |
| Forfeited during the period            | -14,671          | 8.67                            |
| Exercised during the period            | -113,562         | 4.04                            |
| Expired during the period              |                  |                                 |
| <b>Outstanding at 31 December 2006</b> | <b>1,610,178</b> | <b>7.11</b>                     |
| Exercisable at 31 December 2006        | 391,513          | 4.29                            |
| Granted during the period              | 651,065          | 8.75                            |
| Forfeited during the period            | -142,751         | 8.34                            |
| Exercised during the period            | -97,570          | 4.09                            |
| Expired during the period              | 0                |                                 |
| <b>Outstanding at 31 December 2007</b> | <b>2,020,922</b> | <b>7.49</b>                     |
| Exercisable at 31 December 2007        | 319,934          | 4.00                            |

(1) Part of the warrants offered in 2007 were subject to a 60-days acceptance period that ran into 2008. In the above table, all warrants offered in 2007 that subsequently have been accepted by the beneficiaries (even if such acceptance occurred in 2008), have been included in the section "granted during the period".

(2) The table above does not include warrants that were in the relevant year still available for distribution under certain Warrant Plans.

The table below sets forth the valuation of the warrants.

| Belgian Plans                | 2007   |       |         |        | 2006   |        |        | 2005   |       |        |        |
|------------------------------|--------|-------|---------|--------|--------|--------|--------|--------|-------|--------|--------|
|                              | 14 Feb | 4 May | 28 June | 21 Dec | 13 Feb | 13 Feb | 22 Nov | 31 Jan | 4 Jul | 23 Nov | 15 Dec |
| Exercise Price               | 9.57   | 9.22  | 8.65    | 7.12   | 8.61   | 8.73   | 8.65   | 6.76   | 6.91  | 8.35   | 8.60   |
| Current share price          | 9.51   | 8.95  | 8.51    | 6.93   | 8.72   | 8.72   | 8.92   | 7.50   | 7.15  | 8.25   | 9.20   |
| Fair value on the grant date | 3.97   | 3.67  | 3.53    | 2.85   | 2.66   | 2.61   | 2.79   | 2.43   | 2.09  | 2.40   | 2.98   |
| Estimated volatility (%)     | 47.92  | 47.92 | 47.92   | 47.92  | 30     | 30     | 30     | 31     | 30    | 30     | 30     |
| Time to expiration (years)   | 4.00   | 4.00  | 4.00    | 4.00   | 4.00   | 4.00   | 4.00   | 3.50   | 3.50  | 4.00   | 4.00   |
| Risk free rate (%)           | 4.00   | 4.00  | 4.00    | 4.00   | 4.00   | 4.00   | 4.00   | 3.64   | 3.75  | 3.75   | 3.75   |
| Expected dividends           | None   | None  | None    | None   | None   | None   | None   | None   | None  | None   | None   |



| <b>Dutch Plan</b>            | <b>2002</b> |
|------------------------------|-------------|
| Exercise Price               | 4.68        |
| Current share price          | 4.00        |
| Fair value on the grant date | 0.56        |
| Estimated volatility (%)     | 31          |
| Time to expiration (years)   | 2.00        |
| Risk free rate (%)           | 3.55        |
| Expected dividends           | None        |

| <b>UK plan</b>               | <b>2007</b>    |               | <b>2006</b>    |               |               |
|------------------------------|----------------|---------------|----------------|---------------|---------------|
|                              | <b>28 June</b> | <b>21 Dec</b> | <b>17 June</b> | <b>22 Nov</b> | <b>19 Dec</b> |
| Exercise Price               | 8.43           | 7.25          | 8.70           | 8.65          | 9.18          |
| Current share price          | 8.51           | 6.93          | 8.37           | 8.70          | 9.06          |
| Fair value on the grant date | 3.53           | 2.85          | 2.38           | 2.63          | 2.67          |
| Estimated volatility (%)     | 47.92          | 47.92         | 30             | 30            | 30            |
| Time to expiration (years)   | 4.00           | 4.00          | 4.00           | 4.00          | 4.00          |
| Risk free rate (%)           | 4.00           | 4.00          | 4.00           | 4.00          | 4.00          |
| Expected dividends           | None           | None          | none           | none          | none          |

| <b>French plan</b>           | <b>2007</b>   |
|------------------------------|---------------|
|                              | <b>25 Oct</b> |
| Exercise Price               | 8.65          |
| Current share price          | 7.98          |
| Fair value on the grant date | 3.14          |
| Estimated volatility (%)     | 47.92         |
| Time to expiration (years)   | 4.00          |
| Risk free rate (%)           | 4.00          |
| Expected dividends           | none          |

The method of determining the exercise share price is set up by the Board of Directors.

The estimated *volatility* is calculated on the basis of the historical volatility of the share price over the useful life of the warrants, validated by reference to the volatility of a representative biotechindex.

The time to expiration of the warrant is calculated as the estimated duration until exercise, taking into account the specific features of the plans.

The warrants have been accounted for in accordance with International Financial Reporting Standard 2 on Share Based Payments. IFRS 2 takes effect for all warrants offered after 7 November 2002.

Warrants expense for warrants that were granted in 2007, 2006 and 2005 amounted respectively to €1,098,077, €682,146 and €256,093. These were booked in credit of the result carried forward versus the profit or loss accounts.



Until 2006, the reserve for share based payments was presented as part of the line 'Capital'. For 2007 and further, this is represented as part of the line 'Cumulated loss'. As a consequence, the amounts for 2006 and 2005 were adjusted. The capital for 2006 decreased from €104,396 to €103,458 and for 2005 from €69,049 to €68,793. The cumulated loss for 2006 changed from -€39,034 to -€38,096 and that for 2005 changed from -€27,731 to -€27,476.

The following table provides an overview of the outstanding warrants per personnel category at 31 December 2007.

| Category                          | Number of warrants |                  |                |
|-----------------------------------|--------------------|------------------|----------------|
|                                   | 2007               | 2006             | 2005           |
| Non-executive Directors           | 116,250            | 109,750          | 56,250         |
| Executive Team                    | 963,566            | 764,726          | 684,726        |
| Other                             | 941,106            | 735,702          | 227,436        |
| <b>Total Warrants outstanding</b> | <b>2,020,922</b>   | <b>1,610,178</b> | <b>968,412</b> |

Note: The above numbers for the non-executive directors and members of the executive team, for the years 2005 and 2006, relate only to those individuals that were (still) in such capacity per 31 December 2007.

The outstanding warrants at the end of the accounting period have an average exercise price of €7.49 (2006: €6.57) and a weighted average remaining useful life of 2,344 days (2006: 2,193 days).

### 30. Related parties

Transactions between Galapagos NV, BioFocus DPI BV, BioFocus DPI Ltd, Inpharmatica Ltd and Galapagos SASU, which are related parties, have been eliminated in consolidation and are not disclosed in this note.

#### *Trading transactions*

Galapagos and its affiliates did not have trading transactions in 2007 and in 2006 with parties that can be considered as related parties as defined in IAS24. Per 31 December 2005 certain trading transactions have been reported in this context: sales of goods: €7,000 (Tibotec and Johnson & Johnson); purchases of goods and services: €265,000 (Crucell).

#### *Potential conflicts of interest between the Company and its Directors*

Prior to the IPO, independent directors received Board Meeting fees amounting to €1,500 per Board Meeting. As of the IPO, independent directors receive an annual fee of €20,000. The chairman of the audit committee receives an additional payment of €5,000.

As of 1 August 2005, the Chairman of the Board, Dr Parekh receives an annual consulting fee of £50,000 as a compensation for his specific assignment to assist the Company in strategic positioning, financing and acquisitions, including amongst others the evaluation of several alternative corporate transactions, including potential company and compound acquisitions, as well as strategic alliance opportunities. Dr Parekh does not receive other compensation from the Company.

There are no loans between Galapagos NV and its members of the Board of Directors or its Executive Team, other than for prefinancing of withholding taxes for an amount of €65,757 (2006 €33,000, 2005: €7,463).





During the year ended 31 December 2007, a situation occurred where a potential conflict of interest between the Company and a member of a governance body of the Company existed, and about which has not yet been reported since the Annual Shareholders' Meeting of 2007. It is described in the Board meeting of December 11, 2007: "Board resolved to approve the recommendations of the Remuneration Committee. In application of article 523 of the Belgian Code of Companies the following is reported in connection with the bonus, the salary increase and the proposed warrant grant to the CEO for his 2007 performance: The Chairman declares that Mr Onno van de Stolpe has informed the Board of Directors of a conflict of interest, concerning the proposed award to him of a bonus, a salary increase and a grant of warrants. It has been explained to the Board that the award of said benefits is proposed upon recommendation of the Remuneration Committee and is a justified reward for the results achieved by Mr van de Stolpe in 2007. The award of these benefits will have no material impact on the financial position of the company. The Board shares the opinion of the Remuneration Committee that the proposed benefits are justified and reasonable. Mr van de Stolpe has not taken part in the deliberation and the vote concerning this decision." For clarity, the CEO's bonus amounted to €327,241.80 (half of this bonus is payable immediately and the other half deferred for 3 years and is conditional to certain performance parameters of the Galapagos share price being realized), his salary increase was of 5% and the proposed number of warrants to be offered (subject to approval of the Shareholders meeting) was of 50,000.

In 2007, there have been no arrangements or understandings with major shareholders pursuant to which a representative of such shareholder became a Board Member or Executive Committee member of the Company.



### 31. Remuneration of key management personnel

On 31 December 2007, the Executive Committee comprised eight members, Mr Van de Stolpe, Dr Pollet, Dr Dixon, Mr Hoekema, Dr Newton, Mr Phillips, Mr Neale and Mr Steenbergen. Their combined remuneration package comprises:

| Thousands of € (except for the Number of warrants) | 2007           | 2006          | 2005           |
|--|----------------|---------------|----------------|
| Short-term employee benefits(*)                    | 2,515          | 2,097         | 1,271          |
| Post-employment benefits                           | 79             | 296           | 78             |
| <b>Total benefits excluding warrants</b>           | <b>2,594</b>   | <b>2,393</b>  | <b>1,349</b>   |
| Number of warrants offered in the year             | <b>325,000</b> | <b>80,000</b> | <b>361,250</b> |

(\*) includes: salaries, employer social security contributions, other short term benefits.

The Executive directors provide their services full time for the Group. Their remuneration includes all costs for the Group, including retirement contributions made by the executive directors. The warrants offered to the executive directors are under the same conditions as set out in note 30. These warrants are granted under the Belgian 2007, 2005, 2002 and 1999 plans.

The retirement benefits to the Executive Committee, excluding the executive directors and Dr Pollet, are part of the retirement benefit scheme to which all qualified personnel are entitled. The contributions are paid as a percentage of the gross annual salary.

Certain employees, including Executive Committee members, are part of a Group bonus scheme established in 2006 where half of the bonus is paid immediately post year end and half is deferred for three years. The deferred component is only payable in full provided that the growth in the company share price has exceeded the growth in the FTSE Actuaries Share Index of Pharmaceutical and Biotechnology over the same three year period. Where the Company share price underperforms against the index, then the payout is reduced, with no payment made if the Company underperforms by more than 10%. The value of the deferred pay varies by the percentage change in the Company's share price. To be eligible for any payment due the Executive must still be in the company's employ. In 2007, the Company has taken a charge to G&A of €589,000 to cover this contingent liability. In 2006, this charge was of €200,000. This amount was increased in 2007 to €226,000.

In 2007, the members of the Executive Committee (including the CEO) were paid an aggregate amount of €1,740,767 in salaries and an aggregate amount of €436,620 in bonuses for their performance in 2007. The amount of the bonuses paid is half of the bonuses awarded; the payment of the other half is deferred for 3 years and is subject to the conditions set forth in the Group bonus scheme. In 2006, the members of the Executive Committee (including the CEO) were paid an aggregate amount of €1,739,993 in salaries and an aggregate amount of €683,000 in bonuses. Other components of their remuneration include contributions to the Company's pension and health insurance schemes, and certain fringe benefits of non-material value.

Only the CEO is a member of both the Executive Committee and the Board of Directors. The CEO does not receive any special remuneration for his work on the Board of Directors, as this is part of his total remuneration package in his capacity as member of the Executive Committee.

In 2007, the Company and its subsidiaries have provided or processed €78,671 for pensions, severance payment, or similar advantages or benefits for members of the Executive Committee. In 2006, this amount was of €296,000.

Except as mentioned in note 30, no loans, quasi-loans or other guarantees have been given to members of the Executive Committee.



## *Transactions with non-executive directors*

In connection with the compensation of independent Directors, the annual shareholders' meeting (AGM) of 4 April 2006 and of 3 April 2007 fixed the annual remuneration for independent Directors for the exercise of their mandate as a Director of the Company at €20,000 plus expenses and resolved to pay an additional compensation of €5,000 to the chairman of the Audit Committee of the Board of Directors for his activities as chairman of the Audit Committee. Until the IPO, the independent members of the Board received a Board fee of €1,500 per Board meeting, as well as expense reimbursement. After the IPO, they received a fixed annual amount of €20,000. In 2007, a total amount of €65,000 was paid to the independent Directors as Board fees (including for chairing the Audit Committee) and €1,116 as expenses. In 2006, a total amount of €45,000 was paid to the independent Directors as such fees and €2,807 as expenses. In 2005, €41,000 was paid as Board fees and expenses.

The aforementioned AGMs fixed the annual remuneration for non-executive Directors who are not independent Directors and who do not represent a shareholder at €20,000 plus expenses. In 2007, a total amount of €20,000 was paid to such Directors and €NIL as expenses. In 2006, a total amount of €50,000 was paid to such Directors (including a payment of €10,000 to Dr Stone in connection with his stepping down from the Board effective 31 December 2006; see also note 29) and €729 as expenses. In 2005, there were no Directors belonging to this category.

The aforementioned AGMs resolved that in case a Director attends less than 75% of the meetings of the Board of Directors, the annual amounts mentioned in the two paragraphs here above shall be reduced pro rata the absence score of such Director. No such principle applied in 2005. This principle needed not be applied in 2006 nor in 2007.

The aforementioned AGMs resolved that the Directors who represent a shareholder on the Board of Directors will only receive reimbursement for the expenses they incur for attending meetings of the Board of Directors and no other compensation or fees for their Board membership. In 2007, a total amount of €2,146 was paid as expenses to such Directors. Also in 2006 and 2005, non-executive directors that represented one of the Group's shareholders received no compensation for their position as director, but only expense reimbursements. In 2006, €3,167 was paid as expenses, and in 2005 €26,000.

In 2007, a total of €50,000 was paid as consultancy fees to the Chairman of the Board, who did not receive any fee as compensation for his Board membership, under a consultancy agreement effective as of 1 August 2005 (see also note 29). No other consultancy fees were paid to Board members in 2007. In 2006, a total of €50,000 was paid as consultancy fees to Board members. In 2005, a total of €115,000 was paid as consultancy fees to Board members.

In 2007, 17,500 warrants were granted to non-executive Directors. In 2006, 53,500 warrants were granted to non-executive Directors. In 2005, the number of warrants granted to non-executive Directors was 10,000.



**32. Consolidated companies**

| Name of the subsidiary  | Country         | % voting right NV<br>(directly or indirectly through subsidiaries) | Change in % voting right previous period (2007 vs 2006) |
|---|-----------------|--|---|
| BioFocus DPI BV<br>(formerly Galapagos Genomics BV)                     | The Netherlands | 100%   | -   |
| BioFocus DPI (Holdings) Ltd   | United Kingdom  | 100%   | -   |
| BioFocus DPI Ltd  | United Kingdom  | 100%   | -   |
| Cambridge Drug Discovery Holding Ltd                                    | United Kingdom  | 100%   | -   |
| Cambridge Discovery Ltd   | United Kingdom  | 100%   | -   |
| Cambridge Genetics Ltd  | United Kingdom  | 100%   | -   |
| BioFocus, Inc.  | United States   | 100%   | -   |
| Compound Focus, Inc.  | United States   | 100%   | -   |
| BioFocus DPI AG<br>(formerly Discovery Partners International AG)       | Switzerland     | 100%   | -   |
| Discovery Partners International GmbH                                   | Germany         | 100%   | -   |
| BioFocus DPI, Inc.<br>(formerly ChemRX Advanced Technologies, Inc.)     | United States   | 100%   | -   |
| Xenometrix, Inc.  | United States   | 100%   | -   |
| BioFocus DPI, LLC.<br>(formerly Discovery Partners International, LLC.) | United States   | 100%   | -   |
| Inpharmatica Ltd  | United Kingdom  | 100%   | -   |
| Galapagos SASU<br>(formerly ProSkelia SASU)                             | France          | 100%   | -   |

**33. Acquisition of subsidiaries**

During the year 2007, no companies were acquired.



The consideration paid for the acquisitions of DPI, Inpharmatica and ProSkelia (Galapagos SASU) has been provisionally allocated in 2006 to the underlying assets and liabilities of the entities acquired (= purchase price allocation exercise). Any remaining unallocated difference with the consideration paid has been recorded as goodwill.

IFRS3 allows for a 12 month period after the acquisition date to adjust the initial exercise.

Galapagos has performed these exercises as part of the 2007 closing process. The adjustments to the initial purchase price allocation are presented below as a restatement of the 2006 figures.

The fair values of the identifiable assets and liabilities of the above companies as at the dates of the acquisition were:

| Thousands of €                                     | 2006 restated |                     | 2006          |               | 2005          |               |
|--|---------------|---------------------|---------------|---------------|---------------|---------------|
|  | Book value    | Fair value restated | Book value    | Fair value    | Book value    | Fair value    |
| <b>Non-current assets</b>                          | <b>15,129</b> | <b>21,248</b>       | <b>15,129</b> | <b>30,068</b> | <b>34,521</b> | <b>12,058</b> |
| Tangible and intangible assets                     | 14,071        | 20,190              | 14,071        | 29,010        | 31,700        | 11,071        |
| Deferred tax assets                                | 727           | 727                 | 727           | 727           |               |               |
| Other investments                                  | 331           | 331                 | 331           | 331           | 2,821         | 987           |
| <b>Current assets</b>                              | <b>36,655</b> | <b>36,655</b>       | <b>36,655</b> | <b>36,655</b> | <b>10,725</b> | <b>10,951</b> |
| Inventory  | 650           | 650                 | 650           | 650           | 3,462         | 4,023         |
| Trade debtors                                      | 4,159         | 4,159               | 4,159         | 4,159         | 5,974         | 5,639         |
| Other receivables                                  | 31,846        | 31,846              | 31,846        | 31,846        | 1,289         | 1,289         |
| <b>Foreign exchange adjustments</b>                |               | <b>114</b>          |               |               |               |               |
| <b>Non-current liabilities</b>                     | <b>7,232</b>  | <b>6,544</b>        | <b>7,232</b>  | <b>6,544</b>  |               | <b>1,445</b>  |
| Long-term debts, interest-bearing liabilities      | 7,232         | 6,544               | 7,232         | 6,544         |               | 1,445         |
| <b>Current liabilities</b>                         | <b>6,123</b>  | <b>11,809</b>       | <b>6,123</b>  | <b>11,044</b> | <b>10,021</b> | <b>10,464</b> |
| Trade payables                                     | 4,179         | 4,179               | 4,179         | 4,179         | 3,814         | 4,264         |
| Other Payables                                     | 1,944         | 7,630               | 1,944         | 6,865         | 6,207         | 6,200         |
| <b>Net-identifiable assets and liabilities</b>     | <b>38,429</b> | <b>39,436</b>       | <b>38,429</b> | <b>49,135</b> | <b>35,225</b> | <b>11,100</b> |
| <b>Goodwill (negative goodwill) on acquisition</b> |               | <b>2,248</b>        |               | <b>4,812</b>  |               | <b>29,481</b> |
| Received consideration                             |               | 23,812              |               | 30,716        |               |               |
| Acquired cash                                      |               | 19,848              |               | 19,848        |               | 1,289         |
| Purchase price including cost                      |               | 22,584              |               | 22,584        |               | 40,581        |
| Costs of acquisition                               |               | -533                |               | -533          |               |               |



## 34. Critical accounting estimates and judgments

Drafting financial statements in accordance with IFRS requires management to make judgements and estimates and to use assumptions that influence the reported amounts of assets and liabilities, the notes on contingent assets and liabilities on the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results may differ from these estimates.

The most important assumptions concerning future developments and the most important sources of uncertainty for estimates at the balance sheet date are presented below.

### *Share based payments plans*

The Group determines the costs of the share based payments plans on the basis of the fair value of the equity instrument at grant date. Determining the fair value assumes choosing the most suitable valuation model for these equity instruments, by which the characteristics of the grant have a decisive influence. This assumes also the input into the valuation model of some relevant judgements, like the estimated useful life of the option and the volatility. The judgements made and the model used are specified further in note 29.

### *Pension obligations*

The cost of a defined pension arrangement is determined based on actuarial valuations. An actuarial valuation assumes the estimation of discount rates, estimated returns on assets, future salary increases, mortality figures and future pension increases. Because of the long term nature of these pension plans, the valuation of these is subject to important uncertainties. We refer to note 28 for additional details.

### *Impairment of goodwill*

Changes in management assumptions on profit margin and growth rates used for cashflow predictions, could have an important impact on the results of the Group. Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which the goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date was €33,952,000 (2006: €35,560,000; restated: €32,996,000; 2005: €29,481,000). No impairment loss was recognized during 2007 or 2006.

