



PRESS RELEASE

NicOx launches a private placement with the participation of the French FSI (Fonds Stratégique d'Investissement)

November 18, 2009. Sophia Antipolis, France. www.nicox.com

NicOx S.A. (Euronext Paris: COX) today announces the launch of a private placement of new shares of approximately €20 to €30 million (which corresponds to a maximum of 8.5% of NicOx's share capital), to be completed through an accelerated book-building. The private placement will be opened to qualified investors (institutional investors), in accordance with article L.411-2 II of the French *Code monétaire et financier* and will not include preferential subscription rights. This financing is to support NicOx's goal of developing itself into a fully-integrated specialty pharmaceutical company, with targeted specialty sales operations in the United States, as well as innovative internal research and development programs.

Today's private placement is the first stage of a planned two-step capital increase¹. NicOx intends to launch a subsequent rights issue, which will include preferential subscription rights for existing shareholders.

"We believe this two-step capital increase will support NicOx in achieving its goal of becoming a specialty pharmaceutical company, which could participate in the future sales and marketing of naproxinod via its own commercial infrastructure in the United States," declared **Michele Garufi, Chairman and CEO of NicOx**. *"Thanks to these additional financial resources, NicOx will be able to significantly advance the launch preparations for naproxinod, including the optimization of the commercial supply chain. We feel honored to be one of the industrial projects selected by the FSI, a major strategic investor created by the French Government."*

NicOx submitted an NDA for naproxinod on September 24th, seeking approval for an indication for the relief of the signs and symptoms of osteoarthritis, and plans to submit a Marketing Authorization Application (MAA) for naproxinod to the European Medicines Agency (EMA) before the end of 2009. NicOx intends to use the net proceeds of this financing primarily to continue advancing pre-commercialization activities related to naproxinod, including the optimization of the supply chain supporting the launch of naproxinod and the creation of a sales and marketing platform targeting specialist physicians in the U.S. and to develop its proprietary nitric oxide-donating pipeline.

The private placement announced today will be directed towards French and international institutional investors and will be managed by Lazard-NATIXIS and UBS Investment Bank (the 'Joint Book-Runners'). Book-building in relation to the private placement will start immediately. The final terms of the private placement will be announced in due course. The Joint Book-Runners reserve the right to close the book-building early subject to prior notice to institutional investors. Pricing and allocations are expected to be announced as soon as practicable following the closing of the books.

Following the private placement, NicOx intends to launch a subsequent rights issue as soon as markets conditions permit. The rights issue will allow NicOx's shareholders to support the Company's strategy going forward. All NicOx shareholders (including those investors who will have been allocated shares in the private placement) will be granted preferential subscription rights (*droit préférentiel de souscription*). NicOx expects to raise approximately €100 million from the private placement and rights issue combined. The terms and conditions of the planned rights issue shall be described in a prospectus that will be submitted for approval (*visa*) to the French *Autorité des marchés financiers*. NicOx's decision to launch the rights issue will be subject to market conditions.

The FSI (*Fonds Stratégique d'Investissement*) has indicated to NicOx its intention to invest up to a total of approximately €25 million in the two-step capital increase. The FSI is a French corporation owned 51% by the Caisse des Dépôts et Consignations and 49% by the French Government, which has the objective of supporting medium-sized companies that are considered important for the growth and competitive position of the French economy.

¹ The two capital increases would be implemented pursuant to two separate resolutions. The private placement would be implemented pursuant to the second and third resolutions adopted by the June 17, 2009 Extraordinary General Meeting, which state that the subscription price cannot be lower than the average share price of NicOx's share during the five days preceding the offering, less a 10% maximum discount. This private placement would be exempt from prospectus requirements to the extent that the capital increase would represent less than 10% of the NicOx's share capital. The capital increase with preferential subscription rights would be implemented pursuant to the first resolution adopted by the June 17, 2009 Extraordinary General Meeting, which does not set any specific condition related to the determination of the subscription price.

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NicOx (Bloomberg: COX:FP, Reuters: NCOX.PA) is a pharmaceutical company focused on the research, development and future commercialization of drug candidates. NicOx is applying its proprietary nitric oxide-donating R&D platform to develop an internal portfolio of New Chemical Entities (NCEs) for the potential treatment of inflammatory, cardio-metabolic and ophthalmological diseases.

NicOx's lead investigational compound is naproxinod, an NCE and a first-in-class CINOD (Cyclooxygenase-Inhibiting Nitric Oxide-Donating) anti-inflammatory drug candidate for the relief of the signs and symptoms of osteoarthritis. NicOx submitted a New Drug Application (NDA) for naproxinod to the US Food and Drug Administration (FDA) in September 2009, following the successful completion of three pivotal phase 3 studies. The submission of a Marketing Authorization Application (MAA) to the European Medicines Agency (EMA) is planned for Q4 2009.

In addition to naproxinod, NicOx's pipeline includes several nitric oxide-donating NCEs, which are in development internally and with partners, including Merck & Co., Inc., for the treatment of widespread eye diseases, cardiometabolic diseases, hypertension, respiratory disorders and dermatological disease.

NicOx S.A. is headquartered in France and is listed on the Euronext Paris Stock Exchange (Compartment B: Mid Caps).



This press release contains certain forward-looking statements. Although the Company believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated in the forward-looking statements.

For a discussion of risks and uncertainties which could cause actual results, financial condition, performance or achievements of NicOx S.A. to differ from those contained in the forward-looking statements, please refer to the Risk Factors ("Facteurs de Risque") section of the Document de Référence and its update filed with the AMF, which are available on the AMF website (<http://www.amf-france.org>) or on NicOx S.A.'s website (<http://www.nicox.com>).

This announcement does not, and shall not, in any circumstances, constitute a public offering nor an invitation to the public in any jurisdiction in connection with any offer.

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