Nycomed’s Ciclesonide to be commercialised in the United States by Sepracor

- Sepracor acquires exclusive development, marketing and commercialisation rights to the Ciclesonide franchise in the United States
- Ciclesonide is the active ingredient in the ALVESCO® Inhalation Aerosol for asthma and the Omnaris™ Nasal Spray for allergic rhinitis
- ALVESCO® and Omnaris™ are FDA-approved and are on track to be launched in 2008
- Agreement is in alignment with Nycomed’s strategy to cooperate with the best partners for its key brands in the United States
- Partnership between Nycomed and Sepracor provides a good strategic fit for both companies

Nycomed has granted Sepracor, Inc. (NASDAQ: SEPR) the exclusive development, marketing and commercialisation rights for Ciclesonide in the United States. Ciclesonide is Nycomed’s patented corticosteroid with a novel principle of action. It is the active ingredient in the ALVESCO® Inhalation Aerosol for the treatment of asthma and in the Omnaris™ Nasal Spray for the treatment of allergic rhinitis. The agreement complements Sepracor’s respiratory portfolio and is a boost to Nycomed’s partnering approach for the United States.

Sepracor will gain exclusive rights for Ciclesonide in the United States. Sepracor expects to launch Omnaris™ in the 2008 spring allergy season and ALVESCO® in the second half of 2008. Sepracor will not only commercialise the approved products ALVESCO® and Omnaris™, but plans to develop line extensions and additional products broadening the Ciclesonide and current Sepracor respiratory franchise. Nycomed will receive an upfront payment of $150 million and subsequent payments upon accomplishment of various development and sales milestones, which could include up to an additional $280 million over the life of the agreement if all milestones are met. Nycomed will also receive compensation for providing finished product and royalties on sales of Ciclesonide products.

Nycomed retains all rights to Ciclesonide outside the United States and has partnered the product with Teijin Pharmaceuticals in Japan where ALVESCO® was launched in June 2007. Nycomed also has rights for the territories outside the United States to certain line extensions and additional products developed by Sepracor under the agreement.

Sepracor develops and markets a range of products in the respiratory field. ALVESCO® and Omnaris™ complement Sepracor’s respiratory portfolio and expand its product pipeline with Ciclesonide line extension programs. These programs include Omnaris™ HFA, a hydrofluoroalkane (HFA) metered-dose inhaler Phase II candidate; ALVESCO® inhalation solution, a preclinical
candidate; and ALVESCO® in combination with a long-acting beta-agonist, an early clinical candidate.

“We were looking for a strategic partner both able to commercialise the products and further develop them. With Sepracor we have found that ideal partner”, said Håkan Björklund, Nycomed’s CEO. “This agreement clearly leverages the potential of Ciclesonide that we believe to be one of the most innovative corticosteroids available to patients”, he added.

“We are delighted with this agreement, as OMNARIS AQ and ALVESCO HFA represent two new and exciting products for our 1,600 person sales force to launch in 2008. We are also pleased with the additional development assets that form part of this Ciclesonide franchise,” said Adrian Adams, President and Chief Executive Officer of Sepracor. “The Ciclesonide franchise adds further strength to our growing pipeline and is commercially synergistic with our XOPENEX® and BROVANA® franchises. I am particularly pleased that our core strategy of fully leveraging our existing products, growing our research and development pipeline and successfully delivering value-enhancing business development successes is being implemented as planned.”

About Ciclesonide, ALVESCO® and Omnaris™

**Ciclesonide** is Nycomed’s patented corticosteroid with a novel principle of action. It is a prodrug that is activated by intracellular esterases following oral or nasal inhalation.

**ALVESCO® (Ciclesonide) Inhalation Aerosol** is a new generation of inhaled corticosteroid that reduces inflammatory processes and is indicated for the use in patients with asthma. ALVESCO® has been approved in 45 countries including the U.S. and introduced in 30, with more launches expected in 2008. ALVESCO® is based on the active ingredient Ciclesonide. ALVESCO® has wide inhibitory activities against multiple inflammatory cell types and chemicals involved in the asthmatic response.

Inhaled corticosteroids (ICS) are regarded today as the gold standard in asthma and allergic rhinitis therapy. They inhibit the activity of pro-inflammatory cells and promote the endogenous production of anti-inflammatory substances. With regular use of these corticosteroids, the inflammation in the lungs and airways that underlies the asthma is attenuated.

