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Press Release

Nycomed and NPS Pharmaceuticals Announce Licensing Agreement for GATTEX™

- Nycomed acquires exclusive rights outside North America
- GATTEX™ matches Nycomed's capabilities in gastroenterology
- Total upfront payments of \$35 million and potential for more than \$150 million milestone payments

Nycomed and NPS Pharmaceuticals, Inc. (Nasdaq: NPSP) announced today that they have entered into a definitive agreement which licenses to Nycomed the rights to develop and commercialize GATTEX™ (teduglutide) outside the United States, Canada and Mexico for the treatment of gastrointestinal disorders. NPS will retain the right to develop and commercialise GATTEX™ in North America. The project matches Nycomed's capabilities in development and marketing in the gastroenterology field.

A potential first-in-class drug, GATTEX, is a proprietary analog of naturally occurring human glucagon-like peptide 2 (GLP-2), a peptide secreted primarily in the distal intestine and involved in the regeneration and repair of the intestinal epithelium. A previous Phase 2 proof-of-concept clinical study in patients with short bowel syndrom (SBS) showed that daily subcutaneous injections of GATTEX resulted in significant growth of the intestinal lining and improved dietary absorption of nutrients and fluids.

Once NPS has completed its analysis of data from the recently completed Phase 3 study of GATTEX in patients with SBS, it expects to pursue a pre-NDA meeting with the U.S. Food and Drug Administration to discuss its potential plan for submitting an NDA in mid-2008. NPS is also pursuing development of GATTEX as a possible treatment for chemotherapy-induced gastrointestinal mucositis in cancer patients and necrotizing enterocolitis in preterm infants.

Under the terms of the agreement, NPS will receive from Nycomed \$35 million as an upfront payment: a \$10 million nonrefundable commitment fee upon signing the agreement and \$25 million within two weeks following the announcement of topline results from the recently completed Phase 3 SBS study, which is expected early in the fourth quarter of 2007. Nycomed has the right to end the collaboration within two weeks of the announcement of these results and forego the \$25 million payment.

In addition NPS will potentially receive more than \$150 million in payments related to the attainment of certain regulatory milestones for the SBS indication, the successful development of new indications and the achievement of sales-based milestones. Additionally, the agreement provides for double-digit royalties on GATTEX sales in the Nycomed territories. NPS will complete the current GATTEX clinical program in SBS and Nycomed will share future development costs 50:50 with NPS to advance and broaden the indications for GATTEX.

Nycomed CEO Håkan Björklund stated, "We believe GATTEX has the potential to be an important new therapy for serious gastrointestinal conditions. We are excited to add GATTEX to our product pipeline, as it perfectly matches our development and marketing capabilities in the gastroenterology field. We look forward to developing GATTEX as a partner of NPS."

NPS president and CEO Dr. Tony Coles stated, "This agreement expands our relationship with Nycomed and brings us an important strategic partner for GATTEX outside North America. The collaboration provides us with a partner that will help us pursue a full development program for GATTEX worldwide, not only in SBS, but potentially in other indications, as well. We welcome this opportunity to collaborate with Nycomed to advance GATTEX in these key territories and look forward to our work together on realizing the full potential of this unique compound."

In 2004, Nycomed licensed Preotact® (parathyroid hormone for injection) for development and marketing in Europe as a treatment for osteoporosis in postmenopausal women from NPS. Nycomed markets Preotact® in the European Union and has rights to commercialize the drug in all territories outside the United States, Japan and Israel. Preotact is the European brand name for PREOS® from NPS.

About NPS

NPS Pharmaceuticals is a biopharmaceutical company focused on the development and commercialization of small molecules and recombinant proteins as drugs, primarily for the treatment of metabolic, bone and mineral, and central nervous system disorders. The company has drug candidates in various stages of clinical development. Additional information is available on the company's website, <http://www.npsp.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

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