Details of the assumptions used in testing goodwill for impairment are given in note 2.

### *Fair valuation of net assets of subsidiary on acquisition*

In determining the fair values of the net assets at the date of acquisition, certain estimates had to be made by management. Independent professional valuation specialists were employed to ensure that management estimates were reasonable and would not give rise to material misstatement of fair values.

## 35. Financial risk management

### *Capital management*

The Group manages its capital to ensure that the Group will be able to continue as a going concern. At the same time, the Group wants to ensure the return to its shareholders through the results on its research activities and and continue the appreciation of the share. This strategy has not changed compared to 2006 or 2005.

The capital structure of the Group consists of financial debt (which currently the Group barely has), cash at bank and in hand and cash equivalents, as mentioned in note 17, and equity attributed to the holders of equity instruments of the Company, such as capital, reserves and results carried forward, as mentioned in notes 19, 20 and 21, respectively.



The Group manages its capital structure and makes the necessary adjustments in the light of changes of economical circumstances, the risk characteristics of underlying assets and the projected cash needs of the current research activities. The most important parameters used in assessing the capital structure are the current cash situation and the expected cash burn rate. The cash burn is defined as the net result, corrected for depreciations and reduced by investments in fixed assets.

The Group wishes to maintain a capital structure that is sufficient to finance research activities for at least 12 months. For this, cash receipts from possible collaboration- or other cash generating contracts, as well as the cash receipts from the services division BioFocus DPI, are taken into account. To keep the capital structure at a certain level, the Group can issue new shares or close financing agreements.

The Group is not subject to any externally imposed capital requirements.

### *Financial risk management*

The financial department of the Company coordinates the access to national and international financial markets and considers and manages continuously the financial risks concerning the activities of the Group. These relate to the credit risk and the currency risk. There are no other important risks, such as liquidity risk or interest rate risk because the group has nearly no financial debt and has a large cash position. The Group does not buy or trade financial instruments for speculative purposes.

The Group mainly tries to overcome the currency risk by closing contracts in local currencies with the other party. These clients mostly are large pharma groups that typically are better equipped to hedge against a possible exchange rate risk.

For the rest, the Group tries to cover the currency risk for debt and receivables by tuning the gains and costs in a foreign currency.

The Group has no more derivative financial instruments to mitigate currency risks. With the acquisition of BioFocus in 2005, these instruments were in use, but they were not renewed when they expired in 2006.

Categories of material financial assets and liabilities:

| Thousands of €               | 2007   | 2006   | 2005   |
|------------------------------|--------|--------|--------|
| <b>Financial assets</b>      |        |        |        |
| Cash at bank and in hand     | 49,295 | 51,519 | 23,617 |
| Trade debtors                | 14,600 | 12,297 | 6,646  |
| Other amounts receivable     | 1,095  | 2,588  | 358    |
| Tax receivables              | 8,311  | 12,800 | 269    |
| <b>Financial liabilities</b> |        |        |        |
| Trade debts                  | 13,293 | 11,805 | 4,064  |
| Other amounts payable        | 1,536  | 643    | 552    |
| Leasing debts                | 4,368  | 7,767  | 7,573  |
| Tax payable                  | 56     | 119    | 1,136  |

### *CREDIT RISK ON RECEIVABLES*

The term credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. To limit the risk of financial losses, the Group has developed a policy of only dealing with creditworthy counterparties.



Galapagos grants credit to its client in the framework of its normal business activities. Usually, the Group requires no pledge or other collaterals to cover the amounts due. Management continuously evaluates the client portfolio for creditworthiness. All receivables are considered collectable, except for these for which a provision for doubtful debtors has been set up.

The trade debtors consist of a limited amount of creditworthy customers, mainly large pharmaceutical companies, spread over different geographical areas.

One client represents 29 percent of the trade debtors at the end of 2007. The large percentage at year-end is caused by the important milestone payment that was only paid in 2008. Other clients with outstanding payables represent less than 2 percent of the total amount of trade debtors of the Group at the end of 2007. The concentration of the credit risk within the group is influenced strongly by the size of the amounts in the partnering agreements. As such, the situation at the end of 2007 is representative for the credit risk over the year, as well as for the year 2006 and 2005.

The net book value of the financial assets in the financial statements represents the maximum credit risk.

Aging balance of receivables that are due, but that are still considered collectable:

| Thousands of € | 2007         |
|----------------|--------------|
| 30 - 90 days   | 4,805        |
| 90 - 120 days  | 322          |
| > 120 days     | 557          |
|                | <b>5,684</b> |

### *LIQUIDITY RISK*

The Group manages the liquidity risks by continuously monitoring forecasted and actual cashflows and by comparing maturity profiles of financial assets and liabilities.

### *MARKET RISK: INTEREST RATE RISK*

The Group is not subject to any significant interest rate risk. As in 2006 and 2005, the Group has no financial assets, liabilities or interest derivatives with a floating interest rate.

### *MARKET RISK : EXCHANGE RATE RISK*

The Group is subject to exchange rate risk, because part of its purchases is done in US dollar, Swiss Francs and GB Pound. To limit this risk, the Group tries to align incoming and outgoing cashflows in currencies other than EUR. In addition, contracts closed by the different entities of the Group are mainly in the functional currencies of that entity. The exchange rate risk within the Group is therefore almost exclusively caused by the intra-group transactions between entities with a different functional currency. The intra-group positions between the different currencies per 31 December 2007 were:





| Net book value –<br>(In thousand EUR) | 31 December<br>2007 |
|---------------------------------------|---------------------|
| Euro – US Dollar                      | 320                 |
| Euro – GB Pond                        | 2,460               |
| Euro – CH Frank                       | 990                 |
| CH Frank – GB Pond                    | 70                  |
| US Dollar – GB Pond                   | 170                 |

The magnitude of the amounts per 31 December 2007 is the same as these of the previous years. A reasonable change in the exchange rate of one of the functional currencies of the entities of the Group causes no material change on the Group's result.

### 36. Audit fees

Audit fees in Belgium in relation to the statutory audit mandate of the auditor amounted to €76,700 in 2007. The worldwide reimbursements for audit services to the auditor and his network in 2007 were €285,300. Other fees for 2007 amounted to €210,425 and related to other rendered services, mainly additional work due to the change in consolidation scope, review of valuation of acquisitions, review of specific areas of internal control, legal missions and tax related services.

### 37. Events subsequent to the balance sheet date

Galapagos announced the following after 31 December 2007:

- January 3, 2008: oncology target discovery collaboration with Janssen Pharmaceutica. An upfront payment of €2,9 M was received, and the contract has potential additional payments of up to €7,6 M when certain milestones are reached.
- January 14, 2008: extension drug discovery collaboration with Eli Lilly in nuclear hormone receptor research. Total payments under this contract amount to more than US\$ 1,2 M.
- January 16, 2008: €4.4 M grant for rheumatoid arthritis drug development from the Flanders government through the Institute for the Promotion of Innovation by Science and Technology (IWT).
- January 25, 2008: €3.4 M milestone payment from Janssen Pharmaceutica NV under the alliance agreement in rheumatoid arthritis
- February 28, 2008: Announcement of preclinical candidates and clinical plans in rheumatoid arthritis and bone metastasis; it is the Company's intention to submit IND (Investigational New Drug) applications for these programs later 2008, with initiation of clinical trials for bone metastasis by yearend and for rheumatoid arthritis early 2009. The Company also intends to select a pre-clinical candidate in osteoarthritis in 2008.
- March 6, 2008 : Level 1 ADR listing and cancellation AIM listing. Each ADR represents one Galapagos ordinary share. The Bank of New York has been appointed as the Company's depository bank for this facility. Galapagos' ordinary shares will continue to trade on Euronext Amsterdam and Euronext Brussels
- April 10, 2008: Collaboration agreement between Galapagos and Bausch and Lomb in eye diseases. Total payments can amount up to €32 million plus royalties.



## Statutory accounts

The next pages are excerpts from the statutory accounts of Galapagos NV, which were made according to Belgian GAAP.

The Statutory Auditor has signed an unqualified opinion relating to the statutory accounts of Galapagos NV for the year ended 31 December 2007.

## Galapagos NV statement of profit and loss

| Thousands of €/ as at 31 December                 | 2007           | 2006           | 2005           |
|---|----------------|----------------|----------------|
| Turnover  | 25,697         | 7,006          | 2,570          |
| Other operating income                            | 4,059          | 664            | 693            |
| <b>Operating income</b>                           | <b>29,756</b>  | <b>7,670</b>   | <b>3,263</b>   |
| Raw materials, consumables and goods for resale   | -2,237         | -1,767         | -945           |
| Services and other goods                          | -18,272        | -13,700        | -10,510        |
| Remuneration, social security costs and pensions  | -6,194         | -4,369         | -3,593         |
| Depreciation of and other amounts written off     | -779           | -620           | -488           |
| Other operation charges                           | -444           | -99            | -230           |
| <b>Operating loss (-) / profit (+)</b>            | <b>1,830</b>   | <b>-12,885</b> | <b>-12,503</b> |
| Investment revenues                               | 1,708          | 292            | 335            |
| Finance income/ (cost)                            | -725           | -391           | -166           |
| <b>Result on ordinary activities before taxes</b> | <b>2,813</b>   | <b>-12,984</b> | <b>-12,334</b> |
| Extraordinary income                              | 24             | 3              | 1              |
| Extraordinary cost                                | -45            |                |                |
| <b>Result before taxes</b>                        | <b>2,792</b>   | <b>-12,981</b> | <b>-12,333</b> |
| Taxes   |                |                |                |
| <b>RESULT FOR THE YEAR</b>                        | <b>2,792</b>   | <b>-12,981</b> | <b>-12,333</b> |
| Loss brought forward                              | -47,776        | -34,795        | -22,462        |
| <b>Result to be carried forward</b>               | <b>-44,984</b> | <b>-47,776</b> | <b>-34,795</b> |



## Galapagos NV balance sheet at 31 December

| <b>ASSETS</b>                       |                |                |               |
|-------------------------------------|----------------|----------------|---------------|
| Thousands of €                      | 2007           | 2006           | 2005          |
| <b>NON-CURRENT ASSETS</b>           | <b>76,734</b>  | <b>70,137</b>  | <b>30,735</b> |
| Intangible assets                   | 444            | 111            | 10            |
| Property Plant and Equipment        | 3,752          | 3,897          | 2,356         |
| Financial Fixed Assets              | 72,538         | 66,129         | 28,369        |
| <b>CURRENT ASSETS</b>               | <b>68,302</b>  | <b>49,423</b>  | <b>24,521</b> |
| Inventories                         | 276            | 185            | 143           |
| Trade and Other Receivables         | 27,818         | 11,558         | 4,922         |
| Cash and Cash Equivalents           | 40,208         | 37,679         | 19,456        |
| <b>TOTAL ASSETS</b>                 | <b>145,036</b> | <b>119,559</b> | <b>55,256</b> |
| <b>EQUITY AND LIABILITIES</b>       |                |                |               |
| Thousands of €                      | 2007           | 2006           | 2005          |
| <b>Current liabilities</b>          | <b>31,115</b>  | <b>19,710</b>  | <b>5,051</b>  |
| Trade and other payables            | 28,846         | 18,258         | 4,201         |
| Obligations under finance lease     | 521            | 442            | 115           |
| Payroll and tax liabilities         | 1,748          | 1,010          | 735           |
| <b>Non-current liabilities</b>      | <b>1,602</b>   | <b>1,559</b>   | <b>1,728</b>  |
| Obligations under finance lease     | 1,038          | 1,559          | 1,728         |
| Other liabilities                   | 564            |                |               |
| <b>LIABILITIES</b>                  | <b>32,717</b>  | <b>21,269</b>  | <b>6,779</b>  |
| <b>EQUITY</b>                       | <b>112,319</b> | <b>98,290</b>  | <b>48,477</b> |
| Capital and reserves                | 114,995        | 107,856        | 68,980        |
| Share premium account               | 42,308         | 38,210         | 14,292        |
| Accumulated loss                    | -44,984        | -47,776        | -34,795       |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>145,036</b> | <b>119,559</b> | <b>55,256</b> |

GLPG  
2007

## Non-consolidated financial statements

## GALAPAGOS NV

### STATUTORY AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2007 TO THE SHAREHOLDERS' MEETING

To the shareholders

As required by law and the company's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us. This report includes our opinion on the financial statements together with the required additional comments and information.

#### *Unqualified audit opinion on the financial statements*

We have audited the financial statements of GALAPAGOS NV for the year ended 31 December 2007, prepared in accordance with the accounting principles applicable in Belgium, which show total assets of 145.036 (000) EUR and a profit for the year of 2.792 (000) EUR.

The board of directors of the company is responsible for the preparation of the financial statements. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the financial statements, taken as a whole. Finally, the board of directors and responsible officers of the company have replied to all our requests for explanations and information. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the financial statements as of 31 December 2007 give a true and fair view of the company's assets, liabilities, financial position and results in accordance with the accounting principles applicable in Belgium.

#### *Additional comments and information*

The preparation and the assessment of the information that should be included in the directors' report and the company's compliance with the requirements of the Companies Code and its articles of association are the responsibility of the board of directors.

Our responsibility is to include in our report the following additional comments and information which do not change the scope of our audit opinion on the financial statements:

- The directors' report includes the information required by law and is in agreement with the financial statements. However, we are unable to express an opinion on the description of the principal risks and uncertainties confronting the company, or on the status, future evolution, or significant influence of certain factors on its future development. We can, nevertheless, confirm that the information given is not in obvious contradiction with any information obtained in the context of our appointment.
- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- Except for the late deposit at the National Bank of Belgium of the consolidated and standalone annual accounts, the consolidated and standalone management reports and the respective statutory auditor's reports by the board of directors in accordance with the articles 98, 100 and 102 of the Companies Code for the accounting year

ended 31 December 2006, no transactions have been undertaken or decisions taken in violation of the company's articles or the Companies Code such as we would be obliged to report to you. The appropriation of the results proposed to the general meeting is in accordance with the requirements of the law and the company's articles.

- In accordance with article 523 of the Companies Code, we are required to report on the following operations which have taken place since your last Annual General Meeting:
  - With respect to the decision of the board of directors of 11 December 2007 on the determination of the bonus level for 2007 for the CEO (Mr van de Stolpe), as well as his salary increase for 2008 (5%) and the proposed granting of 50.000 warrants, the procedure as outlined in article 523 of the Companies Code has been followed. The cost relating to the above mentioned bonus in the financial statements is 327.241,80 EUR. The board of directors has been explained that the granting of these benefits is proposed following the recommendation of the remuneration committee and that they are considered to be a fair reward for the results obtained by Mr van de Stolpe in 2007. The granting of these benefits will have no significant impact on the company's financial situation. The board shares the opinion of the remuneration committee that the proposed compensation is justified and reasonable

Diegem, 15 April 2008

**The statutory auditor**

---

**DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises**  
BV o.v.v.e. CVBA / SC s.f.d. SCRL  
Represented by Gert Vanhees

|           |                   |                  |      |          |            |         |
|-----------|-------------------|------------------|------|----------|------------|---------|
| <b>40</b> |                   |                  |      | <b>1</b> | <b>EUR</b> |         |
| NAT.      | Datum neerlegging | Nr. 0466.460.429 | Blz. | E.       | D.         | VOL 1.1 |

**JAARREKENING IN EURO (2 decimalen)**

NAAM: **GALAPAGOS**

Rechtsvorm: **NV**

Adres: **Generaal De Wittelaan**

Nr.: **L11 Bus A3**

Postnummer: **2800**

Gemeente: **Mechelen**

Land: **België**

Rechtspersonenregister (RPR) - Rechtbank van Koophandel van **Mechelen**

Internetadres \*:

Ondernemingsnummer **0466.460.429**

DATUM **27/12/2007** van de neerlegging van de oprichtingsakte OF van het recentste stuk dat de datum van bekendmaking van de oprichtingsakte en van de akte tot statutenwijziging vermeldt.

JAARREKENING goedgekeurd door de algemene vergadering van

**03/06/2008**

met betrekking tot het boekjaar dat de periode dekt van

**01/01/2007**

tot

**31/12/2007**

Vorig boekjaar van

**01/01/2006**

tot

**31/12/2006**

De bedragen van het vorige boekjaar zijn / ~~zijn niet~~ \*\* identiek met die welke eerder openbaar werden gemaakt.

VOLLEDIGE LIJST met naam, voornamen, beroep, woonplaats (adres, nummer, postnummer en gemeente) en functie in de onderneming, van de BESTUURDERS, ZAAKVOERDERS EN COMMISSARISSEN

**Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA (IBR 014) CVBA 0429.053.863**

Louizalaan 240 , 1050 Brussel 5, België

Functie : Commissaris

Mandaat : 04/04/2006 - 02/06/2009

Vertegenwoordigd door :

Vanhees Gert

Louizalaan 240 , 1050 Brussel 5, België

**Onno van de Stolpe Beroep : -**

Borzestraat 50 , bus 2, 2800 Mechelen, België

Functie : Gedelegeerd bestuurder

Mandaat : 29/03/2005 - 09/05/2009

**Laurent Ganem Beroep : -**

Rue des Beaux 3bis , 75006 Paris, Frankrijk

Functie : Bestuurder

Mandaat : 29/03/2005 - 09/05/2009

Zijn gevoegd bij deze jaarrekening:

Totaal aantal neergelegde bladen: **49**  
omdat ze niet dienstig zijn:

Nummers van de secties van het standaardformulier die niet werden neergelegd

Handtekening  
(naam en hoedanigheid)

**van de Stolpe Onno**

**Gedelegeerd Bestuurder**

Handtekening  
(naam en hoedanigheid)

**Verdonck Ferdinand**

**Bestuurder**

\* Facultatieve vermelding.

\*\* Schrappen wat niet van toepassing is.

## LIJST VAN DE BESTUURDERS, ZAAKVOERDERS EN COMMISSARISSEN (vervolg van de vorige bladzijde)

**Barry Ross Beroep : -**

Annables Lane Harpenden - , AL53PL Herts, Verenigd Koninkrijk

Functie : Bestuurder

Mandaat : 29/03/2005 - 09/05/2009

**Raj Parekh Beroep : -**

Alchester House, Near Wendlebury - , OX252N2 Oxon, Verenigd Koninkrijk

Functie : Bestuurder

Mandaat : 29/03/2005 - 09/05/2009

**Harrold Van Barlingen Beroep : -**

Bolstraat 4 , 3581 WX Utrecht, Nederland

Functie : Bestuurder

Mandaat : 10/05/2005 - 09/05/2009

**Ferdinand Verdonck Beroep : -**

Nederpolder 7 , 9000 Gent, België

Functie : Bestuurder

Mandaat : 10/05/2005 - 09/05/2009

**Geoff McMillan Beroep : -**

Gameguards, Northend, Meldreth - , SG8 6NX Royston, Hertfordshire, Verenigd Koninkrijk

Functie : Bestuurder

Mandaat : 06/01/2006 - 02/06/2009

**Rudi Pauwels Beroep : -**

Chemin de Layaz 3 , 1806 St. Légier - La Chiésaz, Zwitserland

Functie : Bestuurder

Mandaat : 01/01/2007 - 07/06/2011



**VERKLARING BETREFFENDE EEN AANVULLENDE OPDRACHT VOOR NAZICHT OF CORRECTIE**

Het bestuursorgaan verklaart dat geen enkele opdracht voor nazicht werd gegeven aan iemand die daar wettelijk niet toe gemachtigd is met toepassing van de artikelen 34 en 37 van de wet van 22 april 1999 betreffende de boekhoudkundige en fiscale beroepen.

Werd de jaarrekening geverifieerd of gecorrigeerd door een externe accountant of door een bedrijfsrevisor die niet de commissaris is? ~~JA~~ / NEE \*.

Indien JA, moeten hierna worden vermeld: naam, voornamen, beroep en woonplaats van elke externe accountant of bedrijfsrevisor en zijn lidmaatschapsnummer bij zijn Instituut, evenals de aard van zijn opdracht:

- A. Het voeren van de boekhouding van de onderneming \*\*,
- B. Het opstellen van de jaarrekening \*\*,
- C. Het verifiëren van de jaarrekening en/of
- D. Het corrigeren van de jaarrekening.

Indien taken bedoeld onder A. of onder B. uitgevoerd zijn door erkende boekhouders of door erkende boekhouders-fiscalisten, kunnen hierna worden vermeld: naam, voornamen, beroep en woonplaats van alle erkende boekhouder of erkende boekhouder-fiscalist en zijn lidmaatschapsnummer bij het Beroepsinstituut van erkende Boekhouders en Fiscalisten, evenals de aard van zijn opdracht.

| Naam, voornamen, beroep en woonplaats | Lidmaatschapsnummer | Aard van de opdracht (A, B, C en/of D) |
|---------------------------------------|---------------------|--|
|                                       |                     |  |

\* Schrapen wat niet van toepassing is.

\*\* Facultatieve vermelding.

