

Results First Half 2010

Movetis Progresses According to Plan

Turnhout (Belgium) – 26 August 2010 (5:45 PM CET) – Movetis NV (MOVE), the European gastrointestinal (GI) speciality pharmaceutical company, released today its First Half 2010 Results. The Half Year 2010 Financial Report is available on the corporate website www.movetis.com under the header Press Releases.

First Half 2010 Highlights

- **Resolor® (prucalopride) welcomed with enthusiasm by GI specialists in the countries where the product is available. Patient uptake progressing according to plan.**
- **First Half 2010 sales of €0.6 million in line with expectations, reflecting the controlled Resolor roll-out programme to GI specialists in Germany and the UK.**
- **Cash position of €0.1 million (cash and cash equivalents, available-for-sale financial assets) as spending on both marketing and R&D remains in line.**

Post Period Highlight

- **On 3 August Movetis received a tender offer from Shire of €19 in cash per share. Movetis' board of directors supports this offer and certain shareholders holding in the aggregate 38.9% of Movetis' issued share capital have unconditionally agreed to tender their shares in the bid.**
- **NICE draft guidance issued in the UK in support of Resolor use.**
- **Marketing authorisation granted for Resolor in Switzerland.**

Dirk Reyn, CEO of Movetis, commented: "We continue to make good progress in delivering our business plan which is focused on the successful roll out of Resolor and the further development of our attractive clinical pipeline. Our organizations in Germany and the UK have been strengthened to support the marketing of Resolor as we continue to build awareness of this novel treatment option for chronic constipation. On 3 August 2010, a tender offer from Shire was announced. Certain shareholders have unconditionally agreed to tender their shares. The completion of the transaction would mean that Resolor and the other compounds would become part of the portfolio of Shire, a rapidly growing, financially and commercially strong organization aiming to strengthen its GI business in Europe for strategic reasons, with a key role for the Movetis team."

Financial highlights

Strong cash position; spending on strategic marketing and R&D in line

As of 30 June 2010, Movetis had €90.1 million in cash (cash and cash equivalents, short-term investments and available-for-sale financial assets). This compares to €99.6 million at 31 March 2010 and to €105.7 million at 31 December 2009.

Cash utilisation in the first half of 2010 was mainly related to strategic marketing (€5.6 million), outsourced R&D activities (€5.5 million) and personnel and overhead expenses (€4.7 million), reflecting the set-up of local marketing organisations in Germany and the UK where Resolor is now on the market.

Business and regulatory highlights

European roll-out of Resolor continues on schedule

In the first half of 2010, Movetis introduced its lead product, Resolor, in Germany (January 27) and the UK (March 24). Resolor sales in Germany and the UK were €0.6 million in the first half of 2010. This includes the scheduled inventory build-up that takes place in the first two months following the product's introduction in each country. It also reflects the sampling programme to GI specialists in line with industry regulations in each country. Total in-market sales and patient uptake in both Germany and the UK correspond with the company's expectations for this early phase of the Resolor launch program.

The market introduction of Resolor in Germany and the UK has been made possible by the creation of Movetis subsidiaries in both countries. These organisations have been further strengthened and Movetis has also started to set up an operational organisation for the Benelux.

During the first half of 2010, Movetis undertook the preparatory work for Resolor's assessment by the UK's National Institute for Health and Clinical Excellence (NICE). The role of NICE is to determine which drugs represent a cost-effective use of the National Health Service's funds in England.

On 3 August 2010, NICE issued draft guidance in support of Resolor (prucalopride) as an option for the treatment of chronic constipation "for women who have tried at least two different types of laxative and lifestyle changes for at least 6 months, but have not had relief from constipation". This draft guidance has been issued for consultation; final guidance is likely to be published in December 2010. In parallel, Movetis is making significant progress with having Resolor included in hospital formulary lists, an important step in widening access to this novel product in the UK.

Movetis continues to prepare for the launch of Resolor in Belgium/Luxemburg, France and the Netherlands. These preparations are proceeding according to plan, and Movetis intends to work with Shire, upon completion of the offer, to define the Resolor launch plans for other European markets.

Movetis received a letter from Swissmedic, dated 30 July 2010, granting it authorisation to market Resolor in this country with the following statement: "Resolor is indicated for treatment of idiopathic chronic constipation in adults for whom the currently available treatment options involving dietary measures and laxatives do not provide sufficient effect. There are currently no sufficient data available to evaluate the effectiveness and safety of Resolor in men." As a result Movetis has now obtained marketing authorisation for a first indication for Resolor in all 31 countries where it can itself market the product.