In clinical trials, ALVESCO® was generally well tolerated. The most common adverse reactions (>3%) were headache, nasopharyngitis, sinusitis, pharyngolaryngeal pain, upper respiratory infection, arthralgia, nasal congestion, pain in the extremities and back pain.

Treatment with orally inhaled corticosteroids may lead to signs or symptoms of hypercorticism, suppression of hypothalamic-pituitary-adrenal (HPA) function and/or suppression of growth in children. Glaucoma, increased intraocular pressure and cataracts have been reported following the administration of inhaled corticosteroids.

ALVESCO® (Ciclesonide) Inhalation Aerosol is an orally inhaled corticosteroid indicated for the maintenance treatment of asthma as prophylactic therapy in adult patients 12 years of age and older. ALVESCO® is NOT indicated for the relief of acute bronchospasm.
Omnaris™ (Ciclesonide) Nasal Spray is the intranasal formulation of Ciclesonide for the treatment of nasal symptoms associated with seasonal allergic rhinitis in adults and children 6 years of age and older and with perennial allergic rhinitis in adults and adolescents 12 years of age and older. Intranasal corticosteroids are considered to be the gold standard for the treatment of allergic rhinitis, and they work by reducing inflammation - the major underlying cause of the clinical symptoms. Ciclesonide nasal spray was shown to have a favorable safety profile. The most frequently reported adverse events seen with Ciclesonide nasal spray were headache, epistaxis, nasopharyngitis, ear pain, and pharyngolaryngeal pain. The replacement of a systemic corticosteroid with a topical corticosteroid can be accompanied by signs of adrenal insufficiency. Intranasal corticosteroids may cause a reduction in growth velocity when administered to pediatric patients.

Allergic rhinitis is a chronic inflammatory disease of the nasal mucosa causing sneezing, itching, nasal congestion and discharge. Seasonal allergic rhinitis is caused by substances that trigger allergies and is sometimes referred to as "hay fever." Perennial allergic rhinitis is a chronic condition caused by triggers such as pet dander and dust. The result of poorly controlled allergies can result in impairments in day-to-day activities as well as a reduction in a patient’s quality of life. According to the American Academy of Allergy, Asthma, and Immunology, more than 40 million Americans are currently estimated to suffer with allergic diseases and allergies are the sixth leading cause of chronic disease in the United States.

The U.S. market for inhaled corticosteroids is estimated at approximately $1.2 billion (IMS Health, moving average total for inhaled corticosteroids as of November 2007).

The U.S. market for nasal corticosteroids is estimated at approximately $2.4 billion (IMS Health, moving average total for nasal corticosteroids as of November 2007).

About Sepracor

Sepracor Inc. is a research-based pharmaceutical company dedicated to treating and preventing human disease by discovering, developing and commercializing innovative pharmaceutical products that are directed toward serving unmet medical needs. Sepracor's drug development program has yielded a portfolio of pharmaceutical products and candidates with a focus on respiratory and central nervous system disorders. Currently marketed products include LUNESTA® brand eszopiclone, XOPENEX brand levalbuterol HCl Inhalation Solution, XOPENEX HFA brand levalbuterol tartrate Inhalation Aerosol and BROVANA brand arformoterol tartrate Inhalation Solution. Sepracor's corporate headquarters are located in Marlborough, Massachusetts.

For more information visit www.sepracor.com

About Nycomed

Nycomed is a pharmaceutical company that provides medicines for hospitals, specialists and general practitioners, as well as over-the-counter medicines in selected markets.
The company is active within a range of therapeutic areas, including cardiology, gastroenterology, osteoporosis, respiratory, pain and tissue management. New products are sourced both from own research and from external partners. Operating throughout Europe and in fast-growing markets such as Latin America, Russia/CIS and the Asia-Pacific region Nycomed has a presence in about 50 markets worldwide.

Privately owned, the combined group had annual sales of approximately € 3.4 billion and an EBITDA of € 933.4 million (2006 results).

For more information visit www.nycomed.com

For further information

Media:
Tobias Cottmann, Director External Communications
Phone +41 44 55-515 10

Investors:
Christian B. Seidelin, Vice President Controlling, Treasury and Insurance
Phone +41 44 55 51 104