**BALANS NA WINSTVERDELING**

|  | Toel.         | Codes | Boekjaar             | Vorig boekjaar       |
|--|---------------|-------|----------------------|----------------------|
| <b>ACTIVA</b>  |               |       |                      |                      |
| <b>VASTE ACTIVA</b> .....  |               | 20/28 | <u>76.733.803,99</u> | <u>70.136.465,00</u> |
| <b>Oprichtingskosten</b> .....                                   | 5.1           | 20    |                      |                      |
| <b>Immateriële vaste activa</b> .....                            | 5.2           | 21    | 444.544,54           | 111.221,67           |
| <b>Materiële vaste activa</b> .....                              | 5.3           | 22/27 | 3.751.558,11         | 3.896.837,15         |
| Terreinen en gebouwen .....                                      |               | 22    | 205.792,04           | 115.406,75           |
| Installaties, machines en uitrusting .....                       |               | 23    | 1.038.313,16         | 878.537,84           |
| Meubilair en rollend materieel .....                             |               | 24    | 49.124,62            | 22.786,61            |
| Leasing en soortgelijke rechten .....                            |               | 25    | 2.413.459,55         | 2.823.847,95         |
| Overige materiële vaste activa .....                             |               | 26    |                      |                      |
| Activa in aanbouw en vooruitbetalingen .....                     |               | 27    | 44.868,74            | 56.258,00            |
|  | 5.4/          |       |                      |                      |
| <b>Financiële vaste activa</b> .....                             | 5.5.1         | 28    | 72.537.701,34        | 66.128.406,18        |
| Verbonden ondernemingen .....                                    | 5.14          | 280/1 | 72.537.589,80        | 66.128.294,64        |
| Deelnemingen .....   |               | 280   | 72.537.589,80        | 66.128.294,64        |
| Vorderingen .....  |               | 281   |                      |                      |
| Ondernemingen waarmee een deelnemingsverhouding<br>bestaat ..... | 5.14          | 282/3 |                      |                      |
| Deelnemingen .....   |               | 282   |                      |                      |
| Vorderingen .....  |               | 283   |                      |                      |
| Andere financiële vaste activa .....                             |               | 284/8 | 111,54               | 111,54               |
| Aandelen .....   |               | 284   |                      |                      |
| Vorderingen en borgtochten in contanten .....                    |               | 285/8 | 111,54               | 111,54               |
| <b>VLOTTENDE ACTIVA</b> .....                                    |               | 29/58 | <u>68.302.565,37</u> | <u>49.422.239,56</u> |
| <b>Vorderingen op meer dan één jaar</b> .....                    |               | 29    |                      |                      |
| Handelsvorderingen .....   |               | 290   |                      |                      |
| Overige vorderingen .....  |               | 291   |                      |                      |
| <b>Voorraden en bestellingen in uitvoering</b> .....             |               | 3     | 276.551,01           | 184.624,01           |
| Voorraden .....  |               | 30/36 | 276.551,01           | 184.624,01           |
| Grond- en hulpstoffen .....                                      |               | 30/31 | 276.551,01           | 184.624,01           |
| Goederen in bewerking .....                                      |               | 32    |                      |                      |
| Gereed product .....   |               | 33    |                      |                      |
| Handelsgoederen .....  |               | 34    |                      |                      |
| Onroerende goederen bestemd voor verkoop .....                   |               | 35    |                      |                      |
| Vooruitbetalingen .....  |               | 36    |                      |                      |
| Bestellingen in uitvoering .....                                 |               | 37    |                      |                      |
| <b>Vorderingen op ten hoogste één jaar</b> .....                 |               | 40/41 | 26.793.950,02        | 11.239.603,37        |
| Handelsvorderingen .....   |               | 40    | 7.451.947,73         | 1.813.158,55         |
| Overige vorderingen .....  |               | 41    | 19.342.002,29        | 9.426.444,82         |
| <b>Geldbeleggingen</b> .....                                     | 5.5.1/<br>5.6 | 50/53 | 30.980.822,64        | 36.766.041,72        |
| Eigen aandelen .....   |               | 50    |                      |                      |
| Overige beleggingen .....  |               | 51/53 | 30.980.822,64        | 36.766.041,72        |
| <b>Liquide middelen</b> .....                                    |               | 54/58 | 9.226.691,23         | 912.910,12           |
| <b>Overlopende rekeningen</b> .....                              | 5.6           | 490/1 | 1.024.550,47         | 319.060,34           |
| <b>TOTAAL DER ACTIVA</b> .....                                   |               | 20/58 | 145.036.369,36       | 119.558.704,56       |

| <b>PASSIVA</b>   | Toel. | Codes | Boekjaar              | Vorig boekjaar       |
|--|-------|-------|-----------------------|----------------------|
| <b>EIGEN VERMOGEN</b> .....  |       | 10/15 | <u>112.319.151,96</u> | <u>98.289.965,81</u> |
| <b>Kapitaal</b> .....  | 5.7   | 10    | 114.995.166,45        | 107.856.175,51       |
| Geplaatst kapitaal .....   |       | 100   | 114.995.166,45        | 107.856.175,51       |
| Niet-opgevraagd kapitaal .....   |       | 101   |                       |                      |
| <b>Uitgiftepremies</b> .....   |       | 11    | 42.308.168,18         | 38.209.593,77        |
| <b>Herwaarderingsmeerwaarden</b> .....   |       | 12    |                       |                      |
| <b>Reserves</b> .....  |       | 13    |                       |                      |
| Wettelijke reserve .....   |       | 130   |                       |                      |
| Onbeschikbare reserves .....   |       | 131   |                       |                      |
| Voor eigen aandelen .....  |       | 1310  |                       |                      |
| Andere .....   |       | 1311  |                       |                      |
| Belastingvrije reserves .....  |       | 132   |                       |                      |
| Beschikbare reserves .....   |       | 133   |                       |                      |
| <b>Overgedragen winst (verlies)</b> .....                                      |       | 14    | -44.984.182,67        | -47.775.803,47       |
| <b>Kapitaalsubsidies</b> .....   |       | 15    |                       |                      |
| <b>Voorschot aan de vennoten op de verdeling van het netto-actief</b> .....    |       | 19    |                       |                      |
| <b>VOORZIENINGEN EN UITGESTELDE BELASTINGEN</b> .....                          |       | 16    |                       |                      |
| <b>Voorzieningen voor risico's en kosten</b> .....                             |       | 160/5 |                       |                      |
| Pensioenen en soortgelijke verplichtingen .....                                |       | 160   |                       |                      |
| Belastingen .....  |       | 161   |                       |                      |
| Grote herstellings- en onderhoudswerken .....                                  |       | 162   |                       |                      |
| Overige risico's en kosten .....   | 5.8   | 163/5 |                       |                      |
| <b>Uitgestelde belastingen</b> .....   |       | 168   |                       |                      |
| <b>SCHULDEN</b> .....  |       | 17/49 | <u>32.717.217,40</u>  | <u>21.268.738,75</u> |
| <b>Schulden op meer dan één jaar</b> .....                                     | 5.9   | 17    | 1.601.413,84          | 1.559.406,86         |
| Financiële schulden .....  |       | 170/4 | 1.038.011,00          | 1.559.406,86         |
| Achtergestelde leningen .....  |       | 170   |                       |                      |
| Niet-achtergestelde obligatieleningen .....                                    |       | 171   |                       |                      |
| Leasingschulden en soortgelijke schulden .....                                 |       | 172   | 1.038.011,00          | 1.559.406,86         |
| Kredietinstellingen .....  |       | 173   |                       |                      |
| Overige schulden .....   |       | 174   |                       |                      |
| Handelsschulden .....  |       | 175   |                       |                      |
| Leveranciers .....   |       | 1750  |                       |                      |
| Te betalen wissels .....   |       | 1751  |                       |                      |
| Ontvangen vooruitbetalingen op bestellingen .....                              |       | 176   |                       |                      |
| Overige schulden .....   |       | 178/9 | 563.402,84            |                      |
| <b>Schulden op ten hoogste één jaar</b> .....                                  |       | 42/48 | 14.420.571,53         | 16.678.192,58        |
| Schulden op meer dan één jaar die binnen het jaar vervallen .....              | 5.9   | 42    | 521.395,86            | 441.935,80           |
| Financiële schulden .....  |       | 43    |                       |                      |
| Kredietinstellingen .....  |       | 430/8 |                       |                      |
| Overige leningen .....   |       | 439   |                       |                      |
| Handelsschulden .....  |       | 44    | 7.556.492,68          | 4.221.610,26         |
| Leveranciers .....   |       | 440/4 | 7.556.492,68          | 4.221.610,26         |
| Te betalen wissels .....   |       | 441   |                       |                      |
| Ontvangen vooruitbetalingen op bestellingen .....                              |       | 46    |                       |                      |
| Schulden met betrekking tot belastingen, bezoldigingen en sociale lasten ..... | 5.9   | 45    | 1.748.226,08          | 1.009.824,60         |
| Belastingen .....  |       | 450/3 | 635.780,70            |                      |
| Bezoldigingen en sociale lasten .....  |       | 454/9 | 1.112.445,38          | 1.009.824,60         |
| Overige schulden .....   |       | 47/48 | 4.594.456,91          | 11.004.821,92        |
| <b>Overlopende rekeningen</b> .....  | 5.9   | 492/3 | 16.695.232,03         | 3.031.139,31         |
| <b>TOTAAL DER PASSIVA</b> .....  |       | 10/49 | 145.036.369,36        | 119.558.704,56       |

## RESULTATENREKENING

|  | Toel. | Codes | Boekjaar      | Vorig boekjaar |
|--|-------|-------|---------------|----------------|
| <b>Bedrijfsopbrengsten</b> .....   |       | 70/74 | 29.756.146,52 | 7.670.071,06   |
| Omzet .....  | 5.10  | 70    | 25.697.225,66 | 7.006.158,37   |
| Toename (afname) in de voorraad goederen in<br>bewerking en gereed product en in de bestellingen in<br>uitvoering .....                                    |       | 71    |               |                |
|  |       |       |               |                |
| Geproduceerde vaste activa .....   |       | 72    |               |                |
| Andere bedrijfsopbrengsten .....   | 5.10  | 74    | 4.058.920,86  | 663.912,69     |
| <b>Bedrijfskosten</b> .....  |       | 60/64 | 27.926.635,32 | 20.555.478,76  |
| Handelsgoederen, grond- en hulpstoffen .....   |       | 60    | 2.237.004,10  | 1.767.515,50   |
| Aankopen .....   |       | 600/8 | 2.328.931,10  | 1.809.461,88   |
| Afname (toename) van de voorraad .....   |       | 609   | -91.927,00    | -41.946,38     |
| Diensten en diverse goederen .....   |       | 61    | 18.271.877,31 | 13.699.808,35  |
| Bezoldigingen, sociale lasten en pensioenen .....  | 5.10  | 62    | 6.194.131,45  | 4.369.456,78   |
| Afschrijvingen en waardeverminderingen op<br>oprichtingskosten, op immateriële en materiële vaste<br>activa .....  |       | 630   | 779.186,00    | 619.949,42     |
| Waardeverminderingen op voorraden, bestellingen in<br>uitvoering en handelsvorderingen - Toevoegingen<br>(terugnemingen) .....                             |       | 631/4 |               |                |
|  |       |       |               |                |
| Voorzieningen voor risico's en kosten - Toevoegingen<br>(bestedingen en terugnemingen) .....   | 5.10  | 635/7 |               |                |
| Andere bedrijfskosten .....  | 5.10  | 640/8 | 444.436,46    | 98.748,71      |
| Als herstructureringskosten geactiveerde bedrijfs-<br>kosten .....   |       | 649   |               |                |
| <b>Bedrijfswinst(verlies)</b> .....  |       | 9901  | 1.829.511,20  | -12.885.407,70 |
| <b>Financiële opbrengsten</b> .....  |       | 75    | 1.707.780,49  | 291.503,48     |
| Opbrengsten uit financiële vaste activa .....  |       | 750   |               |                |
| Opbrengsten uit vlottende activa .....   |       | 751   | 837.425,66    | 245.148,30     |
| Andere financiële opbrengsten .....  | 5.11  | 752/9 | 870.354,83    | 46.355,18      |
| <b>Financiële kosten</b> .....   | 5.11  | 65    | 725.283,26    | 390.503,84     |
| Kosten van schulden .....  |       | 650   | 586.985,72    | 204.842,52     |
| Waardeverminderingen op vlottende activa andere dan<br>voorraden, bestellingen in uitvoering en handels-<br>vorderingen - Toevoegingen (Terugneming) ..... |       | 651   |               |                |
| Andere financiële kosten .....   |       | 652/9 | 138.297,54    | 185.661,32     |
| <b>Winst (Verlies) uit de gewone bedrijfsuitoefening voor<br/>belasting</b> .....  |       | 9902  | 2.812.008,43  | -12.984.408,06 |

|  | Toel. | Codes | Boekjaar     | Vorig boekjaar |
|--|-------|-------|--------------|----------------|
| <b>Uitzonderlijke opbrengsten</b> .....  |       | 76    | 24.833,37    | 3.355,37       |
| Terugneming van afschrijvingen en van waardeverminderingen op immateriële en materiële vaste activa .....                  |       | 760   |              |                |
| Terugneming van waardeverminderingen op financiële vaste activa .....  |       | 761   |              |                |
| Terugneming van voorzieningen voor uitzonderlijke risico's en kosten .....   |       | 762   |              |                |
| Meerwaarde bij de realisatie van vaste activa .....  |       | 763   | 15.000,00    | 3.355,37       |
| Andere uitzonderlijke opbrengsten .....  |       | 764/9 | 9.833,37     |                |
| <b>Uitzonderlijke kosten</b> .....   |       | 66    | 45.221,00    |                |
| Uitzonderlijke afschrijvingen en waardeverminderingen op oprichtingskosten, op immateriële en materiële vaste activa ..... |       | 660   | 45.221,00    |                |
| Waardeverminderingen op financiële vaste activa .....  |       | 661   |              |                |
| Voorzieningen voor uitzonderlijke risico's en kosten   |       | 662   |              |                |
| Toevoegingen (bestedingen) .....   |       | 662   |              |                |
| .....(+)/(-)   |       |       |              |                |
| Minderwaarden bij de realisatie van vaste activa .....   |       | 663   |              |                |
| Andere uitzonderlijke kosten .....   | 5.11  | 664/8 |              |                |
| Als herstructureringskosten geactiveerde uitzonderlijke kosten .....   |       | 669   |              |                |
| ..... (-)  |       |       |              |                |
| <b>Winst (Verlies) van het boekjaar voor belasting</b> .....   |       | 9903  | 2.791.620,80 | -12.981.052,69 |
| .....(+)/(-)   |       |       |              |                |
| <b>Onttrekkingen aan de uitgestelde belastingen</b> .....  |       | 780   |              |                |
| <b>Overboeking naar de uitgestelde belastingen</b> .....   |       | 680   |              |                |
| <b>Belastingen op het resultaat</b> .....  | 5.12  | 67/77 |              |                |
| .....(+)/(-)   |       |       |              |                |
| Belastingen .....  |       | 670/3 |              |                |
| Regularisering van belastingen en terugneming van voorzieningen voor belastingen .....                                     |       | 77    |              |                |
| <b>Winst (Verlies) van het boekjaar</b> .....  |       | 9904  | 2.791.620,80 | -12.981.052,69 |
| .....(+)/(-)   |       |       |              |                |
| <b>Onttrekking aan de belastingvrije reserves</b> .....  |       | 789   |              |                |
| <b>Overboeking naar de belastingvrije reserves</b> .....   |       | 689   |              |                |
| <b>Te bestemmen winst (verlies) van het boekjaar</b> .....   |       | 9905  | 2.791.620,80 | -12.981.052,69 |
| .....(+)/(-)   |       |       |              |                |

**RESULTAATVERWERKING**

|   | Codes  | Boekjaar       | Vorig boekjaar |
|---|--------|----------------|----------------|
| <b>Te bestemmen winst(verlies)saldo</b> .....(+)/(-)                    | 9906   | -44.984.182,67 | -47.775.803,47 |
| Te bestemmen winst (verlies) van het boekjaar .....(+)/(-)              | (9905) | 2.791.620,80   | -12.981.052,69 |
| Overgedragen winst (verlies) van het vorige boekjaar .....(+)/(-)       | 14P    | -47.775.803,47 | -34.794.750,78 |
| <b>Onttrekking aan het eigen vermogen</b> .....                         | 791/2  |                |                |
| aan het kapitaal en aan de uitgiftepremies .....                        | 791    |                |                |
| aan de reserves .....   | 792    |                |                |
| <b>Toevoeging aan het eigen vermogen</b> .....                          | 691/2  |                |                |
| aan het kapitaal en aan de uitgiftepremies .....                        | 691    |                |                |
| aan de wettelijke reserves .....  | 6920   |                |                |
| aan de overige reserves .....   | 6921   |                |                |
| <b>Over te dragen winst (verlies)</b> .....(+)/(-)                      | (14)   | -44.984.182,67 | -47.775.803,47 |
| <b>Tussenkost van de vennoten (of de eigenaar) in het verlies</b> ..... | 794    |                |                |
| <b>Uit te keren winst</b> .....   | 694/6  |                |                |
| Vergoeding van het kapitaal .....                                       | 694    |                |                |
| Bestuurders of zaakvoerders .....                                       | 695    |                |                |
| Andere rechthebbenden .....   | 696    |                |                |

**TOELICHTING**

**STAAT VAN DE OPRICHTINGSKOSTEN**

|  | Codes | Boekjaar         | Vorig boekjaar |
|--|-------|------------------|----------------|
| <b>Nettoboekwaarde per einde van het boekjaar</b> .....  | 20P   | xxxxxxxxxxxxxxxx |                |
| <b>Mutaties tijdens het boekjaar</b>   |       |                  |                |
| Nieuwe kosten van het boekjaar .....   | 8002  |                  |                |
| Afschrijvingen.....  | 8003  |                  |                |
| Andere .....(+)/(-)  | 8004  |                  |                |
| <b>Nettoboekwaarde per einde van het boekjaar</b> .....  | (20)  |                  |                |
| <b>Waarvan</b>   |       |                  |                |
| Kosten van oprichting en kapitaalverhoging, kosten bij uitgifte van leningen en andere oprichtingskosten ..... | 200/2 |                  |                |
| Herstructureringskosten .....  | 204   |                  |                |

## STAAT VAN DE IMMATERIËLE VASTE ACTIVA

|  | Codes | Boekjaar         | Vorig boekjaar |
|--|-------|------------------|----------------|
| <b>KOSTEN VAN ONDERZOEK EN ONTWIKKELING</b>                                    |       |                  |                |
| <b>Aanschaffingswaarde per einde van het boekjaar</b> .....                    | 8051P | xxxxxxxxxxxxxxxx |                |
| <b>Mutaties tijdens het boekjaar</b>   |       |                  |                |
| Aanschaffingen, met inbegrip van de geproduceerde vaste activa .....           | 8021  |                  |                |
| Overdrachten en buitengebruikstellingen .....                                  | 8031  |                  |                |
| Overboeking van een post naar een andere .....(+)/(-)                          | 8041  |                  |                |
| <b>Aanschaffingswaarde per einde van het boekjaar</b> .....                    | 8051  |                  |                |
| <b>Afschrijvingen en waardeverminderingen per einde van het boekjaar</b> ..... | 8121P | xxxxxxxxxxxxxxxx |                |
| <b>Mutaties tijdens het boekjaar</b>   |       |                  |                |
| Geboekt .....  | 8071  |                  |                |
| Teruggenomen want overtollig .....   | 8081  |                  |                |
| Verworven van derden .....   | 8091  |                  |                |
| Afgeboekt na overdrachten en buitengebruikstellingen .....                     | 8101  |                  |                |
| Overgeboekt van een post naar een andere .....(+)/(-)                          | 8111  |                  |                |
| <b>Afschrijvingen en waardeverminderingen per einde van het boekjaar</b> ..... | 8121  |                  |                |
| <b>NETTOBOEKWAARDE PER EINDE VAN HET BOEKJAAR</b> .....                        | 210   |                  |                |



|  | Codes | Boekjaar          | Vorig boekjaar |
|--|-------|-------------------|----------------|
| <b>CONCESSIES, OCTROOIEN, LICENTIES, KNOWHOW, MERKEN EN SOORTGELIJKE RECHTEN</b> |       |                   |                |
| <b>Aanschaffingswaarde per einde van het boekjaar</b> .....                      | 8052P | xxxxxxxxxxxxxxxx  | 1.299.468,50   |
| <b>Mutaties tijdens het boekjaar</b>   |       |                   |                |
| Aanschaffingen, met inbegrip van de geproduceerde vaste activa .....             | 8022  | 382.064,87        |                |
| Overdrachten en buitengebruikstellingen .....                                    | 8032  |                   |                |
| Overboeking van een post naar een andere .....(+)/(-)                            | 8042  | 12.995,00         |                |
| <b>Aanschaffingswaarde per einde van het boekjaar</b> .....                      | 8052  | 1.694.528,37      |                |
| <b>Afschrijvingen en waardeverminderingen per einde van het boekjaar</b> .....   | 8122P | xxxxxxxxxxxxxxxx  | 1.188.246,83   |
| <b>Mutaties tijdens het boekjaar</b>   |       |                   |                |
| Geboekt .....  | 8072  | 61.737,00         |                |
| Teruggenomen want overtollig .....   | 8082  |                   |                |
| Verworven van derden .....   | 8092  |                   |                |
| Afgeboekt na overdrachten en buitengebruikstellingen .....                       | 8102  |                   |                |
| Overgeboekt van een post naar een andere .....(+)/(-)                            | 8112  |                   |                |
| <b>Afschrijvingen en waardeverminderingen per einde van het boekjaar</b> .....   | 8122  | 1.249.983,83      |                |
| <b>NETTOBOEKWAARDE PER EINDE VAN HET BOEKJAAR</b> .....                          | 211   | <u>444.544,54</u> |                |

|  | Codes | Boekjaar         | Vorig boekjaar |
|--|-------|------------------|----------------|
| <b>GOODWILL</b>  |       |                  |                |
| <b>Aanschaffingswaarde per einde van het boekjaar</b> .....                    | 8053P | xxxxxxxxxxxxxxxx |                |
| <b>Mutaties tijdens het boekjaar</b>   |       |                  |                |
| Aanschaffingen, met inbegrip van de geproduceerde vaste activa .....           | 8023  |                  |                |
| Overdrachten en buitengebruikstellingen .....                                  | 8033  |                  |                |
| Overboeking van een post naar een andere .....(+)/(-)                          | 8043  |                  |                |
| <b>Aanschaffingswaarde per einde van het boekjaar</b> .....                    | 8053  |                  |                |
| <b>Afschrijvingen en waardeverminderingen per einde van het boekjaar</b> ..... | 8123P | xxxxxxxxxxxxxxxx |                |
| <b>Mutaties tijdens het boekjaar</b>   |       |                  |                |
| Geboekt .....  | 8073  |                  |                |
| Teruggenomen want overtollig .....   | 8083  |                  |                |
| Verworven van derden .....   | 8093  |                  |                |
| Afgeboekt na overdrachten en buitengebruikstellingen .....                     | 8103  |                  |                |
| Overgeboekt van een post naar een andere .....(+)/(-)                          | 8113  |                  |                |
| <b>Afschrijvingen en waardeverminderingen per einde van het boekjaar</b> ..... | 8123  |                  |                |
| <b>NETTOBOEKWAARDE PER EINDE VAN HET BOEKJAAR</b> .....                        | 212   | _____            |                |

**VOORUITBETALINGEN**

**Aanschaffingswaarde per einde van het boekjaar** .....

**Mutaties tijdens het boekjaar**

    Aanschaffingen, met inbegrip van de geproduceerde vaste activa .....