Development highlights

2010 clinical trial programme on schedule

The clinical trial programme that Movetis is conducting to support broadening the potential uses of prucalopride in indications other than those currently approved, remains on track.

In May 2010, Movetis announced that the first patient had been screened in a phase III clinical trial with prucalopride in patients with constipation induced by opioid based pain medications. Movetis anticipates that the next step in the Resolor label expansion strategy – the start of a phase III trial with prucalopride in male patients with chronic constipation in whom laxatives fail to provide adequate relief – will occur in the third quarter of 2010. Preparations for a phase III trial with prucalopride for pediatric constipation are on track to have this trial start in the 4th quarter of 2010.

In the first quarter of 2010, Movetis obtained favourable results from a trial to assess potential drug interactions of Resolor with oral contraceptives. This study was part of the EMA post marketing commitments made by Movetis at the time of Resolor's European approval.

Outside of Europe, Movetis has been informed that Johnson & Johnson Pharmaceutical Research & Development in Asia has started a phase III clinical trial with prucalopride in chronic constipation patients. The trial will be used for registration purposes in certain markets in Asia where these data form part of the local regulatory requirements. Movetis continues to cooperate with Janssen Pharmaceutica NV on regulatory affairs related to Resolor for various non-European regions. Movetis has been informed that Janssen-Cilag Russia filed for the registration of Resolor in Russia in March 2010.

In addition, preparations are on-going for clinical trials with M0003 (PPI-refractory GORD) as well as for M0002 (ascites). On 30 June 2010, Movetis submitted a grant application to the IWT for a follow-up research project entitled "Design of central-acting 5-HT₄ receptor agonists" with potential application in GI and Alzheimer disease.

Outlook

Movetis expects the tender offer from Shire for all of the Company's outstanding shares and warrants to start in September. Movetis' board of directors, which has expressed its support for this offer, will provide its formal response to the proposed takeover bid in a memorandum, prior to the start of the bid period. The availability of Shire's bid prospectus and the board's memorandum will be announced in due course. Assuming this tender offer is successful, the transaction is likely to be completed in the 4th quarter of 2010, which could eventually result in the delisting of Movetis shares from Euronext Brussels. Movetis has committed to Shire that the Company and its subsidiaries will have a cash and cash-equivalent position of at least €70 million (after deduction of borrowings) at the earliest of the following two days: (i) the date of publication of the results of the initial offer period, or (ii) 15 October 2010.

Disclaimer: This release 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 Movetis, 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. Movetis 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.

Conference call. Movetis will host a conference call **tomorrow (Friday, August 27) at 10:00 AM CET**. Dirk Reyn, CEO, Catherine Moukheibir, CFO, and Chris Van Raemdonck, IR, will host this event. Participants can dial-in through one of the following telephone numbers: +32(0)2 290 14 07 (when dialing-in from Belgium), +33(0)1 7099 3208 (from France), +49(0)695 8999 0507 (from Germany), +31(0)20 7965 008 (from the Netherlands), +46(0)8 5052 0110 (from Sweden), +41(0)2 2592 7007-Geneva; +41(0)434 5392 61-Zürich (from Switzerland), +44(0)20 7162 0077 (from the UK), +1 877 491 0064 (from the US). Mention the conference code **873766** and name **'Movetis Half Year 2010 Results'**. We recommend that participants start dialing in 5-10 minutes in advance to ensure a timely start to the conference.

Consolidated balance sheet

<i>(in EUR thousands)</i>	<i>Notes</i>	30 June 2010	31 December 2009
Non-current assets		17 737	12 675
Intangible assets	3.2	16 444	11 978
Capitalisation Development cost		5 952	974
Patents		10 407	10 863
Software		85	141
Property, plant and equipment		791	435
Trade and other receivables		502	262
Current assets		93 565	107 493
Inventory		906	938
Trade receivables		593	40
Other receivables		777	374
Accrued income and deferred charges		1 171	410
Available-for-sale financial assets		5 001	5 001
Other short-term investments	3.3	0	20 000
Cash and cash equivalents	3.4	85 118	80 730
Total assets		111 302	120 167
Equity attributable to Owners		103 714	113 634
Share capital	3.5	45 887	45 771
Share premium account		107 890	107 864
Share-based payments		3 595	3 623
Reserves available for sale		1	1
Retained loss		-53 658	-43 626
Non-current liabilities		0	0
Borrowings		0	0
Current liabilities		7 588	6 534
Borrowings		0	1
Trade payables		5 988	4 803
Other current liabilities		1 155	1 239
Accrued charges and deferred income		445	491
Total liabilities		7 588	6 534
Total equity and liabilities		111 302	120 167

