



PRESS RELEASE

NicOx signs major new agreement with Pfizer for NO-donating compounds in ophthalmology

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NicOx S.A. (Eurolist: NICOX) today announced that it has signed a major new agreement that grants Pfizer Inc. (NYSE: PFE) exclusive rights, across the entire field of ophthalmology, to use NicOx proprietary nitric oxide-donating technology. Pfizer will make payments of €23 million (US \$27.3 million) in the first year of the collaboration, of which €15 million will be in the form of an equity investment in NicOx. Additionally, NicOx may receive total potential milestones in excess of €300 million (US \$356.2 million) in the ophthalmology field and royalties on each resulting marketed product. NicOx also announced today promising pre-clinical results from its existing collaboration with Pfizer, which is focused on a single class of compounds in glaucoma (see separate press release).

Martin Mackay, Senior Vice-President, Worldwide Research & Technology of Pfizer, commented: *"We believe NicOx' nitric oxide-donating technology has the potential to generate promising new drug candidates for a broad range of eye diseases, a number of which currently have no effective treatment. Our existing collaboration with NicOx has produced very encouraging results and we are pleased to now have exclusive access to NicOx' nitric oxide-donation technology in all ophthalmic indications to broaden our investigation of this important area."*

Terms of the agreement

NicOx has granted Pfizer the exclusive right to apply its nitric oxide-donating technology in a drug discovery research program covering the entire field of ophthalmology. In return, Pfizer will make an upfront payment of €8 million (€5 million technology exclusivity fee and €3 million in research funding) and NicOx will receive €3 million in research funding on each anniversary of the agreement, for the duration of the research program. Pfizer will also make a €15 million equity investment in NicOx, at a 4.9% premium to the Company's share price at the time of purchase. This equity purchase is subject to NicOx shareholder approval and will take place during 2006.

Pfizer has the option to obtain an exclusive worldwide license to develop and commercialize compounds resulting from the research program, in the field of ophthalmology. The agreement provides for total potential milestone payments in excess of €300 million in the ophthalmology field, of which €102 million would arise from the successful full development and launch of the first program compound. In the case that the companies identify a potential indication outside of ophthalmology for a compound developed within the joint research program, Pfizer shall have first option on its development and commercialization. NicOx would then be eligible to receive additional potential milestone payments of up to €194.3 million if this option were exercised. Pfizer will make royalty payments in-line with industry standards on all marketed products that result from the collaboration. The two companies will conduct the research program under the management of a joint steering committee and Pfizer will manage and fund the subsequent clinical development of selected compounds.

Michele Garufi, Chairman and CEO of NicOx, commented: *"Pfizer's decision to sign this major new agreement is a significant endorsement of our nitric oxide-donating technology, which presents a wide array of drug discovery possibilities throughout the field of ophthalmology. We have been impressed by Pfizer's collaborative spirit, which has allowed the two companies to work together in an efficient and focused manner, despite a large difference in size. We are looking forward to building on this relationship through our new agreement and to developing important new medications for ophthalmic disorders."*

Ophthalmology is still a large area of unmet medical need

Eye diseases affect millions of people worldwide and can lead to impaired vision or total blindness. Many important eye conditions still have no effective treatment, while improved drugs are needed in other areas. Furthermore, the aging of the population has led to a rapidly growing incidence of these conditions in the world's major pharmaceutical markets. Glaucoma, Age Related Macular Degeneration and Diabetic Retinopathy are some of the most prevalent ophthalmic disorders in the developed world.

Glaucoma

Glaucoma is a group of eye diseases which can lead to the loss of peripheral vision and eventually total blindness. The disease is frequently linked to abnormally high pressure in the eye (IOP), due to blockage or malfunction of the eye's drainage system (see the separate press release of today).

NicOx (Bloomberg: COX:FP, Reuters: NCOX.LN) is a product-driven biopharmaceutical company dedicated to the development of nitric oxide-donating drugs to meet unmet medical needs. NicOx is targeting the therapeutic areas of inflammatory and cardio-metabolic diseases.

Resources are focused on two lead compounds, HCT 3012, in phase 3 development for the treatment of osteoarthritis, and NCX 4016, in phase 2 for Peripheral Arterial Obstructive Disease (PAOD). NicOx has strategic partnerships with some of the world's leading pharmaceutical companies, including Pfizer Inc. and Merck and Co., Inc.

NicOx S.A. is headquartered in Sophia-Antipolis, France, and is a public company listed on the Eurolist of Euronext Paris (segment: Next Economy).



The elements included in this communication may contain forward looking statements subject to certain risks and uncertainties. Actual results of the company may differ materially from those indicated in the forward-looking statements because of different risks factors described in the company's document de reference.

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