    Overdrachten en buitengebruikstellingen .....

    Overboeking van een post naar een andere .....(+)/(-)

**Aanschaffingswaarde per einde van het boekjaar** .....

**Afschrijvingen en waardeverminderingen per einde van het boekjaar** .....

**Mutaties tijdens het boekjaar**

    Geboekt .....

    Teruggenomen want overtollig .....

    Verworven van derden .....

    Afgeboekt na overdrachten en buitengebruikstellingen .....

    Overgeboekt van een post naar een andere .....(+)/(-)

**Afschrijvingen en waardeverminderingen per einde van het boekjaar** .....

**NETTOBOEKWAARDE PER EINDE VAN HET BOEKJAAR** .....

| Codes | Boekjaar         | Vorig boekjaar |
|-------|------------------|----------------|
| 8054P | xxxxxxxxxxxxxxxx |                |
| 8024  |                  |                |
| 8034  |                  |                |
| 8044  |                  |                |
| 8054  |                  |                |
| 8124P | xxxxxxxxxxxxxxxx |                |
| 8074  |                  |                |
| 8084  |                  |                |
| 8094  |                  |                |
| 8104  |                  |                |
| 8114  |                  |                |
| 8124  |                  |                |
| 213   |                  |                |

## STAAT VAN DE MATERIËLE VASTE ACTIVA

|  | Codes | Boekjaar          | Vorig boekjaar |
|--|-------|-------------------|----------------|
| <b>TERREINEN EN GEBOUWEN</b>   |       |                   |                |
| <b>Aanschaffingswaarde per einde van het boekjaar</b> .....                    | 8191P | xxxxxxxxxxxxxxxx  | 182.766,52     |
| <b>Mutaties tijdens het boekjaar</b>   |       |                   |                |
| Aanschaffingen, met inbegrip van de geproduceerde vaste activa .....           | 8161  | 110.961,29        |                |
| Overdrachten en buitengebruikstellingen .....                                  | 8171  |                   |                |
| Overboeking van een post naar een andere .....                                 | 8181  |                   |                |
| <b>Aanschaffingswaarde per einde van het boekjaar</b> .....                    | 8191  | 293.727,81        |                |
| <b>Meerwaarde per einde van het boekjaar</b> .....                             | 8251P | xxxxxxxxxxxxxxxx  |                |
| <b>Mutaties tijdens het boekjaar</b>   |       |                   |                |
| Geboekt .....  | 8211  |                   |                |
| Verworven van derden .....   | 8221  |                   |                |
| Afgeboekt .....  | 8231  |                   |                |
| Overgeboekt van een post naar een andere .....                                 | 8241  |                   |                |
| <b>Meerwaarde per einde van het boekjaar</b> .....                             | 8251  |                   |                |
| <b>Afschrijvingen en waardeverminderingen per einde van het boekjaar</b> ..... | 8321P | xxxxxxxxxxxxxxxx  | 67.359,77      |
| <b>Mutaties tijdens het boekjaar</b>   |       |                   |                |
| Geboekt .....  | 8271  | 20.576,00         |                |
| Teruggenomen want overtollig .....   | 8281  |                   |                |
| Verworven van derden .....   | 8291  |                   |                |
| Afgeboekt na overdrachten en buitengebruikstellingen .....                     | 8301  |                   |                |
| Overgeboekt van een post naar een andere .....                                 | 8311  |                   |                |
| <b>Afschrijvingen en waardeverminderingen per einde van het boekjaar</b> ..... | 8321  | 87.935,77         |                |
| <b>NETTOBOEKWAARDE PER EINDE VAN HET BOEKJAAR</b> .....                        | (22)  | <u>205.792,04</u> |                |

|  | Codes | Boekjaar            | Vorig boekjaar |
|--|-------|---------------------|----------------|
| <b>INSTALLATIES, MACHINES EN UITRUSTING</b>                                    |       |                     |                |
| <b>Aanschaffingswaarde per einde van het boekjaar</b> .....                    | 8192P | xxxxxxxxxxxxxxx     | 3.150.799,47   |
| <b>Mutaties tijdens het boekjaar</b>   |       |                     |                |
| Aanschaffingen, met inbegrip van de geproduceerde vaste activa .....           | 8162  | 464.237,32          |                |
| Overdrachten en buitengebruikstellingen .....                                  | 8172  | 34.522,00           |                |
| Overboeking van een post naar een andere .....(+)/(-)                          | 8182  |                     |                |
| <b>Aanschaffingswaarde per einde van het boekjaar</b> .....                    | 8192  | 3.580.514,79        |                |
| <b>Meerwaarde per einde van het boekjaar</b> .....                             | 8252P | xxxxxxxxxxxxxxx     |                |
| <b>Mutaties tijdens het boekjaar</b>   |       |                     |                |
| Geboekt .....  | 8212  |                     |                |
| Verworven van derden .....   | 8222  |                     |                |
| Afgeboekt .....  | 8232  |                     |                |
| Overgeboekt van een post naar een andere .....(+)/(-)                          | 8242  |                     |                |
| <b>Meerwaarde per einde van het boekjaar</b> .....                             | 8252  |                     |                |
| <b>Afschrijvingen en waardeverminderingen per einde van het boekjaar</b> ..... | 8322P | xxxxxxxxxxxxxxx     | 2.272.261,63   |
| <b>Mutaties tijdens het boekjaar</b>   |       |                     |                |
| Geboekt .....  | 8272  | 276.625,00          |                |
| Teruggenomen want overtollig .....   | 8282  |                     |                |
| Verworven van derden .....   | 8292  |                     |                |
| Afgeboekt na overdrachten en buitengebruikstellingen .....                     | 8302  | 6.685,00            |                |
| Overgeboekt van een post naar een andere .....(+)/(-)                          | 8312  |                     |                |
| <b>Afschrijvingen en waardeverminderingen per einde van het boekjaar</b> ..... | 8322  | 2.542.201,63        |                |
| <b>NETTOBOEKWAARDE PER EINDE VAN HET BOEKJAAR</b> .....                        | (23)  | <u>1.038.313,16</u> |                |

|  | Codes | Boekjaar         | Vorig boekjaar |
|--|-------|------------------|----------------|
| <b>MEUBILAIR EN ROLLEND MATERIEEL</b>  |       |                  |                |
| <b>Aanschaffingswaarde per einde van het boekjaar</b> .....                    | 8193P | xxxxxxxxxxxxxxx  | 61.146,46      |
| <b>Mutaties tijdens het boekjaar</b>   |       |                  |                |
| Aanschaffingen, met inbegrip van de geproduceerde vaste activa .....           | 8163  | 31.922,01        |                |
| Overdrachten en buitengebruikstellingen .....                                  | 8173  |                  |                |
| Overboeking van een post naar een andere .....(+)/(-)                          | 8183  |                  |                |
| <b>Aanschaffingswaarde per einde van het boekjaar</b> .....                    | 8193  | 93.068,47        |                |
| <b>Meerwaarde per einde van het boekjaar</b> .....                             | 8253P | xxxxxxxxxxxxxxx  |                |
| <b>Mutaties tijdens het boekjaar</b>   |       |                  |                |
| Geboekt .....  | 8213  |                  |                |
| Verworven van derden .....   | 8223  |                  |                |
| Afgeboekt .....  | 8233  |                  |                |
| Overgeboekt van een post naar een andere .....(+)/(-)                          | 8243  |                  |                |
| <b>Meerwaarde per einde van het boekjaar</b> .....                             | 8253  |                  |                |
| <b>Afschrijvingen en waardeverminderingen per einde van het boekjaar</b> ..... | 8323P | xxxxxxxxxxxxxxx  | 38.359,85      |
| <b>Mutaties tijdens het boekjaar</b>   |       |                  |                |
| Geboekt .....  | 8273  | 5.584,00         |                |
| Teruggenomen want overtollig .....   | 8283  |                  |                |
| Verworven van derden .....   | 8293  |                  |                |
| Afgeboekt na overdrachten en buitengebruikstellingen .....                     | 8303  |                  |                |
| Overgeboekt van een post naar een andere .....(+)/(-)                          | 8313  |                  |                |
| <b>Afschrijvingen en waardeverminderingen per einde van het boekjaar</b> ..... | 8323  | 43.943,85        |                |
| <b>NETTOBOEKWAARDE PER EINDE VAN HET BOEKJAAR</b> .....                        | (24)  | <u>49.124,62</u> |                |

|  | Codes | Boekjaar            | Vorig boekjaar |
|--|-------|---------------------|----------------|
| <b>LEASING EN SOORTGELIJKE RECHTEN</b>   |       |                     |                |
| <b>Aanschaffingswaarde per einde van het boekjaar</b> .....                    | 8194P | xxxxxxxxxxxxxxx     | 3.865.345,49   |
| <b>Mutaties tijdens het boekjaar</b>   |       |                     |                |
| Aanschaffingen, met inbegrip van de geproduceerde vaste activa .....           | 8164  | 6.233,60            |                |
| Overdrachten en buitengebruikstellingen .....                                  | 8174  |                     |                |
| Overboeking van een post naar een andere .....(+)/(-)                          | 8184  |                     |                |
| <b>Aanschaffingswaarde per einde van het boekjaar</b> .....                    | 8194  | 3.871.579,09        |                |
| <b>Meerwaarde per einde van het boekjaar</b> .....                             | 8254P | xxxxxxxxxxxxxxx     |                |
| <b>Mutaties tijdens het boekjaar</b>   |       |                     |                |
| Geboekt .....  | 8214  |                     |                |
| Verworven van derden .....   | 8224  |                     |                |
| Afgeboekt .....  | 8234  |                     |                |
| Overgeboekt van een post naar een andere .....(+)/(-)                          | 8244  |                     |                |
| <b>Meerwaarde per einde van het boekjaar</b> .....                             | 8254  |                     |                |
| <b>Afschrijvingen en waardeverminderingen per einde van het boekjaar</b> ..... | 8324P | xxxxxxxxxxxxxxx     | 1.041.497,54   |
| <b>Mutaties tijdens het boekjaar</b>   |       |                     |                |
| Geboekt .....  | 8274  | 416.622,00          |                |
| Teruggenomen want overtollig .....   | 8284  |                     |                |
| Verworven van derden .....   | 8294  |                     |                |
| Afgeboekt na overdrachten en buitengebruikstellingen .....                     | 8304  |                     |                |
| Overgeboekt van een post naar een andere .....(+)/(-)                          | 8314  |                     |                |
| <b>Afschrijvingen en waardeverminderingen per einde van het boekjaar</b> ..... | 8324  | 1.458.119,54        |                |
| <b>NETTOBOEKWAARDE PER EINDE VAN HET BOEKJAAR</b> .....                        | (25)  | <u>2.413.459,55</u> |                |
| <b>WAARVAN</b>   |       |                     |                |
| <b>Terreinen en gebouwen</b> .....   | 250   | 397.368,99          |                |
| <b>Installaties, machines en uitrusting</b> .....                              | 251   | 1.896.885,16        |                |
| <b>Meubilair en rollend materieel</b> .....                                    | 252   | 119.205,40          |                |

|  | Codes | Boekjaar         | Vorig boekjaar |
|--|-------|------------------|----------------|
| <b>OVERIGE MATERIËLE VASTE ACTIVA</b>  |       |                  |                |
| <b>Aanschaffingswaarde per einde van het boekjaar</b> .....                    | 8195P | xxxxxxxxxxxxxxxx |                |
| <b>Mutaties tijdens het boekjaar</b>   |       |                  |                |
| Aanschaffingen, met inbegrip van de geproduceerde vaste activa .....           | 8165  |                  |                |
| Overdrachten en buitengebruikstellingen .....                                  | 8175  |                  |                |
| Overboeking van een post naar een andere .....(+)/(-)                          | 8185  |                  |                |
| <b>Aanschaffingswaarde per einde van het boekjaar</b> .....                    | 8195  |                  |                |
| <b>Meerwaarde per einde van het boekjaar</b> .....                             | 8255P | xxxxxxxxxxxxxxxx |                |
| <b>Mutaties tijdens het boekjaar</b>   |       |                  |                |
| Geboekt .....  | 8215  |                  |                |
| Verworven van derden .....   | 8225  |                  |                |
| Afgeboekt .....  | 8235  |                  |                |
| Overgeboekt van een post naar een andere .....(+)/(-)                          | 8245  |                  |                |
| <b>Meerwaarde per einde van het boekjaar</b> .....                             | 8255  |                  |                |
| <b>Afschrijvingen en waardeverminderingen per einde van het boekjaar</b> ..... | 8325P | xxxxxxxxxxxxxxxx |                |
| <b>Mutaties tijdens het boekjaar</b>   |       |                  |                |
| Geboekt .....  | 8275  |                  |                |
| Teruggenomen want overtollig .....   | 8285  |                  |                |
| Verworven van derden .....   | 8295  |                  |                |
| Afgeboekt na overdrachten en buitengebruikstellingen .....                     | 8305  |                  |                |
| Overgeboekt van een post naar een andere .....(+)/(-)                          | 8315  |                  |                |
| <b>Afschrijvingen en waardeverminderingen per einde van het boekjaar</b> ..... | 8325  |                  |                |
| <b>NETTOBOEKWAARDE PER EINDE VAN HET BOEKJAAR</b> .....                        | (26)  |                  |                |



|  | Codes | Boekjaar         | Vorig boekjaar |
|--|-------|------------------|----------------|
| <b>ACTIVA IN AANBOUW EN VOORUITBETALINGEN</b>                                  |       |                  |                |
| <b>Aanschaffingswaarde per einde van het boekjaar</b> .....                    | 8196P | xxxxxxxxxxxxxxxx | 56.258,00      |
| <b>Mutaties tijdens het boekjaar</b>   |       |                  |                |
| Aanschaffingen, met inbegrip van de geproduceerde vaste activa .....           | 8166  | 44.868,74        |                |
| Overdrachten en buitengebruikstellingen .....                                  | 8176  |                  |                |
| Overboeking van een post naar een andere .....(+)/(-)                          | 8186  | -12.995,00       |                |
| <b>Aanschaffingswaarde per einde van het boekjaar</b> .....                    | 8196  | 88.131,74        |                |
| <b>Meerwaarde per einde van het boekjaar</b> .....                             | 8256P | xxxxxxxxxxxxxxxx |                |
| <b>Mutaties tijdens het boekjaar</b>   |       |                  |                |
| Geboekt .....  | 8216  |                  |                |
| Verworven van derden .....   | 8226  |                  |                |
| Afgeboekt .....  | 8236  |                  |                |
| Overgeboekt van een post naar een andere .....(+)/(-)                          | 8246  |                  |                |
| <b>Meerwaarde per einde van het boekjaar</b> .....                             | 8256  |                  |                |
| <b>Afschrijvingen en waardeverminderingen per einde van het boekjaar</b> ..... | 8326P | xxxxxxxxxxxxxxxx |                |
| <b>Mutaties tijdens het boekjaar</b>   |       |                  |                |
| Geboekt .....  | 8276  | 43.263,00        |                |
| Teruggenomen want overtollig .....   | 8286  |                  |                |
| Verworven van derden .....   | 8296  |                  |                |
| Afgeboekt na overdrachten en buitengebruikstellingen .....                     | 8306  |                  |                |
| Overgeboekt van een post naar een andere .....(+)/(-)                          | 8316  |                  |                |
| <b>Afschrijvingen en waardeverminderingen per einde van het boekjaar</b> ..... | 8326  | 43.263,00        |                |
| <b>NETTOBOEKWAARDE PER EINDE VAN HET BOEKJAAR</b> .....                        | (27)  | <u>44.868,74</u> |                |

## STAAT VAN DE FINANCIËLE VASTE ACTIVA

|  | Codes | Boekjaar             | Vorig boekjaar |
|--|-------|----------------------|----------------|
| <b>VERBONDEN ONDERNEMINGEN - DEELNEMINGEN EN AANDELEN</b>                        |       |                      |                |
| <b>Aanschaffingswaarde per einde van het boekjaar</b> .....                      | 8391P | xxxxxxxxxxxxxxxx     | 66.128.294,64  |
| <b>Mutaties tijdens het boekjaar</b>   |       |                      |                |
| Aanschaffingen, met inbegrip van de geproduceerde vaste activa .....             | 8361  | 6.409.295,16         |                |
| Overdrachten en buitengebruikstellingen .....                                    | 8371  |                      |                |
| Overboeking van een post naar een andere .....(+)/(-)                            | 8381  |                      |                |
| <b>Aanschaffingswaarde per einde van het boekjaar</b> .....                      | 8391  | 72.537.589,80        |                |
| <b>Meerwaarde per einde van het boekjaar</b> .....                               | 8451P | xxxxxxxxxxxxxxxx     |                |
| <b>Mutaties tijdens het boekjaar</b>   |       |                      |                |
| Geboekt .....  | 8411  |                      |                |
| Verworven van derden .....   | 8421  |                      |                |
| Afgeboekt .....  | 8431  |                      |                |
| Overgeboekt van een post naar een andere .....(+)/(-)                            | 8441  |                      |                |
| <b>Meerwaarde per einde van het boekjaar</b> .....                               | 8451  |                      |                |
| <b>Waardeverminderingen per einde van het boekjaar</b> .....                     | 8521P | xxxxxxxxxxxxxxxx     |                |
| <b>Mutaties tijdens het boekjaar</b>   |       |                      |                |
| Geboekt .....  | 8471  |                      |                |
| Teruggenomen want overtollig .....   | 8481  |                      |                |
| Verworven van derden .....   | 8491  |                      |                |
| Afgeboekt na overdrachten en buitengebruikstellingen .....                       | 8501  |                      |                |
| Overgeboekt van een post naar een andere .....(+)/(-)                            | 8511  |                      |                |
| <b>Waardeverminderingen per einde van het boekjaar</b> .....                     | 8521  |                      |                |
| <b>Niet-opgevraagde bedragen per einde van het boekjaar</b> .....                | 8551P | xxxxxxxxxxxxxxxx     |                |
| <b>Mutaties tijdens het boekjaar</b> .....(+)/(-)                                | 8541  |                      |                |
| <b>Niet-opgevraagde bedragen per einde van het boekjaar</b> .....                | 8551  |                      |                |
| <b>NETTOBOEKWAARDE PER EINDE VAN HET BOEKJAAR</b> .....                          | (280) | <u>72.537.589,80</u> |                |
| <b>VERBONDEN ONDERNEMINGEN - VORDERINGEN</b>                                     |       |                      |                |
| <b>NETTOBOEKWAARDE PER EINDE VAN HET BOEKJAAR</b> .....                          | 281P  | xxxxxxxxxxxxxxxx     |                |
| <b>Mutaties tijdens het boekjaar</b>   |       |                      |                |
| Toevoegingen .....   | 8581  |                      |                |
| Terugbetalingen.....   | 8591  |                      |                |
| Geboekte waardeverminderingen .....  | 8601  |                      |                |
| Teruggenomen waardeverminderingen .....  | 8611  |                      |                |
| Wisselkoersverschillen .....(+)/(-)  | 8621  |                      |                |
| Overige mutaties .....(+)/(-)  | 8631  |                      |                |
| <b>NETTOBOEKWAARDE PER EINDE VAN HET BOEKJAAR</b> .....                          | (281) |                      |                |
| <b>GECUMULEERDE WAARDEVERMINDERINGEN OP VORDERINGEN PER EINDE BOEKJAAR</b> ..... | 8651  |                      |                |