Consolidated statement of comprehensive income

<i>(in EUR thousands)</i>	Notes	6 month period ended 30 June 2010	6 month period ended 30 June 2009
Total revenue		1 014	590
<i>Sales</i>	3.8	611	0
<i>Grants</i>	3.6	402	590
Total operating expenses		-11 440	-8 323
<i>Cost Of Goods Sold</i>	3.8	-39	0
<i>Research and development expense</i>		-2 962	-6 337
<i>General and administrative expense</i>		-2 400	-1 986
<i>Selling expenses</i>		-6 039	0
Other operating income		1	10
Operating result		-10 425	-7 723
Finance income		526	248
Finance expenses		-97	-16
Loss before taxes		-9 995	-7 491
Income tax expense		-37	-7
Loss of the period attributable to Owners		-10 033	-7 498
Other comprehensive income			
Fair value loss on available for sale financial assets, net of tax		-0	-27
Total comprehensive loss of the period attributable to Shareholders		-10 033	-7 525
Basic and diluted loss per share after conversion and reverse split (in euro)		-0.48	-0.12

Consolidated cash flow statement

<i>(in EUR thousands)</i>	First Half 2010 (period ended 30 June 2010)	First Half 2009 (period ended 30 June 2009)
<i>Cash flows from operating activities</i>		
Loss before income tax	-9 995	-7 498
Adjustments for:		
Amortization	1 057	515
Depreciation	81	70
Share-based payment expense	-28	462
Interest received	-571	-239
Interest paid	3	0
Net movement in receivables on more than one year	-241	0
Net movement in inventory	33	0
Net movement in trade and other receivables	-1 717	252
Net movement in trade and other payables	1 055	-563
Cash used in operations	-10 324	-7 001
Interest paid	-3	0
Income tax paid	-37	0
Net cash used in operating activities	-10 364	-7 001
<i>Cash flows from investing activities</i>		
Purchases of property, plant and equipment	-437	-34
Purchases of intangible assets	-5 523	0
Sale of available-for-sale financial assets	0	10 000
Sale of short-term investments	20 000	0
Interest received	571	239
Net cash used in investing activities	14 611	10 205
<i>Cash flows from financing activities</i>		
Proceeds from issuance of ordinary shares	141	0
Proceeds from borrowings	-1	-3
Net cash generated from financing activities	141	-3
Net (decrease)/increase in cash and cash equivalents : First Half Year 2010	4 388	3 202
Net (decrease)/increase in cash and cash equivalents : Second Half Year 2009	67 895	
Cash and cash equivalents at beginning of the Second Half of 2009	12 835	9 633
Cash and cash equivalents at the end of the period	85 118	12 835

About Resolor (prucalopride)

Resolor (prucalopride) is a selective, high-affinity 5-HT₄ receptor agonist specifically developed to target impaired motility associated with chronic constipation, thereby restoring normal bowel movement. Since October 2009, Resolor (prucalopride) is approved in 30 European countries (EU27, Norway, Iceland and Liechtenstein) for the symptomatic treatment of chronic constipation in women in whom laxatives fail to provide adequate relief. Since August 2010, Switzerland is the 31st country where Resolor is approved in a first indication.

About Movetis

Movetis is a European specialty GI company that is focused on improving the lives of millions of patients – both adults and children – by discovering, developing and commercialising innovative treatments targeting GI conditions with a high unmet medical need. Movetis NV was founded in Belgium in November 2006 as a spin-off of Johnson & Johnson. Movetis has a broad portfolio of GI products: apart from Resolor (prucalopride), Movetis has two products in Phase II development and two prioritised compounds in preclinical development, all addressing important GI areas including ascites, paediatric reflux, refractory GORD (gastroesophageal reflux disease) and severe forms of irritable bowel syndrome. In addition, Movetis has rights to a large library of qualified lead compounds with potential for development in different GI indications and access to know how for compounds in secretory diarrhoea.

The current portfolio is licensed from Janssen Pharmaceutica NV, Belgium and Ortho-McNeil Pharmaceutical Inc., two Johnson & Johnson companies. Movetis shares are listed on Euronext Brussels under the ticker MOVE.

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