|  | Codes | Boekjaar         | Vorig boekjaar |
|--|-------|------------------|----------------|
| <b>ONDERNEMINGEN MET DEELNEMINGSVERHOUDING - DEELNEMINGEN EN AANDELEN</b>        |       |                  |                |
| <b>Aanschaffingswaarde per einde van het boekjaar</b> .....                      | 8392P | xxxxxxxxxxxxxxxx |                |
| <b>Mutaties tijdens het boekjaar</b>   |       |                  |                |
| Aanschaffingen, met inbegrip van de geproduceerde vaste activa .....             | 8362  |                  |                |
| Overdrachten en buitengebruikstellingen .....                                    | 8372  |                  |                |
| Overboeking van een post naar een andere .....                                   | 8382  |                  |                |
| <b>Aanschaffingswaarde per einde van het boekjaar</b> .....                      | 8392  |                  |                |
| <b>Meerwaarde per einde van het boekjaar</b> .....                               | 8452P | xxxxxxxxxxxxxxxx |                |
| <b>Mutaties tijdens het boekjaar</b>   |       |                  |                |
| Geboekt .....  | 8412  |                  |                |
| Verworven van derden .....   | 8422  |                  |                |
| Afgeboekt .....  | 8432  |                  |                |
| Overgeboekt van een post naar een andere .....                                   | 8442  |                  |                |
| <b>Meerwaarde per einde van het boekjaar</b> .....                               | 8452  |                  |                |
| <b>Waardeverminderingen per einde van het boekjaar</b> .....                     | 8522P | xxxxxxxxxxxxxxxx |                |
| <b>Mutaties tijdens het boekjaar</b>   |       |                  |                |
| Geboekt .....  | 8472  |                  |                |
| Teruggenomen want overtollig .....   | 8482  |                  |                |
| Verworven van derden .....   | 8492  |                  |                |
| Afgeboekt na overdrachten en buitengebruikstellingen .....                       | 8502  |                  |                |
| Overgeboekt van een post naar een andere .....                                   | 8512  |                  |                |
| <b>Waardeverminderingen per einde van het boekjaar</b> .....                     | 8522  |                  |                |
| <b>Niet-opgevraagde bedragen per einde van het boekjaar</b> .....                | 8552P | xxxxxxxxxxxxxxxx |                |
| <b>Mutaties tijdens het boekjaar</b> .....                                       | 8542  |                  |                |
| <b>Niet-opgevraagde bedragen per einde van het boekjaar</b> .....                | 8552  |                  |                |
| <b>NETTOBOEKWAARDE PER EINDE VAN HET BOEKJAAR</b> .....                          | (282) |                  |                |
| <b>ONDERNEMINGEN WAARMEE EEN DEELNEMINGSVERHOUDING BESTAAT -VORDERINGEN</b>      |       |                  |                |
| <b>NETTOBOEKWAARDE PER EINDE VAN HET BOEKJAAR</b> .....                          | 283P  | xxxxxxxxxxxxxxxx |                |
| <b>Mutaties tijdens het boekjaar</b>   |       |                  |                |
| Toevoegingen .....   | 8582  |                  |                |
| Terugbetalingen .....  | 8592  |                  |                |
| Geboekte waardeverminderingen .....  | 8602  |                  |                |
| Teruggenomen waardeverminderingen .....  | 8612  |                  |                |
| Wisselkoersverschillen .....   | 8622  |                  |                |
| Overige mutaties .....   | 8632  |                  |                |
| <b>NETTOBOEKWAARDE PER EINDE VAN HET BOEKJAAR</b> .....                          | (283) |                  |                |
| <b>GECUMULEERDE WAARDEVERMINDERINGEN OP VORDERINGEN PER EINDE BOEKJAAR</b> ..... | 8652  |                  |                |

|  | Codes   | Boekjaar         | Vorig boekjaar |
|--|---------|------------------|----------------|
| <b>ANDERE ONDERNEMINGEN - DEELNEMINGEN EN AANDELEN</b>                           |         |                  |                |
| <b>Aanschaffingswaarde per einde van het boekjaar</b> .....                      | 8393P   | xxxxxxxxxxxxxxxx |                |
| <b>Mutaties tijdens het boekjaar</b>   |         |                  |                |
| Aanschaffingen, met inbegrip van de geproduceerde vaste activa .....             | 8363    |                  |                |
| Overdrachten en buitengebruikstellingen .....                                    | 8373    |                  |                |
| Overboeking van een post naar een andere .....                                   | 8383    |                  |                |
| <b>Aanschaffingswaarde per einde van het boekjaar</b> .....                      | 8393    |                  |                |
| <b>Meerwaarde per einde van het boekjaar</b> .....                               | 8453P   | xxxxxxxxxxxxxxxx |                |
| <b>Mutaties tijdens het boekjaar</b>   |         |                  |                |
| Geboekt .....  | 8413    |                  |                |
| Verworven van derden .....   | 8423    |                  |                |
| Afgeboekt .....  | 8433    |                  |                |
| Overgeboekt van een post naar een andere .....                                   | 8443    |                  |                |
| <b>Meerwaarde per einde van het boekjaar</b> .....                               | 8453    |                  |                |
| <b>Waardeverminderingen per einde van het boekjaar</b> .....                     | 8523P   | xxxxxxxxxxxxxxxx |                |
| <b>Mutaties tijdens het boekjaar</b>   |         |                  |                |
| Geboekt .....  | 8473    |                  |                |
| Teruggenomen want overtollig .....   | 8483    |                  |                |
| Verworven van derden .....   | 8493    |                  |                |
| Afgeboekt na overdrachten en buitengebruikstellingen .....                       | 8503    |                  |                |
| Overgeboekt van een post naar een andere .....                                   | 8513    |                  |                |
| <b>Waardeverminderingen per einde van het boekjaar</b> .....                     | 8523    |                  |                |
| <b>Niet-opgevraagde bedragen per einde van het boekjaar</b> .....                | 8553P   | xxxxxxxxxxxxxxxx |                |
| <b>Mutaties tijdens het boekjaar</b> .....                                       | 8543    |                  |                |
| <b>Niet-opgevraagde bedragen per einde van het boekjaar</b> .....                | 8553    |                  |                |
| <b>NETTOBOEKWAARDE PER EINDE VAN HET BOEKJAAR</b> .....                          | (284)   |                  |                |
| <b>ANDERE ONDERNEMINGEN - VORDERINGEN</b>  |         |                  |                |
| <b>NETTOBOEKWAARDE PER EINDE VAN HET BOEKJAAR</b> .....                          | 285/8P  | xxxxxxxxxxxxxxxx | 111,54         |
| <b>Mutaties tijdens het boekjaar</b>   |         |                  |                |
| Toevoegingen .....   | 8583    |                  |                |
| Terugbetalingen.....   | 8593    |                  |                |
| Geboekte waardeverminderingen .....  | 8603    |                  |                |
| Teruggenomen waardeverminderingen .....  | 8613    |                  |                |
| Wisselkoersverschillen .....   | 8623    |                  |                |
| Overige mutaties .....   | 8633    |                  |                |
| <b>NETTOBOEKWAARDE PER EINDE VAN HET BOEKJAAR</b> .....                          | (285/8) | 111,54           |                |
| <b>GECUMULEERDE WAARDEVERMINDERINGEN OP VORDERINGEN PER EINDE BOEKJAAR</b> ..... | 8653    |                  |                |

## INLICHTINGEN OMTRENT DE DEELNEMINGEN

## DEELNEMINGEN EN MAATSCHAPPELIJKE RECHTEN AANGEHOUDEN IN ANDERE ONDERNEMINGEN

Hieronder worden de ondernemingen vermeld waarin de onderneming een deelneming bezit (opgenomen in de posten 280 en 282 van de activa), alsmede de andere ondernemingen waarin de onderneming maatschappelijke rechten bezit (opgenomen in de posten 284 en 51/53 van de activa) ten belope van ten minste 10 % van het geplaatste kapitaal.

| NAAM, volledig adres van de ZETEL en zo het een onderneming naar Belgisch recht betreft, het ONDERNEMINGSNUMMER                              | Aangehouden maatschappelijke rechten |        |          | Gegevens geput uit de laatst beschikbare jaarrekening |          |                             |                |
|--|--------------------------------------|--------|----------|---|----------|-----------------------------|----------------|
|  | rechtstreeks                         |        | dochters | Jaarrekening per                                      | Muntcode | Eigen vermogen              | Nettoresultaat |
|  | Aantal                               | %      | %        |   |          | (+) of (-)<br>(in eenheden) |                |
| <b>Biofocus DPI BV</b><br>Darwinweg 24<br>2333 Leiden<br>Nederland<br>B<br>Aandelen op naam  | 200                                  | 100,00 | 0,00     | 31/12/2006  | EUR      | -47.000                     | 15.000         |
| <b>BioFocus DPI (Holdings) Ltd.</b><br>Chesterford Research Park, Saffron Walden<br>CB10 1X Essex<br>Verenigd Koninkrijk<br>aandelen op naam | 16661424                             | 100,00 | 0,00     | 31/12/2006  | GBP      | 21.895.119                  | -2.022.109     |
| <b>BioFocus DPI AG</b><br>Gewerbstrasse 14<br>CH-4123 Allschwil<br>Zwitserland<br>aandelen op naam   | 2000000                              | 100,00 | 0,00     | 31/12/2007  | CHF      | 4.594.000                   | -1.662.000     |
| <b>Inpharmatica Ltd</b><br>Commonwealth House, New Oxford Street<br>1-19<br>WC1A1NU London<br>Verenigd Koninkrijk<br>aandelen op naam        | 84700014                             | 100,00 | 0,00     | 31/12/2006  | GBP      | -10.368.000                 | 387.000        |
| <b>Galapagos SASU</b><br>Route de Noisy 102<br>93230 Romainville<br>Frankrijk<br>aandelen op naam  | 915562                               | 100,00 | 0,00     | 31/12/2006  | EUR      | 26.824.508                  | -12.235.663    |

**ONDERNEMINGEN WAARVOOR DE ONDERNEMING AANSPRAKELIJK IS IN HAAR HOEDANIGHEID VAN ONBEPERKT AANSPRAKELIJK VENNOOT OF LID**

De jaarrekening van elk van de ondernemingen waarvoor de onderneming onbepert aansprakelijk is, wordt bij de voorliggende jaarrekening gevoegd en samen hiermee openbaar gemaakt, tenzij in de tweede kolom de reden wordt vermeld waarom dit niet het geval is; deze vermelding gebeurt door te verwijzen naar de van toepassing zijnde code (A,B of C) die onderaan het blad wordt bepaald.

De jaarrekening van de vermelde onderneming:

- A. wordt door deze onderneming openbaar gemaakt door neerlegging bij de Nationale Bank van België;
- B. wordt door deze onderneming daadwerkelijk openbaar gemaakt in een ander lidstaat van de Europese Unie, overeenkomstig artikel 3 van de richtlijn 68/151/EEG;
- C. wordt door integrale of evenredige consolidatie opgenomen in de geconsolideerde jaarrekening van de onderneming die is opgesteld, gecontroleerd en openbaar gemaakt overeenkomstig de bepalingen van het Wetboek van vennootschappen inzake de geconsolideerde jaarrekening.

| NAAM, volledig adres van de ZETEL, RECHTSVORM<br>en zo het een onderneming naar Belgisch recht betreft,<br>HET ONDERNEMINGSNUMMER | Eventuele code |
|---|----------------|
| <b>Biofocus DPI BV</b><br>Darwinweg 24<br>2333 Leiden<br>Nederland  | C              |
| <b>Galapagos SASU</b><br>Route de Noisy 102<br>93230 Romainville<br>Frankrijk   | B              |

**OVERIGE GELDBELEGGINGEN EN OVERLOPENDE REKENINGEN (ACTIVA)**

|   | Codes | Boekjaar      | Vorig boekjaar |
|---|-------|---------------|----------------|
| <b>OVERIGE GELDBELEGGINGEN</b>                                  |       |               |                |
| <b>Aandelen</b> .....   | 51    |               |                |
| Boekwaarde verhoogd met het niet-opgevraagde bedrag .....       | 8681  |               |                |
| Niet-opgevraagd bedrag .....                                    | 8682  |               |                |
| <b>Vastrentende effecten</b> .....                              | 52    |               |                |
| Vastrentende effecten uitgegeven door kredietinstellingen ..... | 8684  |               |                |
| <b>Termijnrekeningen bij kredietinstellingen</b> .....          | 53    | 30.980.822,64 | 36.766.041,72  |
| Met een resterende looptijd of opzegtermijn van                 |       |               |                |
| hoogstens één maand .....                                       | 8686  | 18.980.822,64 | 30.396.570,45  |
| meer dan één maand en hoogstens één jaar .....                  | 8687  | 10.000.000,00 | 252.779,01     |
| meer dan één jaar .....   | 8688  | 2.000.000,00  | 6.116.692,26   |
| <b>Hierboven niet-opgenomen overige geldbeleggingen</b> .....   | 8689  |               |                |

**OVERLOPENDE REKENINGEN**

**Uitsplitsing van de post 490/1 van de activa indien daaronder een belangrijk bedrag voorkomt.**

Vooruitbetaalde posten

238.767,27

Te ontvangen inkomsten: subsidies

785.783,20

**STAAT VAN HET KAPITAAL EN DE AANDEELHOUDERSSTRUCTUUR**

**STAAT VAN HET KAPITAAL**

**Maatschappelijk kapitaal**

Geplaatst kapitaal per einde van het boekjaar.....  
 Geplaatst kapitaal per einde van het boekjaar.....

| Codes | Boekjaar         | Vorig boekjaar |
|-------|------------------|----------------|
| 100P  | XXXXXXXXXXXXXXXX | 107.856.175,51 |
| (100) | 114.995.166,45   |                |

Wijzigingen tijdens het boekjaar  
 uitoefening warrants april, juni en december  
 inbreng in natura van aandelen Inpharmatica  
 kapitaalverhoging, uitgifte aan GSK

| Codes | Bedragen         | Aantal aandelen |
|-------|------------------|-----------------|
|       | 398.909,99       | 97.570          |
|       | 3.952.965,12     | 726.648         |
|       | 2.787.115,83     | 513.281         |
|       | 114.995.166,45   | 21.188.829      |
| 8702  | XXXXXXXXXXXXXXXX | 3.118.633       |
| 8703  | XXXXXXXXXXXXXXXX | 18.070.196      |

Samenstelling van het kapitaal  
 Soorten aandelen  
 aandelen zonder nominale waarde  
 Op naam.....  
 Aan toonder.....

**Niet-gestort kapitaal**

Niet-opgevraagd kapitaal .....  
 Opgevraagd, niet-gestort kapitaal .....  
 Aandeelhouders die nog moeten volstorten

| Codes | Niet-opgevraagd bedrag | Opgevraagd, niet-gestort bedrag |
|-------|------------------------|---------------------------------|
| (101) |                        | XXXXXXXXXXXXXXXX                |
| 8712  | XXXXXXXXXXXXXXXX       |                                 |

**Eigen aandelen**

Gehouden door de vennootschap zelf  
 Kapitaalbedrag .....  
 Aantal aandelen .....  
 Gehouden door haar dochters  
 Kapitaalbedrag .....  
 Aantal aandelen .....

| Codes | Boekjaar       |
|-------|----------------|
| 8721  |                |
| 8722  |                |
| 8731  |                |
| 8732  |                |
| 8740  |                |
| 8741  |                |
| 8742  |                |
| 8745  | 2.020.922      |
| 8746  | 10.307.220,00  |
| 8747  | 2.020.922      |
| 8751  | 102.499.094,98 |

**Verplichtingen tot uitgifte van aandelen**

Als gevolg van de uitoefening van CONVERSIERECHTEN  
 Bedrag van de lopende converteerbare leningen .....  
 Bedrag van het te plaatsen kapitaal .....  
 Maximum aantal uit te geven aandelen .....  
 Als gevolg van de uitoefening van INSCHRIJVINGSRECHTEN  
 Aantal inschrijvingsrechten in omloop .....  
 Bedrag van het te plaatsen kapitaal .....  
 Maximum aantal uit te geven aandelen .....

**Toegestaan, niet-geplaatst kapitaal**



| Codes | Boekjaar |
|-------|----------|
| 8761  |          |
| 8762  |          |
| 8771  |          |
| 8781  |          |

**Aandelen buiten kapitaal**

Verdeling

Aantal aandelen .....

Daaraan verbonden stemrecht .....

Uitsplitsing van de aandeelhouders

Aantal aandelen gehouden door de vennootschap zelf .....

Aantal aandelen gehouden door haar dochters .....

**AANDEELHOUDERSSTRUCTUUR VAN DE ONDERNEMING OP DE DATUM VAN DE JAARAFSLUITING, ZOALS DIE BLIJKT UIT DE KENNISGEVINGEN DIE DE ONDERNEMING HEEFT ONTVANGEN**

Structuur aandeelhouderschap

Voornaamste aandeelhouders die 5% of meer van de aandelen in bezit hebben, volgens de transparantieverklaringen ontvangen door de vennootschap:

|                         |           |
|-------------------------|-----------|
| Crucell                 | 1.236.097 |
| Tibotec                 | 1.113.964 |
| Abingworth              | 1.502.374 |
| Apax /Altamir           | 1.277.366 |
| ProStrakan              | 1.396.648 |
| Dorset Management Corp. | 1.979.329 |

Vrij verhandelbare aandelen 18.070.196 van de in totaal 21.188.829 aandelen

**VOORZIENINGEN VOOR OVERIGE RISICO'S EN KOSTEN**

**UITSPLITSING VAN DE POST 163/5 VAN DE PASSIVA INDIEN DAARONDER EEN BELANGRIJK  
BEDRAG VOORKOMT.**

|          |
|----------|
| Boekjaar |
|          |

**STAAT VAN DE SCHULDEN EN OVERLOPENDE REKENINGEN (PASSIVA)**

**UITSPLITSING VAN DE SCHULDEN MET EEN OORSPRONKELIJKE LOOPTIJD VAN MEER DAN EEN JAAR, NAARGELANG HUN RESTERENDE LOOPTIJD**

**Schulden op meer dan één jaar die binnen het jaar vervallen**

|   | Codes       | Boekjaar          |
|---|-------------|-------------------|
| Financiële schulden .....   | 8801        | 521.395,86        |
| Achtergestelde leningen .....   | 8811        |                   |
| Niet-achtergestelde obligatieleningen .....   | 8821        |                   |
| Leasingschulden en soortgelijke schulden .....                                      | 8831        | 521.395,86        |
| Kredietinstellingen .....   | 8841        |                   |
| Overige leningen .....  | 8851        |                   |
| Handelsschulden .....   | 8861        |                   |
| Leveranciers .....  | 8871        |                   |
| Te betalen wissels .....  | 8881        |                   |
| Ontvangen vooruitbetalingen op bestellingen .....                                   | 8891        |                   |
| Overige schulden .....  | 8901        |                   |
| <b>Totaal der schulden op meer dan één jaar die binnen het jaar vervallen .....</b> | <b>(42)</b> | <b>521.395,86</b> |

**Schulden met een resterende looptijd van meer dan één jaar doch hoogstens 5 jaar**

|  |             |                     |
|--|-------------|---------------------|
| Financiële schulden .....  | 8802        | 668.758,57          |
| Achtergestelde leningen .....  | 8812        |                     |
| Niet-achtergestelde obligatieleningen .....  | 8822        |                     |
| Leasingschulden en soortgelijke schulden .....   | 8832        | 668.758,57          |
| Kredietinstellingen .....  | 8842        |                     |
| Overige leningen .....   | 8852        |                     |
| Handelsschulden .....  | 8862        |                     |
| Leveranciers .....   | 8872        |                     |
| Te betalen wissels .....   | 8882        |                     |
| Ontvangen vooruitbetalingen op bestellingen .....  | 8892        |                     |
| Overige schulden .....   | 8902        | 563.402,84          |
| <b>Totaal der schulden met een resterende looptijd van meer dan één jaar doch hoogstens 5 jaar .....</b> | <b>8912</b> | <b>1.232.161,41</b> |

**Schulden met een resterende looptijd van meer dan 5 jaar**

|  |             |                   |
|--|-------------|-------------------|
| Financiële schulden .....  | 8803        | 369.252,43        |
| Achtergestelde leningen .....  | 8813        |                   |
| Niet-achtergestelde obligatieleningen .....                                      | 8823        |                   |
| Leasingschulden en soortgelijke schulden .....                                   | 8833        | 369.252,43        |
| Kredietinstellingen .....  | 8843        |                   |
| Overige leningen .....   | 8853        |                   |
| Handelsschulden .....  | 8863        |                   |
| Leveranciers .....   | 8873        |                   |
| Te betalen wissels .....   | 8883        |                   |
| Ontvangen vooruitbetalingen op bestellingen .....                                | 8893        |                   |
| Overige schulden .....   | 8903        |                   |
| <b>Totaal der schulden met een resterende looptijd van meer dan 5 jaar .....</b> | <b>8913</b> | <b>369.252,43</b> |

**GEWAARBORGDE SCHULDEN** (begrepen in de posten 17 en 42/48 van de passiva)

**Door Belgische overheidsinstellingen gewaarborgde schulden**

|  |             |  |
|--|-------------|--|
| Financiële schulden .....  | 8921        |  |
| Achtergestelde leningen .....  | 8931        |  |
| Niet-achtergestelde obligatieleningen .....                                    | 8941        |  |
| Leasingschulden en soortgelijke schulden .....                                 | 8951        |  |
| Kredietinstellingen .....  | 8961        |  |
| Overige leningen .....   | 8971        |  |
| Handelsschulden .....  | 8981        |  |
| Leveranciers .....   | 8991        |  |
| Te betalen wissels .....   | 9001        |  |
| Ontvangen vooruitbetalingen op bestellingen .....                              | 9011        |  |
| Schulden met betrekking tot belastingen, bezoldigingen en sociale lasten ..... | 9021        |  |
| Overige schulden .....   | 9051        |  |
| <b>Totaal door Belgische overheidsinstellingen gewaarborgde schulden .....</b> | <b>9061</b> |  |

**Schulden gewaarborgd door zakelijke zekerheden of onherroepelijk beloofd op activa van de onderneming**

|   |             |  |
|---|-------------|--|
| Financiële schulden .....   | 8922        |  |
| Achtergestelde leningen .....   | 8932        |  |
| Niet-achtergestelde obligatieleningen .....   | 8942        |  |
| Leasingschulden en soortgelijke schulden .....  | 8952        |  |
| Kredietinstellingen .....   | 8962        |  |
| Overige leningen .....  | 8972        |  |
| Handelsschulden .....   | 8982        |  |
| Leveranciers .....  | 8992        |  |
| Te betalen wissels .....  | 9002        |  |
| Ontvangen vooruitbetalingen op bestellingen .....   | 9012        |  |
| Schulden met betrekking tot belastingen, bezoldigingen en sociale lasten .....  | 9022        |  |
| Leveranciers .....  | 9032        |  |
| Te betalen wissels .....  | 9042        |  |
| Overige schulden .....  | 9052        |  |
| <b>Totaal der schulden gewaarborgd door zakelijke zekerheden of onherroepelijk beloofd op activa van de onderneming .....</b> | <b>9062</b> |  |

**SCHULDEN MET BETREKKING TOT BELASTINGEN, BEZOLDIGINGEN EN SOCIALE LASTEN**

**Belastingen** (post 450/3 van de passiva)

|  |      |            |
|--|------|------------|
| <b>Vervallen</b> belastingschulden ..... | 9072 |            |
| Niet-ervallen belastingschulden .....    | 9073 | 635.780,70 |
| Geraamde belastingschulden .....         | 450  |            |

**Bezoldigingen en sociale lasten** (post 454/9 van de passiva)

|   |      |              |
|---|------|--------------|
| <b>Vervallen</b> schulden ten aanzien van de Rijksdienst voor Sociale Zekerheid ..... | 9076 |              |
| Andere schulden met betrekking tot bezoldigingen en sociale lasten .....              | 9077 | 1.112.445,38 |

| Codes | Boekjaar     |
|-------|--------------|
| 8921  |              |
| 8931  |              |
| 8941  |              |
| 8951  |              |
| 8961  |              |
| 8971  |              |
| 8981  |              |
| 8991  |              |
| 9001  |              |
| 9011  |              |
| 9021  |              |
| 9051  |              |
| 9061  |              |
| 8922  |              |
| 8932  |              |
| 8942  |              |
| 8952  |              |
| 8962  |              |
| 8972  |              |
| 8982  |              |
| 8992  |              |
| 9002  |              |
| 9012  |              |
| 9022  |              |
| 9032  |              |
| 9042  |              |
| 9052  |              |
| 9062  |              |
| 9072  |              |
| 9073  | 635.780,70   |
| 450   |              |
| 9076  |              |
| 9077  | 1.112.445,38 |

**OVERLOPENDE REKENINGEN**

**Uitsplitsing van de post 492/3 van de passiva indien daaronder een belangrijk bedrag voorkomt.**

Over te dragen opbrengsten

| Boekjaar      |
|---------------|
| 16.695.232,03 |

**BEDRIJFSRESULTATEN****BEDRIJFSOPBRENGSTEN****Netto-omzet**

Uitsplitsing per bedrijfscategorie

Uitsplitsing per geografische markt

**Andere bedrijfsopbrengsten**

Exploitatiesubsidies en vanwege de overheid ontvangen compenserende bedragen .....

**BEDRIJFSKOSTEN****Werknemers ingeschreven in het personeelsregister**

Totaal aantal op de afsluitingsdatum .....

Gemiddeld personeelsbestand berekend in voltijdse equivalenten .....

Aantal daadwerkelijk gepresteerde uren .....

**Personeelskosten**

Bezoldigingen en rechtstreekse sociale voordelen .....

Werkgeversbijdragen voor sociale verzekeringen .....

Werkgeverspremies voor bovenwettelijke verzekeringen .....

Andere personeelskosten .....

Pensioenen .....

**Vorzieningen voor pensioenen**

Toevoegingen (bestedingen en terugnemingen) ..... (+)/(-)

**Waardeverminderingen**

Op voorraden en bestellingen in uitvoering

Geboekt .....

Teruggenomen .....

Op handelsvorderingen

Geboekt .....

Teruggenomen .....

**Vorzieningen voor risico's en kosten**

Toevoegingen .....

Bestedingen en terugnemingen .....

**Andere bedrijfskosten**

Bedrijfsbelastingen en -taksen .....

Andere .....

**Uitzendkrachten en ter beschikking van de ondernemng gestelde personen**

Totaal aantal op de afsluitingsdatum .....

Gemiddeld personeelsbestand berekend in voltijdse equivalenten .....

Aantal daadwerkelijk gepresteerde uren .....

Kosten voor de onderneming .....

| Codes | Boekjaar     | Vorig boekjaar |
|-------|--------------|----------------|
|       |              |                |
| 740   | 1.737.566,40 | 574.358,93     |
|       |              |                |
| 9086  | 80           | 78             |
| 9087  | 80,8         | 67,3           |
| 9088  | 129.200      | 108.600        |
|       |              |                |
| 620   | 3.969.807,21 | 2.694.905,04   |
| 621   | 1.306.220,03 | 876.599,08     |
| 622   | 132.977,44   | 89.207,26      |
| 623   | 785.126,77   | 708.745,40     |
| 624   |              |                |
|       |              |                |
| 635   |              |                |
|       |              |                |
| 9110  |              |                |
| 9111  |              |                |
|       |              |                |
| 9112  |              |                |
| 9113  |              |                |
|       |              |                |
| 9115  |              |                |
| 9116  |              |                |
|       |              |                |
| 640   | 79.902,85    | 52.419,82      |
| 641/8 | 364.533,61   | 46.328,89      |
|       |              |                |
| 9096  |              |                |
| 9097  | 1,1          | 0,5            |
| 9098  | 2.172        | 950            |
| 617   | 35.227,00    | 15.313,25      |

**FINANCIËLE EN UITZONDERLIJKE RESULTATEN****FINANCIËLE RESULTATEN****Andere financiële opbrengsten**

Door de overheid toegekende subsidies, aangerekend op de resultatenrekening

Kapitaalsubsidies ..... 9125

Interestsubsidies ..... 9126

Uitsplitsing van de overige financiële opbrengsten

Wisselresultaten

106.603,92

46.355,18

Intercompany intresten

763.750,91

**Afschrijvingen van kosten bij uitgifte van leningen en van disagio** ..... 6501

**Geactiveerde interesten** ..... 6503

**Waardeverminderingen op vlottende activa**

Geboekt ..... 6510

Teruggenomen ..... 6511

**Andere financiële kosten**

Bedrag van het disconto ten laste van de onderneming bij de verhandeling van vorderingen ..... 653

**Voorzieningen met financieel karakter**

Gevormd ..... 6560

Aangewend en teruggenomen ..... 6561

**Uitsplitsing van de overige financiële kosten**

Wisselkoersverschillen

118.605,63

140.712,87

Bankkosten

10.091,91

44.776,15

Minderwaarden op geldbeleggingen

9.600,00

**UITZONDERLIJKE RESULTATEN****Uitsplitsing van de andere uitzonderlijke opbrengsten**

overige

9.833,37

**Uitsplitsing van de andere uitzonderlijke kosten**

Boekjaar

**BELASTINGEN EN TAKSEN****BELASTINGEN OP HET RESULTAAT****Belastingen op het resultaat van het boekjaar** .....

Verschuldigde of betaalde belastingen en voorheffingen

Geactiveerde overschotten van betaalde belastingen en voorheffingen .....

Geraamde belastingsupplementen .....

**Belastingen op het resultaat van vorige boekjaren** .....

Verschuldigde of betaalde belastingsupplementen .....

Geraamde belastingsupplementen of belastingen waarvoor een voorziening werd gevormd .....

**Belangrijkste oorzaken van de verschillen tussen de winst voor belastingen, zoals die blijkt uit de jaarrekening, en de geraamde belastbare winst**

Verworpen uitgaven

Aanzuivering fiscaal overdraagbare verliezen

| Codes | Boekjaar     |
|-------|--------------|
| 9134  |              |
| 9135  | 61.590,60    |
| 9136  | 61.590,60    |
| 9137  |              |
| 9138  |              |
| 9139  |              |
| 9140  |              |
|       | 131.333,31   |
|       | 2.922.954,11 |

**Invloed van de uitzonderlijke resultaten op de belastingen op het resultaat van het boekjaar****Bronnen van belastinglatenties**

Actieve latenties .....

Gecumuleerde fiscale verliezen die aftrekbaar zijn van latere belastbare winsten .....

Andere actieve latenties

Passieve latenties .....

Uitsplitsing van de passieve latenties

| Codes | Boekjaar      |
|-------|---------------|
| 9141  | 44.565.905,82 |
| 9142  | 44.565.905,82 |
| 9144  |               |

**BELASTINGEN OP DE TOEGEVOEGDE WAARDE EN BELASTINGEN TEN LASTE VAN DERDEN****In rekening gebrachte belasting op de toegevoegde waarde**

Aan de onderneming (aftrekbaar) .....

Door de onderneming .....

**Ingehouden bedragen ten laste van derden als**

Bedrijfsvoorheffing .....

Roerende voorheffing .....

| Codes | Boekjaar     | Vorig boekjaar |
|-------|--------------|----------------|
| 9145  | 1.001.955,98 | 895.211,32     |
| 9146  | 4.309.873,55 | 22.250,41      |
| 9147  | 1.569.481,98 | 1.076.306,25   |
| 9148  |              |                |



**NIET IN DE BALANS OPGENOMEN RECHTEN EN VERPLICHTINGEN**

|  | Codes | Boekjaar |
|--|-------|----------|
| <b>DOOR DE ONDERNEMING GESTELDE OF ONHERROEPELIJK BELOOFDE PERSOONLIJKE ZEKERHEDEN ALS WAARBORG VOOR SCHULDEN OF VERPLICHTINGEN VAN DERDEN..</b>   | 9149  |          |
| <b>Waarvan</b>   |       |          |
| Door de onderneming geëndosseerde handelseffecten in omloop .....  | 9150  |          |
| Door de onderneming getrokken of door aval getekende handelseffecten .....   | 9151  |          |
| Maximumbedrag ten belope waarvan andere verplichtingen van derden door de onderneming zijn gewaarborgd .....   | 9153  |          |
| <b>ZAKELIJKE ZEKERHEDEN</b>  |       |          |
| <b>Zakelijke zekerheden die door de onderneming op haar eigen activa werden gesteld of onherroepelijk beloofd als waarborg voor schulden en verplichtingen van de onderneming</b>  |       |          |
| Hypotheken   |       |          |
| Boekwaarde van de bezwaarde activa .....   | 9161  |          |
| Bedrag van de inschrijving .....   | 9171  |          |
| Pand op het handelsfonds - Bedrag van de inschrijving .....  | 9181  |          |
| Pand op andere activa - Boekwaarde van de in pand gegeven activa .....   | 9191  |          |
| Zekerheden op de nog door de onderneming te verwerven activa - Bedrag van de betrokken activa .....  | 9201  |          |
| <b>Zakelijke zekerheden die door de onderneming op haar eigen activa werden gesteld of onherroepelijk beloofd als waarborg voor schulden en verplichtingen van derden</b>  |       |          |
| Hypotheken   |       |          |
| Boekwaarde van de bezwaarde activa .....   | 9162  |          |
| Bedrag van de inschrijving .....   | 9172  |          |
| Pand op het handelsfonds - Bedrag van de inschrijving .....  | 9182  |          |
| Pand op andere activa - Boekwaarde van de in pand gegeven activa .....   | 9192  |          |
| Zekerheden op de nog door de onderneming te verwerven activa - Bedrag van de betrokken activa .....  | 9202  |          |
| <b>GOEDEREN EN WAARDEN GEHOUDEN DOOR DERDEN IN HUN NAAM MAAR TEN BATE EN OP RISICO VAN DE ONDERNEMING, VOOR ZOVER DEZE GOEDEREN EN WAARDEN NIET IN DE BALANS ZIJN OPGENOMEN</b>  |       |          |
| <b>BELANGRIJKE VERPLICHTINGEN TOT AANKOOP VAN VASTE ACTIVA</b>   |       |          |
| <b>BELANGRIJKE VERPLICHTINGEN TOT VERKOOP VAN VASTE ACTIVA</b>   |       |          |
| <b>TERMIJNVERRICHTINGEN</b>  |       |          |
| Gekochte (te ontvangen) goederen .....   | 9213  |          |
| Verkochte (te leveren) goederen .....  | 9214  |          |
| Gekochte (te ontvangen) deviezen .....   | 9215  |          |
| Verkochte (te leveren) deviezen .....  | 9216  |          |
| <b>VERPLICHTINGEN VOORTVOEIEND UIT DE TECHNISCHE WAARBORGEN VERBONDEN AAN REEDS GEPRESTEERDE VERKOPEN OF DIENSTEN</b>  |       |          |
| <b>BELANGRIJKE HANGENDE GESCHILLEN EN ANDERE BELANGRIJKE VERPLICHTINGEN</b>  |       |          |
| Voor een beschrijving van de belangrijkste verplichtingen van de vennootschap verwijzen we naar VOL 10.  |       |          |
| <b>IN VOORKOMEND GEVAL, BEKNOPT BESCHRIJVING VAN DE REGELING INZAKE HET AANVULLEND RUST- OF OVERLEVINGSPENSIOEN TEN BEHOEVE VAN DE PERSONEELS- OF DIRECTIELEDEN, MET OPGAVE VAN DE GENOMEN MAATREGELEN OM DE DAARUIT VOORTVLOEIENDE KOSTEN TE DEKKEN</b> |       |          |

**NIET IN DE BALANS OPGENOMEN RECHTEN EN VERPLICHTINGEN****PENSIOENEN DIE DOOR DE ONDERNEMING ZELF WORDEN GEDRAGEN****Geschat bedrag van de verplichtingen die voortvloeien uit reeds gepresteerd werk**

| Code | Boekjaar |
|------|----------|
| 9220 |          |

Basis en wijze waarop dit bedrag wordt berekend

Galapagos NV heeft een groepsverzekering ten voordele van haar personeel en bestuurders. Galapagos NV draagt alle kosten met betrekking tot deze verzekering. Het bedrag aan premie in 2007 bedroeg 179K EUR.

**BETREKKINGEN MET VERBONDEN ONDERNEMINGEN EN MET ONDERNEMINGEN WAARMEE EEN DEELNEMINGSVERHOUDING BESTAAT**

|   | Codes   | Boekjaar      | Vorig boekjaar |
|---|---------|---------------|----------------|
| <b>VERBONDEN ONDERNEMINGEN</b>  |         |               |                |
| <b>Financiële vaste activa</b> .....  | (280/1) | 72.537.589,80 | 66.128.294,64  |
| Deelnemingen .....  | (280)   | 72.537.589,80 | 66.128.294,64  |
| Achtergestelde vorderingen .....  | 9271    |               |                |
| Andere vorderingen .....  | 9281    |               |                |
| <b>Vorderingen</b> .....  | 9291    | 21.189.866,75 | 8.914.317,69   |
| Op meer dan één jaar .....  | 9301    |               |                |
| Op hoogstens één jaar .....   | 9311    | 21.189.866,75 | 8.914.317,69   |
| <b>Geldbeleggingen</b> .....  | 9321    |               |                |
| Aandelen .....  | 9331    |               |                |
| Vorderingen .....   | 9341    |               |                |
| <b>Schulden</b> .....   | 9351    | 8.501.171,49  | 13.419.804,72  |
| Op meer dan één jaar .....  | 9361    |               |                |
| Op hoogstens één jaar .....   | 9371    | 8.501.171,49  | 13.419.804,72  |
| <b>Persoonlijke en zakelijke zekerheden</b>   |         |               |                |
| Door de onderneming gestelde of onherroepelijk beloofd als waarborg voor schulden of verplichtingen van verbonden ondernemingen ..... | 9381    | 3.998.204,40  | 708.474,24     |
| Door verbonden ondernemingen gestelde of onherroepelijk beloofd als waarborg voor schulden of verplichtingen van de onderneming ..... | 9391    |               |                |
| <b>Andere betekenisvolle financiële verplichtingen</b> .....  | 9401    |               |                |
| <b>Financiële resultaten</b>  |         |               |                |
| Opbrengsten uit financiële vaste activa .....   | 9421    |               |                |
| Opbrengsten uit vlottende activa .....  | 9431    |               |                |
| Andere financiële opbrengsten .....   | 9441    | 763.750,91    |                |
| Kosten van schulden .....   | 9461    | 389.635,82    | 4.821,92       |
| Andere financiële kosten .....  | 9471    |               |                |
| <b>Realisatie van vaste activa</b>  |         |               |                |
| Verwezenlijkte meerwaarden .....  | 9481    |               |                |
| Verwezenlijkte minderwaarden .....  | 9491    |               |                |
| <b>ONDERNEMINGEN WAARMEE EEN DEELNEMINGSVERHOUDING BESTAAT</b>  |         |               |                |
| <b>Financiële vaste activa</b> .....  | (282/3) |               |                |
| Deelnemingen .....  | (282)   |               |                |
| Achtergestelde vorderingen .....  | 9272    |               |                |
| Andere vorderingen .....  | 9282    |               |                |
| <b>Vorderingen</b> .....  | 9292    |               |                |
| Op meer dan één jaar .....  | 9302    |               |                |
| Op hoogstens één jaar .....   | 9312    |               |                |
| <b>Schulden</b> .....   | 9352    |               |                |
| Op meer dan één jaar .....  | 9362    |               |                |
| Op hoogstens één jaar .....   | 9372    |               |                |

**FINANCIËLE BETREKKINGEN MET**

**BESTUURDERS EN ZAAKVOERDERS, NATUURLIJKE OF RECHTSPERSONEN DIE DE ONDERNEMING RECHTSTREEKS OF ONRECHTSTREEKS CONTROLEREN ZONDER VERBONDEN ONDERNEMINGEN TE ZIJN, OF MET ANDERE ONDERNEMINGEN DIE DOOR DEZE PERSONEN RECHTSTREEKS OF ONRECHTSTREEKS GECONTROLEERD WORDEN**

**Uitstaande vorderingen op deze personen**

Voorwaarden betreffende de uitstaande vorderingen

**Waarborgen toegestaan in hun voordeel**

**Andere betekenisvolle verplichtingen aangegaan in hun voordeel**

**Rechtstreekse en onrechtstreekse bezoldigingen en ten laste van de resultatenrekening toegekende pensioenen, voor zover deze vermelding niet uitsluitend of hoofdzakelijk betrekking heeft op de toestand van een enkel identificeerbaar persoon**

Aan bestuurders en zaakvoerders .....  
 Aan oud-bestuurders en oud-zaakvoerders .....

| Codes | Boekjaar   |
|-------|------------|
| 9500  | 6.018,75   |
| 9501  |            |
| 9502  |            |
| 9503  | 871.385,17 |
| 9504  |            |

**DE COMMISSARIS(SEN) EN DE PERSONEN MET WIE HIJ (ZIJ) VERBONDEN IS (ZIJN)**

**Bezoldiging van de commissaris(sen) .....**

**Bezoldiging voor uitzonderlijke werkzaamheden of bijzondere opdrachten uitgevoerd binnen de vennootschap door de commissaris(sen)**

Andere controleopdrachten .....  
 Belastingadviesopdrachten .....  
 Andere opdrachten buiten de revisorale opdrachten .....

**Bezoldiging voor uitzonderlijke werkzaamheden of bijzondere opdrachten uitgevoerd binnen de vennootschap door personen met wie de commissaris(sen) verbonden is (zijn)**

Andere controleopdrachten .....  
 Belastingadviesopdrachten .....  
 Andere opdrachten buiten de revisorale opdrachten .....

| Codes | Boekjaar   |
|-------|------------|
| 9505  | 76.700,00  |
| 95061 | 119.544,00 |
| 95062 |            |
| 95063 |            |
| 95081 | 23.627,00  |
| 95082 | 37.254,00  |
| 95083 |            |

**Vermeldingen in toepassing van het artikel 133, paragraaf 6 van het Wetboek van vennootschappen**

**AFGELEIDE FINANCIËLE INSTRUMENTEN DIE NIET GEWAARDEERD ZIJN OP BASIS VAN DE REËLE WAARDE**

**SCHATTING VAN DE REËLE WAARDE VOOR ELKE CATEGORIE AFGELEIDE FINANCIËLE INSTRUMENTEN DIE NIET GEWAARDEERD ZIJN OP BASIS VAN DE WAARDE IN HET ECONOMISCH VERKEER, MET OPGAVE VAN DE OMVANG EN DE AARD VAN DE INSTRUMENTEN**

| Bedragen |
|----------|
|          |

## VERKLARING BETREFFENDE DE GECONSOLIDEERDE JAARREKENING

### INLICHTINGEN TE VERSTREKKEN DOOR ELKE ONDERNEMING DIE ONDERWORPEN IS AAN DE BEPALINGEN VAN HET WETBOEK VAN VENNOOTSCHAPPEN INZAKE DE GECONSOLIDEERDE JAARREKENING

De onderneming heeft een geconsolideerde jaarrekening en een geconsolideerd jaarverslag opgesteld en openbaar gemaakt\*

~~De onderneming heeft geen geconsolideerde jaarrekening en een geconsolideerd jaarverslag opgesteld, omdat zij daarvan vrijgesteld is om de volgende reden(en)\*~~

De onderneming en haar dochterondernemingen overschrijden op geconsolideerde basis niet meer dan één van de in artikel 16 van het Wetboek van vennootschappen vermelde criteria\*

De onderneming is zelf dochteronderneming van een moederonderneming die een geconsolideerde jaarrekening, waarin haar jaarrekening door consolidatie opgenomen is, opstelt en openbaar maakt\*

Indien ja, motivering dat aan alle voorwaarden tot vrijstelling, opgenomen in artikel 113, paragrafen 2 en 3 van het Wetboek van vennootschappen, is voldaan:

Naam, volledig adres van de zetel en, zo het een onderneming naar Belgisch recht betreft, het ondernemingsnummer van de moederonderneming die de geconsolideerde jaarrekening opstelt en openbaar maakt, op grond waarvan de vrijstelling is verleend:

### INLICHTINGEN DIE MOETEN WORDEN VERSTREKT DOOR DE ONDERNEMING INDIEN ZIJ DOCHTERONDERNEMING OF GEMEENSCHAPPELIJKE DOCHTERONDERNEMING IS

Naam, volledig adres van de zetel en, zo het een onderneming naar Belgisch recht betreft, het ondernemingsnummer van de moederonderneming(en) en de aanduiding of deze moederonderneming(en) een geconsolideerde jaarrekening, waarin haar jaarrekening door consolidatie opgenomen is, opstelt (opstellen) en openbaar maakt (maken)\*\*:

Indien de moederonderneming(en) (een) onderneming(en) naar buitenlands recht is (zijn), de plaats waar de hiervoor bedoelde geconsolideerde jaarrekening verkrijgbaar is\*\*

\* Schrapten wat niet van toepassing is.

\*\* Wordt de jaarrekening van de onderneming op verschillende niveaus geconsolideerd, dan worden deze gegevens verstrekt, enerzijds voor het grootste geheel en anderzijds voor het kleinste geheel van ondernemingen waarvan de onderneming als dochter deel uitmaakt en waarvoor een geconsolideerde jaarrekening wordt opgesteld en openbaar gemaakt.

**SOCIALE BALANS**

Nummers van de paritaire comités die voor de onderneming bevoegd zijn:

**STAAT VAN DE TEWERKGESTELDE PERSONEN****WERKNEMERS INGESCHREVEN IN HET PERSONEELSREGISTER**

| Codes  | 1. Voltijds          | 2. Deeltijds    | 3. Totaal (T) of totaal in voltijdse equivalenten (VTE) | 3P. Totaal (T) of totaal in voltijdse equivalenten (VTE) |
|--|----------------------|-----------------|---|--|
|  | (boekjaar)           | (boekjaar)      | (boekjaar)  | (vorig boekjaar)   |
| <b>Tijdens het boekjaar en het vorige boekjaar</b> |                      |                 |   |  |
| Gemiddeld aantal werknemers .....                  | 100 77,2             | 4,6             | 80,8 (VTE)  | 67,3 (VTE)   |
| Aantal daadwerkelijke gepresteerde uren            | 101 123.392          | 5.808           | 129.200 (T)   | 108.600 (T)  |
| Personeelskost .....                               | 102 5.915.683,19     | 278.448,26      | 6.194.131,45 (T)  | 4.369.456,78 (T)   |
| Bedrag van de voordelen bovenop het loon .....     | 103 xxxxxxxxxxxxxxxx | xxxxxxxxxxxxxxx | 81.741,68 (T)   | 65.317,73 (T)  |

**Op de afsluitingsdatum van het boekjaar**

| Codes   | 1. Voltijds | 2. Deeltijds | 3. Totaal in voltijdse equivalenten |
|---|-------------|--------------|-------------------------------------|
| <b>Aantal werknemers ingeschreven in het personeelsregister .....</b> | 105 75      | 5            | 79,0                                |
| <b>Volgens de aard van de arbeidsovereenkomst</b>                     |             |              |                                     |
| Overeenkomst voor een onbepaalde tijd .....                           | 110 75      | 5            | 79,0                                |
| Overeenkomst voor een bepaalde tijd .....                             | 111         |              |                                     |
| Overeenkomst voor een duidelijk omschreven werk .....                 | 112         |              |                                     |
| Vervangingsovereenkomst .....   | 113         |              |                                     |
| <b>Volgens het geslacht</b>   |             |              |                                     |
| Mannen .....  | 120 40      | 1            | 40,8                                |
| Vrouwen .....   | 121 35      | 4            | 38,2                                |
| <b>Volgens de beroepscategorie</b>                                    |             |              |                                     |
| Directiepersoneel .....   | 130 6       |              | 6,0                                 |
| Bedienden .....   | 134 69      | 5            | 73,0                                |
| Arbeiders .....   | 132         |              |                                     |
| Andere .....  | 133         |              |                                     |

**UITZENDKRACHTEN EN TER BESCHIKKING VAN DE ONDERNEMING GESTELDE PERSONEN**

| Codes  | 1. Uitzendkrachten | 2. Ter beschikking van de onderneming gestelde personen |
|--|--------------------|---|
| <b>Tijdens het boekjaar</b>                    |                    |   |
| Gemiddeld aantal tewerkgestelde personen ..... | 150 1,1            |   |
| Aantal daadwerkelijk gepresteerde uren .....   | 151 2.172          |   |
| Kosten voor de onderneming .....               | 152 35.227,00      |   |

## TABEL VAN HET PERSONEELSVOLTOEGANG TIJDENS HET BOEKJAAR

## INGETREDEN

|   | Codes | 1. Voltijds | 2. Deeltijds | 3. Totaal in voltijdse equivalenten |
|---|-------|-------------|--------------|-------------------------------------|
| <b>Aantal werknemers die tijdens het boekjaar in het personeelsregister werden ingeschreven</b> ..... | 205   | 8           | 2            | 9,6                                 |
| <b>Volgens de aard van de arbeidsovereenkomst</b>   |       |             |              |                                     |
| Overeenkomst voor een onbepaalde tijd .....   | 210   | 8           | 2            | 9,6                                 |
| Overeenkomst voor een bepaalde tijd .....   | 211   |             |              |                                     |
| Overeenkomst voor een duidelijk omschreven werk .....   | 212   |             |              |                                     |
| Vervangingsovereenkomst .....   | 213   |             |              |                                     |
| <b>Volgens het geslacht en het studieniveau</b>   |       |             |              |                                     |
| Mannen: lager onderwijs .....   | 220   |             |              |                                     |
| secundair onderwijs .....   | 221   |             |              |                                     |
| hoger niet-universitair onderwijs .....   | 222   | 1           | 1            | 1,8                                 |
| universitair onderwijs .....  | 223   | 6           |              | 6,0                                 |
| Vrouwen: lager onderwijs .....  | 230   |             |              |                                     |
| secundair onderwijs .....   | 231   |             |              |                                     |
| hoger niet-universitair onderwijs .....   | 232   |             |              |                                     |
| universitair onderwijs .....  | 233   | 1           | 1            | 1,8                                 |

## UITGETREDEN

|   | Codes | 1. Voltijds | 2. Deeltijds | 3. Totaal in voltijdse equivalenten |
|---|-------|-------------|--------------|-------------------------------------|
| <b>Aantal werknemers met een in het personeelsregister opgetekende datum waarop hun overeenkomst tijdens het boekjaar een einde nam</b> ..... | 305   | 7           | 3            | 9,4                                 |
| <b>Volgens de aard van de arbeidsovereenkomst</b>   |       |             |              |                                     |
| Overeenkomst voor een onbepaalde tijd .....   | 310   | 7           | 3            | 9,4                                 |
| Overeenkomst voor een bepaalde tijd .....   | 311   |             |              |                                     |
| Overeenkomst voor een duidelijk omschreven werk .....   | 312   |             |              |                                     |
| Vervangingsovereenkomst .....   | 313   |             |              |                                     |
| <b>Volgens het geslacht en het studieniveau</b>   |       |             |              |                                     |
| Mannen: lager onderwijs .....   | 320   |             |              |                                     |
| secundair onderwijs .....   | 321   |             |              |                                     |
| hoger niet-universitair onderwijs .....   | 322   |             | 1            | 0,8                                 |
| universitair onderwijs .....  | 323   | 5           |              | 5,0                                 |
| Vrouwen: lager onderwijs .....  | 330   |             |              |                                     |
| secundair onderwijs .....   | 331   | 1           | 1            | 1,8                                 |
| hoger niet-universitair onderwijs .....   | 332   |             |              |                                     |
| universitair onderwijs .....  | 333   | 1           | 1            | 1,8                                 |
| <b>Volgens de reden van beëindiging van de overeenkomst</b>   |       |             |              |                                     |
| Pensioen .....  | 340   |             |              |                                     |
| Brugpensioen .....  | 341   |             |              |                                     |
| Afdanking .....   | 342   | 1           | 1            | 1,8                                 |
| Andere reden .....  | 343   | 6           | 2            | 7,6                                 |
| Waarvan: het aantal werknemers dat als zelfstandige ten minste op halftijdse basis diensten blijft verlenen aan de onderneming .....          | 350   |             |              |                                     |



**STAAT OVER HET GEBRUIK VAN DE MAATREGELEN TEN GUNSTE VAN DE WERKGELEGENHEID TIJDENS HET BOEKJAAR**

**MAATREGELEN TEN GUNSTE VAN DE WERKGELEGENHEID**

**Maatregelen met een financieel voordeel\***

- Voordeelbanenplan (ter aanmoediging van de indienstneming van werkzoekenden die tot risicogroepen behoren) ..... 414
- Conventioneel halftijds brugpensioen ..... 411
- Volledige loopbaanonderbreking ..... 412
- Vermindering van de arbeidsprestaties (deeltijdse loopbaanonderbreking) ..... 413
- Sociale Maribel ..... 415
- Structurele vermindering van de sociale zekerheidsbijdragen ..... 416
- Doorstromingsprogramma's ..... 417
- Dienstenbanen ..... 418
- Overeenkomst werk - opleiding ..... 503
- Leerovereenkomst ..... 504
- Startovereenkomst ..... 419

**Andere maatregelen**

- Stage der jongeren ..... 502
- Opeenvolgende arbeidsovereenkomsten voor bepaalde tijd ..... 505
- Conventioneel brugpensioen ..... 506
- Vermindering van de persoonlijke bijdragen van sociale zekerheid aan werknemers met lage lonen ..... 507

| Codes | Aantal betrokken werknemers |                              | 3. Bedrag van het financiële voordeel |
|-------|-----------------------------|------------------------------|---------------------------------------|
|       | 1. Aantal                   | 2. In voltijdse equivalenten |                                       |
| 414   |                             |                              | 168.187,97                            |
| 411   |                             |                              |                                       |
| 412   |                             |                              |                                       |
| 413   |                             |                              |                                       |
| 415   |                             |                              |                                       |
| 416   | 84                          | 82,4                         |                                       |
| 417   |                             |                              |                                       |
| 418   |                             |                              |                                       |
| 503   |                             |                              |                                       |
| 504   |                             |                              |                                       |
| 419   |                             |                              |                                       |
| 502   |                             |                              |                                       |
| 505   |                             |                              |                                       |
| 506   |                             |                              |                                       |
| 507   | 19                          | 19,0                         |                                       |

**Aantal werknemers betrokken bij één of meerdere maatregelen ten gunste van de werkgelegenheid**

- totaal voor het boekjaar .....
- totaal voor het vorige boekjaar .....

|      |    |      |
|------|----|------|
| 550  | 84 | 82,4 |
| 550P | 83 | 82,2 |

**INLICHTINGEN OVER DE OPLEIDING VOOR DE WERKNEMERS TIJDENS HET BOEKJAAR**

**Totaal van de opleidingsinitiatieven ten laste van de werkgever**

- Aantal betrokken werknemers .....
- Aantal gevolgde opleidingsuren .....
- Kosten voor de onderneming .....

| Codes | Mannen    | Codes | Vrouwen  |
|-------|-----------|-------|----------|
| 5801  | 17        | 5811  | 15       |
| 5802  | 268       | 5812  | 253      |
| 5803  | 10.586,17 | 5813  | 8.108,35 |

**INLICHTINGEN OVER DE ACTIVITEITEN VAN VORMING, BEGELEIDING OF MENTORSCHAP DOOR DE WERKNEMERS GEGEVEN IN TOEPASSING VAN DE WET VAN 5 SEPTEMBER 2001 TOT DE VERBETERING VAN DE WERKGELEGENHEIDSGRAAD VAN DE WERKNEMERS**

**Activiteiten van vorming, begeleiding of mentorschap**

- Aantal werknemers welke deze activiteiten uitoefenden .....
- Aantal uren besteed aan deze activiteiten .....
- Aantal werknemers welke deze activiteiten volgden .....

| Codes | Mannen | Codes | Vrouwen |
|-------|--------|-------|---------|
| 5804  |        | 5814  |         |
| 5805  |        | 5815  |         |
| 5806  |        | 5816  |         |

\* Financieel voordeel voor de werkgever met betrekking tot de titularis of diens plaatsvervanger.

## WAARDERINGSREGELS

Deze afwijkingen worden als volgt verantwoord:

Deze afwijkingen beïnvloeden als volgt het vermogen, de financiële positie en het resultaat voor belastingen van de onderneming:

De waarderingsregels werden ten opzichte van het vorige boekjaar qua verwoording of toepassing (gewijzigd) (niet gewijzigd) zo ja, dan heeft de wijziging betrekking op:

en heeft zij een (positieve) (negatieve) invloed op het resultaat van het boekjaar voor belasting ten belope van EUR.

De resultatenrekening (wordt) (wordt niet) op belangrijke wijze beïnvloed door opbrengsten en kosten die aan een vorig boekjaar moeten worden toegerekend; zo ja, dan hebben deze betrekking op:

De cijfers van het boekjaar zijn niet vergelijkbaar met die van het vorige boekjaar en wel om de volgende reden:

(Voor de vergelijkbaarheid worden de cijfers van het vorige boekjaar op volgende punten aangepast)

(Voor de vergelijking van de jaarrekening van beide boekjaren moet met volgende elementen rekening worden gehouden):

Bij gebrek aan objectieve beoordelingscriteria is de waardering van de voorzienbare risico's, mogelijke verliezen en ontwaardingen waarvan hierna sprake, onvermijdelijk aleatoir:

Andere inlichtingen die noodzakelijk zijn opdat de jaarrekening een getrouw beeld zou geven van het vermogen, de financiële positie en het resultaat van de onderneming:

### 2. Vaste activa

#### Oprichtingskosten:

De oprichtingskosten worden onmiddellijk ten laste genomen, behoudens volgende kosten die worden geactiveerd:

#### Herstructureringskosten:

De herstructureringskosten werden (geactiveerd) (niet geactiveerd) in de loop van het boekjaar; zo ja, dan wordt dit als volgt verantwoord :

#### Immateriële vaste activa:

Het bedrag aan immateriële vaste activa omvat voor EUR kosten van onderzoek en ontwikkelingen. De afschrijvings-termijn voor deze kosten en voor de goodwill belooft (meer) (niet meer) dan 5 jaar; indien meer dan 5 jaar wordt deze termijn als volgt verantwoord :

#### Materiële vaste activa:

In de loop van het boekjaar (werden) (werden geen) materiële vaste activa geherwaardeerd; zo ja, dan wordt deze herwaardering als volgt verantwoord :

Samenvatting der Waarderingsregels:

##### 1. Onderzoek en ontwikkeling

De vennootschap investeert in onderzoeks-en ontwikkelingsprojecten. Deze uitgaven worden door de vennootschap in het resultaat genomen.

##### 2. Vaste activa

###### a) Immaterieel vaste activa

De vennootschap verwierf in het boekjaar 2000 licenties en know-how van haar aandeelhouders Crucell BV en van Tibotec-Virco NV (Johnson & Johnson) via een quasi-inbreng. Deze licentie-overeenkomst werd vervangen en hernieuwd ter gelegenheid van de private plaatsing op 1 maart 2002. Deze licenties en know-how worden lineair afgeschreven over een periode van 5 jaar. De overige immaterieel vaste activa omvatten software licenties die

## WAARDERINGSREGELS

lineair worden afgeschreven over een periode van 3 jaar.

b) De kosten van kapitaalsverhoging door de Private Plaatsing en deze voor de overnames van DPI, Inpharmatica en ProSkelia werden opgenomen in de resultatenrekening voor een bedrag van 336 KEUR.

c) Materieel vaste activa worden geboekt aan kostprijs. Afschrijvingen vinden plaats op lineaire basis, rekening houdend met de economische levensduur van de activa.

- Labo materiaal: 5-10 jaar
- IT hardware en software: 3-5 jaar
- Meubilair en rollend materieel: 5-10 jaar
- Activa in leasing: 14 jaar

De activa in leasing bevatten de machines en laboratorium uitrusting in de gebouwen. De netto boekwaarde van het actief bedraagt op 31 December 2007 2,413 KEUR. De schuld ten opzichte van de leasingmaatschappijen welke geboekt werd bedraagt 1,038 KEUR op lange termijn en 521 KEUR op minder dan 1 jaar.

Teneinde de zekerheid om de verplichtingen na te komen werd er een bankgarantie verleend door de KBC Bank NV waarbij steeds een bedrag minimaal gelijk aan het huurgeld van 6 mnd wordt gegarandeerd.

In juli 2005 is een bijkomend leasingcontract afgesloten ten bedrage van 2 miljoen Euro voor de inrichting van nieuwe labo's. Hiervoor werd er een inpandgeving gedaan van de beleggingsfondsen welke in bewaring zijn bij KBC Bank NV. Dit leasingcontract werd dd. 27 december 2006 gewijzigd naar een investeringsbedrag van 1,988 KEUR. De te betalen leasevergoedingen op korte termijn bedragen 385 KEUR, betaalbaar per trimester.

### 3. Handelsvorderingen

Handelsvorderingen worden geboekt aan nominale waarde. Wanneer inning twijfelachtig wordt, wordt een provisie aangelegd voor dubieuze debiteuren.

### 4. Voorraden

Gronstoffen, hulpgoederen en handelsgoederen zijn gewaardeerd aan aanschaffingswaarde.

Goederen in bewerking en afgewerkte producten zijn gewaardeerd aan kostprijs. De kostprijs omvat naast de directe productie- en materiaalkosten, een evenredig deel van de afschrijvingen en waardeverminderingen van de activa die in het productieproces werden gebruikt.

De voorraden worden gewaardeerd volgens de FIFO methode. Indien de aanschaffingswaarde of de kostprijs hoger is dan de opbrengstwaarde, wordt de waardering aan de lagere opbrengstwaarde toegepast. De opbrengstwaarde is gelijk aan de geschatte normale verkoopprijs, verminderd met de geschatte afwerkingkosten en geschatte kosten die nodig zijn om de verkoop te realiseren.

### 5. Opbrengsten

Onze bedrijfsopbrengsten komen van de verkoop van producten, het verlenen van onderzoeks- en ontwikkelingsdiensten, target discovery en ontwikkelingsovereenkomsten, licentie- en royalty overeenkomsten en subsidies. De erkenning van de omzet kan als volgt worden samengevat:

- a) De verkopen van producten worden erkend als omzet wanneer de levering gebeurt;
- b) Contracten in het kader van onderzoeks- en ontwikkelingsdiensten worden erkend als omzet aan fair value wanneer deze diensten geleverd zijn. De diensten worden gewoonlijk geleverd in de vorm van een bepaald aantal voltijds equivalente personeelsleden van de onderneming aan een vooraf bepaald tarief;
- c) Verkopen in het kader van target discovery en ontwikkelingscontracten bevatten meestal meerdere elementen gecombineerd in een of meerdere overeenkomsten. De elementen in zulke contracten worden als volgt erkend:
  - Vooruitbetaalde, niet terugbetaalbare bedragen worden enkel als omzet erkend wanneer de geleverde producten en/of diensten geleverd zijn in het kader van een aparte overeenkomst en de vennootschap alle contractuele verplichtingen heeft voldaan. In het geval van voortdurende contractuele verbinding van de vennootschap worden deze vooruitbetaalde bedragen niet beschouwd als een aparte transactie en zullen deze bedragen gespreid worden over de duurtijd van de samenwerking.
  - Bedragen betaald als vergoeding voor toegang tot de bibliotheek en de zogenaamde "technology access fees" worden als omzet erkend over de duurtijd van deze toegang;
  - Bedragen die ontvangen worden als vergoeding voor het leveren van informatie uit de bibliotheek worden als omzet erkend als de levering gebeurd is, enkel indien de vennootschap geen verdere contractuele verplichtingen heeft. Indien zulke verplichtingen wel bestaan worden deze bedragen behandeld als vooruitbetaalde licentie fees.
  - Bedragen betaald voor het verkrijgen van opties of licenties worden als omzet erkend over de looptijd van de optie of licentie tenzij er geen verdere contractuele verplichtingen bestaan. In dat geval wordt de omzet erkend wanneer ze gefactureerd is.
  - Technische "milestone payments" worden erkend als omzet wanneer ze bekomen zijn, tenzij de vennootschap verdere contractuele verplichtingen heeft in de ontwikkeling. In dat geval worden zulke bedragen erkend als omzet over de verdere duurtijd van de samenwerking.
- d) Royalties worden als omzet erkend wanneer ze bekomen zijn.

**BIJKOMENDE INFO****1. Inschrijvingsrechten**

Warrantenplannen ten voordele van personeelsleden, bestuurders en derden

De Bijzondere Algemene Vergadering van 20 december 1999 heeft beslist tot de uitgifte van warrantenplannen ten voordele van personeelsleden, bestuurders en derden. Het Belgisch en Nederlands warrantenplan van 1999 voorziet in de uitgifte van respectievelijk 549.341 en 81.695 warrants. De warrants onder het Nederlandse plan 1999 zijn op 31 December 2004 volledig vervallen. Op 31 december 2007 waren er geen warrants meer uitstaand onder het warrantenplan België 1999. Op 1 maart 2002 werden de 307.187 nog niet aangeboden warrants onder het Belgisch Plan 1999 vernietigd door de Buitengewone Algemene Vergadering die tevens een nieuw warrantenplan van 3.513.000 warrants heeft gecreëerd (3.013.000 warrants in het 2002 Belgisch warrantenplan en 500.000 warrants in het 2002 Nederlandse warrantenplan). De Buitengewone Algemene Vergadering van 29 maart 2005 heeft beslist dat, ingeval van een succesvolle IPO, het aantal aandelen van de vennootschap zal worden herleid met 4 (reverse split 1:4); bijgevolg geven, vanaf de IPO, 4 warrants uit de warrantenplannen van 1999 en 2002 recht op 1 aandeel.

De Buitengewone Algemene Vergadering van 29 maart 2005 heeft een nieuw warrantenplan van maximaal 500.000 warrants gecreëerd (uiteindelijk zijn er onder dit plan 467.421 warrants gecreëerd) ("Warrantplan 2005"). De warrants hebben een looptijd van 8 jaar.

Elke warrant geeft recht op 1 aandeel. De uitoefenprijs is afhankelijk van de datum van het aanbod en is ofwel minstens gelijk aan de slotkoers van het aandeel op de dag voorafgaand aan de dag van het aanbod, ofwel het gemiddelde van de slotkoersen van het aandeel van de 30 dagen voorafgaand aan de dag van het aanbod. De Raad van Bestuur van 27 februari 2007 heeft beslist dat er geen verdere aanbiedingen van warrants onder het Warrantplan 2005 zullen gebeuren.

De Raad van Bestuur, gebruik makend van zijn machtiging onder het toegestaan kapitaal, heeft op 3 februari 2006 het Warrantplan 2006 België/Nederland gecreëerd. Onder dit plan zijn 350.000 warrants gecreëerd die kunnen worden toegekend aan werknemers, bestuurders en/of consultants van de vennootschap of haar dochterondernemingen.

De warrants hebben een looptijd van 8 jaar.

Elke warrant geeft recht op één aandeel. De uitoefenprijs van de warrants zal door de raad van bestuur worden bepaald als tenminste (a) de slotkoers van het aandeel op de laatste handelsdag die het aanbod voorafgaat, of (b) het gemiddelde van de slotkoersen van het aandeel gedurende de laatste 30 dagen die het aanbod voorafgaat.

De Raad van Bestuur van 11 december 2007 heeft beslist dat er geen verdere aanbiedingen van warrants onder het Warrantplan 2006 België/Nederland zullen gebeuren na 30 december 2007.

De Raad van Bestuur, gebruik makend van zijn machtiging onder het toegestaan kapitaal, heeft op 12 mei 2006 het Warrantplan 2006 UK gecreëerd. Onder dit plan zijn 453.715 warrants gecreëerd die kunnen worden toegekend aan werknemers van de vennootschap of haar dochterondernemingen, doch die bij voorkeur worden voorbehouden voor werknemers van de dochtervennootschappen in de UK. De warrants hebben een looptijd van 8 jaar. Elke warrant geeft recht op één aandeel. De uitoefenprijs van de warrants zal door de Raad van Bestuur worden bepaald als tenminste (a) de slotkoers van het aandeel op de laatste handelsdag die het aanbod voorafgaat, of (b) het gemiddelde van de slotkoersen van het aandeel gedurende de laatste vijf handelsdagen die het aanbod voorafgaat. De Raad van Bestuur van 11 december 2007 heeft beslist dat er geen verdere aanbiedingen van warrants onder het Warrantplan 2006 UK zullen gebeuren na 30 december 2007.

De Raad van Bestuur, gebruik makend van zijn machtiging onder het toegestaan kapitaal, heeft op 28 juni 2007 het "Warrantplan 2007" gecreëerd ten gunste van werknemers, bestuurders en consulenten van de vennootschap en haar dochterondernemingen. Onder dit plan zijn 364.440 warrants uitgegeven. De warrants hebben een looptijd van 8 jaar. Elke warrant geeft recht op 1 aandeel.

De uitoefenprijs van de warrants is door de Raad van Bestuur vastgesteld op 8,65 euro, zijnde het gemiddelde van de slotkoersen van het aandeel van de vennootschap gedurende de laatste dertig (30) dagen die voorafgingen aan de datum van het aanbod van deze warrants (28 juni 2007). Er zijn onder dit plan geen verdere uitgiftes van warrants meer mogelijk.

De Raad van Bestuur, gebruik makend van zijn machtiging onder het toegestaan kapitaal, heeft op 25 oktober 2007 het "Warrantplan 2007 RMV" gecreëerd ten gunste van de werknemers van de in Romainville (Frankrijk) gevestigde dochteronderneming van de vennootschap. Onder dit plan zijn 108.850 warrants uitgegeven. De warrants hebben een looptijd van 8 jaar. Elke warrant geeft recht op 1 aandeel.

De uitoefenprijs van de warrants diende minstens gelijk te zijn aan de slotkoers van het aandeel van de vennootschap op de laatste beursdag

die de datum van het aanbod (25 oktober 2007) voorafgaat, of het gemiddelde van de slotkoersen van het aandeel van de vennootschap van de laatste dertig (30) dagen die de datum van het aanbod voorafgaat, en is door de Raad van Bestuur vastgesteld op 8,65 euro, zijnde een prijs die hoger lag dan beide voornoemde parameters. Er zijn onder dit plan geen verdere uitgiftes van warrants meer mogelijk.

Deze warrantenplannen kunnen als volgt worden samengevat:

**Warrantenplan 1999 België**

Vervaldatum 2007

(gegevens herrekend post reverse split 1:4 van maart 2005)

|  |         |
|--|---------|
| Aantal warrants in warrantenplan               | 137.335 |
| Toegekend per 1 januari 2007                   | 60.539  |
| Vernietigd per 1 januari 2007                  | 82.946  |
| Uitgeoefend per 1 januari 2007                 | 15.150  |
| Uitstaand per 1 januari 2007                   | 39.239  |
| Beschikbaar voor uitgifte per 1 januari 2007   | 0       |
| Totaal toegekend in 2007                       | 0       |
| Vernietigd in 2007                             | 0       |
| Uitgeoefend in 2007                            | 39.239  |
| Uitstaand per 31 december 2007                 | 0       |
| Totaal toegekend per 31 december 2007          | 60.539  |
| Totaal vernietigd per 31 december 2007         | 82.946  |
| Totaal uitgeoefend per 31 december 2007        | 54.389  |
| Beschikbaar voor uitgifte per 31 december 2007 | 0       |
| Uitoefenprijs (euro per warrant)               | 4,00    |

**BIJKOMENDE INFO**

Warrantenplan 2002 België  
 Vervaldatum 2010/2011/2012  
 (gegevens herrekend post reverse split 1:4 van maart 2005)

|  |         |
|--|---------|
| Aantal warrants in warrantenplan               | 753.250 |
| Terug toegevoegd aan warrantpool (2004)        | 59.231  |
| Toegekend per 1 januari 2007                   | 793.706 |
| Vernietigd per 1 januari 2007                  | 165.882 |
| Uitgeoefend per 1 januari 2007                 | 104.924 |
| Uitstaand per 1 januari 2007                   | 522.900 |
| Beschikbaar voor uitgifte per 1 januari 2007   | 18.775  |
| Toegekend in 2007                              | 0       |
| Vernietigd in 2007                             | 30.025  |
| Uitgeoefend in 2007                            | 45.645  |
| Uitstaand per 31 december 2007                 | 466.005 |
| Totaal toegekend per 31 december 2007          | 793.706 |
| Totaal vernietigd per 31 december 2007         | 195.907 |
| Totaal uitgeoefend per 31 december 2007        | 150.569 |
| Beschikbaar voor uitgifte per 31 december 2007 | 0       |
| Uit oefenprijs (euro per warrant)              | 4,00    |

Warrantenplan 2002 Nederland  
 Vervaldatum 2006/2007  
 (gegevens herrekend post reverse split 1:4 van maart 2005)

|  |         |
|--|---------|
| Aantal warrants in warrantenplan               | 125.000 |
| Toegekend per 1 januari 2007                   | 120.649 |
| Vernietigd per 1 januari 2007                  | 0       |
| Uitgeoefend per 1 januari 2007                 | 107.962 |
| Uitstaand per 1 januari 2007                   | 12.687  |
| Beschikbaar voor uitgifte per 1 januari 2007   | 4.351   |
| Toegekend in 2007                              | 0       |
| Vernietigd in 2007                             | 4.351   |
| Uitgeoefend in 2007                            | 12.686  |
| Uitstaand per 31 december 2007                 | 0       |
| Totaal toegekend per 31 december 2007          | 120.649 |
| Totaal vernietigd per 31 december 2007         | 0       |
| Totaal uitgeoefend per 31 december 2007        | 120.648 |
| Beschikbaar voor uitgifte per 31 december 2007 | 0       |
| Uit oefenprijs (euro per warrant)              | 4,68    |

Warrantenplan 2005  
 Vervaldatum 2013/2014

|  |                         |
|--|-------------------------|
| Aantal warrants in warrantenplan               | 467.421                 |
| Toegekend per 1 januari 2007                   | 458.600                 |
| Vernietigd per 1 januari 2007                  | 0                       |
| Uitgeoefend per 1 januari 2007                 | 0                       |
| Uitstaand per 1 januari 2007                   | 458.600                 |
| Beschikbaar voor uitgifte per 1 januari 2007   | 8.821                   |
| Toegekend in 2007                              | 0                       |
| Vernietigd in 2007                             | 54.966                  |
| Uitgeoefend in 2007                            | 0                       |
| Uitstaand per 31 december 2007                 | 412.455                 |
| Totaal toegekend per 31 december 2007          | 458.600                 |
| Totaal vernietigd per 31 december 2007         | 54.966                  |
| Totaal uitgeoefend per 31 december 2007        | 0                       |
| Beschikbaar voor uitgifte per 31 december 2007 | 0                       |
| Uit oefenprijs (euro per warrant)              | 6,91 (145.000 warrants) |
|  | 8,35 (125.000 warrants) |
|  | 8,60 (12.500 warrants)  |
|  | 8,73 (53.500 warrants)  |
|  | 8,61 (40.000 warrants)  |
|  | 8,65 (82.600 warrants)  |

Warrantenplan 2006 België/Nederland  
 Vervaldatum 2014/2015

|                                  |         |
|----------------------------------|---------|
| Aantal warrants in warrantenplan | 350.000 |
| Toegekend per 1 januari 2007     | 200.043 |
| Vernietigd per 1 januari 2007    | 5.651   |

**BIJKOMENDE INFO**

|  |                         |
|--|-------------------------|
| Uitgeoefend per 1 januari 2007                 | 0                       |
| Uitstaand per 1 januari 2007                   | 194.392                 |
| Beschikbaar voor uitgifte per 1 januari 2007   | 149.957                 |
| Toegekend in 2007                              | 146.245                 |
| Vernietigd in 2007                             | 45.540                  |
| Uitgeoefend in 2007                            | 0                       |
| Uitstaand per 31 december 2007                 | 298.809                 |
| Totaal toegekend per 31 december 2007          | 346.288                 |
| Totaal vernietigd per 31 december 2007         | 51.191                  |
| Totaal uitgeoefend per 31 december 2007        | 0                       |
| Beschikbaar voor uitgifte per 31 december 2007 | 0                       |
| Uitoefenprijs (euro per warrant)               | 8,61 (112.953 warrants) |
|  | 8,65 (87.090 warrants)  |
|  | 9,57 (102.900 warrants) |
|  | 9,22 (17.500 warrants)  |
|  | 8,65 (735 warrants)     |
|  | 7,12 (25.110 warrants)  |

Warrantenplan 2006 U.K.  
Vervaldatum 2014/2015

|  |                         |
|--|-------------------------|
| Aantal warrants in warrantplan                 | 453.715                 |
| Toegekend per 1 januari 2007                   | 393.856                 |
| Vernietigd per 1 januari 2007                  | 12.064                  |
| Uitgeoefend per 1 januari 2007                 | 0                       |
| Uitstaand per 1 januari 2007                   | 381.792                 |
| Beschikbaar voor uitgifte per 1 januari 2007   | 59.859                  |
| Toegekend in 2007                              | 31.530                  |
| Vernietigd in 2007                             | 70.626                  |
| Uitgeoefend in 2007                            | 0                       |
| Uitstaand per 31 december 2007                 | 371.025                 |
| Totaal toegekend per 31 december 2007          | 425.386                 |
| Totaal vernietigd per 31 december 2007         | 82.690                  |
| Totaal uitgeoefend per 31 december 2007        | 0                       |
| Beschikbaar voor uitgifte per 31 december 2007 | 0                       |
| Uitoefenprijs (euro per warrant)               | 8,70 (302.191 warrants) |
|  | 8,65 (13.965 warrants)  |
|  | 9,176 (77.700 warrants) |
|  | 8,43 (30.585 warrants)  |
|  | 7,25 (945 warrants)     |

Warrantplan 2007  
Vervaldatum 2015

|  |                         |
|--|-------------------------|
| Aantal warrants in warrantplan                 | 364.440                 |
| Toegekend in 2007                              | 364.440                 |
| Vernietigd in 2007                             | 662                     |
| Uitgeoefend in 2007                            | 0                       |
| Uitstaand per 31 december 2007                 | 363.778                 |
| Totaal toegekend per 31 december 2007          | 364.440                 |
| Totaal vernietigd per 31 december 2007         | 662                     |
| Totaal uitgeoefend per 31 december 2007        | 0                       |
| Beschikbaar voor uitgifte per 31 december 2007 | 0                       |
| Uitoefenprijs (euro per warrant)               | 8,65 (364.440 warrants) |

Warrantplan 2007 RMV  
Vervaldatum 2015

|  |                         |
|--|-------------------------|
| Aantal warrants in warrantplan                 | 108.850                 |
| Toegekend in 2007                              | 108.850                 |
| Vernietigd in 2007                             | 0                       |
| Uitgeoefend in 2007                            | 0                       |
| Uitstaand per 31 december 2007                 | 108.850                 |
| Totaal toegekend per 31 december 2007          | 108.850                 |
| Totaal vernietigd per 31 december 2007         | 0                       |
| Totaal uitgeoefend per 31 december 2007        | 0                       |
| Beschikbaar voor uitgifte per 31 december 2007 | 0                       |
| Uitoefenprijs (euro per warrant)               | 8,65 (108.850 warrants) |

De warrants onder deze warrantplannen zijn uitoefenbaar gedurende een periode van 8 jaar vanaf de toekenning, met uitzondering van de warrants onder het Warrantplan 2002 Nederland welke gedurende 4 jaar uitoefenbaar waren. De warrants worden geleidelijk definitief verworven ('vesting') volgens het volgende schema: 10% is verworven bij toekenning; 20% is verworven op de eerste verjaardag van het aanbod; 40% is verworven op de tweede verjaardag van het aanbod; 60% is verworven op de derde verjaardag van het aanbod; 100% is verworven op het einde van het derde

## BIJKOMENDE INFO

kalenderjaar dat volgt op het aanbod. Dit schema is niet toepasselijk op het Warrantplan 2002 Nederland, waar alle warrants verworven zijn sinds de datum van de IPO (mei 2005). Voor warrants toegekend aan bestuurders onder de 2005, 2006 en 2007 warrantplannen geldt een lineaire vesting over 36 maanden (1/36e per maand vanaf het aanbod). Warrants kunnen niet worden uitgeoefend voor het einde van het derde kalenderjaar dat volgt op de datum van het aanbod.

In de Raad van Bestuur van 12 december 2006 is beslist geweest om het schema van verwerving van aandelen in het warrantplan 2002 België te wijzigen voor zover het betrekking heeft op warrants aangeboden aan bestuurders, in die zin dat de warrants aangeboden aan bestuurders verworven zullen worden na drie jaar vanaf de datum van toekenning, ten belope van 1/36 per maand.

Met betrekking tot het warrantenplan 2002 België, heeft de Raad van Bestuur dd. 15 januari 2004, in overeenstemming met de bepalingen van voornoemd plan, beslist dat 236.925 warrants, toegekend onder dit plan aan een werknemer die aangekondigd had de vennootschap te verlaten (en die na de hierboven genoemde 'reverse split 1:4' recht geven op 59.231 aandelen), niet nietig zouden worden op het moment van zijn vertrek, maar uitstaand zouden blijven en terug toegevoegd worden aan het aantal warrants in het plan om aldus later te worden toegekend aan één of meerdere werknemers of bestuurders. Deze beslissing is defacto tot uitvoering gebracht bij de toekenning van warrants onder dit plan op 31 januari 2005.

In bovenstaande tabel diende een correctie te gebeuren in de rubriek "Warrantplan 2006 UK", waar in de jaarrekening over 2006 als aantal warrants "Vernietigd in 2006" en "Totaal vernietigd per 31 december 2006" een aantal van 9.023 werd vermeld, terwijl dit in feite een aantal van 12.064 had moeten zijn. Dit is in bovenstaande tabel voor genoemd plan gecorrigeerd in de rubriek "Vernietigd per 1 januari 2007". Het verschil van 3.041 warrants heeft te maken met een afrondingsfout en met het bij materiële vergissing niet in rekening brengen van de warrants die vernietigd zijn als gevolg van de uitdiensttreding van 2 warranthouders op het einde van 2006.

### 2. Garantiestelling

Teneinde enkelvoudige financiële rapportering bij Biofocus DPI BV te vermijden, heeft Galapagos Genomics NV zich garant gesteld ten gunste van Biofocus DPI BV. Eveneens is er een garantiestelling voor Galapagos SASU.

### 3. Burn rate

De burn rate is berekend op basis van het operationele resultaat gecorrigeerd met de afschrijvingen, vermeerderd met de financiële opbrengsten en verminderd met de investeringen.

### 4. Continuïteit

De vennootschap heeft operationele verliezen opgelopen die resulteren in een gecumuleerd overgedragen verlies op 31 december 2007 van 44,9 miljoen EUR.

We hebben per 31 december 2007 een kaspositie van 30,9 miljoen EUR en een positief eigen vermogen van 112,3 miljoen EUR. Voor 2008 begroot het management een operations cash burn van 25 miljoen EUR. Op basis van al deze factoren meent de Raad van Bestuur dat de continuïteit gevrijwaard is tot aan de algemene vergadering die beslist over de jaarrekening van het boekjaar dat afsluit op 31 december 2008.

### 5. Gebeurtenissen na balansdatum

Een tweejarige overeenkomst werd afgesloten met Janssen Pharmaceutica op gebied van kankeronderzoek. De totale waarde voor Galapagos bedraagt een upfront fee van 2,9 miljoen EUR, en tot 7,6 miljoen EUR bij het behalen van milestones.

De lopende drug discovery overeenkomst tussen Galapagos en Eli Lilly and Company werd verlengd tot eind 2008, voor Galapagos een waarde van 1,2 miljoen USD.

Galapagos kreeg van de Vlaamse regering een IWT bedrijfssubsidie toegekend voor 4,4 miljoen EUR voor het ontwikkelen van een kandidaat geneesmiddel tegen reuma, en heeft een looptijd van 3 jaar.

In januari 2008 werd het bereiken van een mijlpaal aangekondigd door Galapagos met betrekking tot de alliantie met Janssen Pharmaceutica. De cash die Galapagos hierdoor verkrijgt, bedraagt 3,4 miljoen EUR.

### 6. Belangrijke toekomstige verplichtingen van de vennootschap

ProStrakan, de vroegere aandeelhouder van de door Galapagos' overgenomen vennootschap ProSkelia SASU, komt in aanmerking voor mogelijke betalingen tot maximaal €14,5 miljoen, als onderdeel van toekomstige programma's.