PRESS RELEASE

NicOx reports results for the first nine months of 2007

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NicOx S.A. (Eurolist: COX) today reported financial results for the nine months ended September 30, 2007.

Key highlights since June 30, 2007:

- Initiation of clinical studies for the first drug candidate from the antihypertensive collaboration with Merck & Co., Inc., resulting in a €5 million payment to NicOx
- Announcement of promising top-line results from a phase 2 clinical study for TPI-1020, showing a good safety and tolerability profile, as well as certain anti-inflammatory effects which could be beneficial in TOPIGEN's target indication of Chronic Obstructive Pulmonary Disease (COPD)
- Appointment of Pascal Pfister, MD as Chief Scientific Officer (CSO), with overall responsibility for NicOx' Research and Development (R&D)
- Opening of NicOx' U.S. headquarters in Warren, New Jersey, as a base for Commercial Affairs and U.S. Clinical Operations
- Presentation of promising clinical and preclinical results from the collaboration with Ferrer Grupo International at the 21st World Congress of Dermatology

Financial summary of the first nine months of 2007:

NicOx achieved a significant increase (175%) in revenues during the first nine months of 2007, which reached €18.4 million, compared to €6.7 million for the corresponding period of 2006. This increase is primarily due to payments from Merck & Co., Inc. and Pfizer Inc recognized during this period.

NicOx was successful in managing operating expenses and conserving financial resources during the first nine months of 2007, while also initiating the 302 and 303 phase 3 trials for naproxcinod. Naproxcinod is NicOx' lead investigational drug and the first compound in the COX-Inhibiting Nitric Oxide Donator (CINOD) class for the treatment of the signs and symptoms of osteoarthritis. Operating expenses were €35.8 million for the first nine months of 2007, of which 75.4% were attributable to R&D expenses. Net loss was €13.7 million during the first nine months of 2007.

On September 30, 2007, NicOx had cash, cash equivalents, and current and non current financial instruments of €187.3 million, compared to €81.7 million on December 31, 2006. This increase was primarily due to the capital increase with preferential subscription rights completed in February 2007.

Eric Castaldi, Chief Financial Officer of NicOx, declared: *"We have been focused on our phase 3 clinical plan for naproxcinod and especially the initiation of the 302 and 303 studies. We have also made the important step of establishing a U.S. headquarters and core Commercial Affairs team. Consequently, we have seen an expected increase in operating expenses during the period which we anticipate will continue over the next few quarters. Nevertheless, these expenses have been partially mitigated by increasing revenues, notably by payments from Pfizer and Merck. Over the past three months we have received a €5 million milestone from Merck that was linked to another important step in our promising anti-hypertensive collaboration. Our solid cash position should enable us to maximize the value of our investigational drug portfolio and provide flexibility for the strategic growth of the Company."*

Review of the financial results for the first nine months of 2007:

Revenues

During the nine months ended September 30, 2007, NicOx' revenues increased by €11.7 million to reach €18.4 million, compared to €6.7 million during the same period in 2006. This significant increase results from the following payments that were entirely recognized as revenues for the nine months ended September 30, 2007:

- €5.0 million received from Merck in January 2007, following the initiation of toxicology studies on the first development candidate which had been recently selected, in the context of the agreement signed with Merck in March 2006

- €1.0 million received from Pfizer in April 2007, following the review of an Investigational New Drug (IND) submission by the United States Food and Drug Administration (FDA) for a new experimental medicine for the treatment of glaucoma, developed under the collaboration agreement signed between Pfizer and NicOx in August 2004

- €5.0 million received from Merck in July 2007, following the initiation of the first in a series of planned clinical studies for the first selected drug candidate, in accordance with the companies' major collaborative agreement to develop new nitric oxide-donating antihypertensive agents using NicOx' proprietary technology

These amounts, received by the Company, result from a firm commitment by the other contracting party. The payments have been immediately recognized in revenues because NicOx will not have continuing involvement in the future development of the compounds that are the subject of the collaboration agreements mentioned above.

For the first nine months of 2007, NicOx also recognized the following sums, initially recorded as prepaid income, in revenues:

- €1.9 million corresponding to the initial payment of €5.0 million from Pfizer as a technology exclusivity fee, following the March 2006 agreement that granted Pfizer rights to an exclusive worldwide license to develop and commercialize new drug candidates using NicOx' proprietary technology in the field of ophthalmology

- €2.2 million corresponding to the funding of the research collaboration, pursuant to the above referenced agreement signed with Pfizer in March 2006.

- €3.0 million corresponding to the initial payment of €9.2 million received from Merck following the signature of a collaboration agreement for new antihypertensive drug candidates in March 2006

- €0.3 million corresponding to the allocation of the remaining balance of the US$ 2 million license and option payments received from Axcan following the termination of the development of NCX 1000 in May 2007

The initial March 2006 payments from Pfizer and Merck listed above were deferred over the estimated duration of NicOx' involvement in the research and development programs provided for under the terms of the corresponding agreements. The terms surrounding the duration of NicOx' involvements in these programs are revised periodically, if necessary. The payments received from Pfizer for the funding of the research activities are deferred over a period of 12 months from the date of invoice.

Operating expenses

For the nine months ended September 30, 2007, consolidated operating expenses totaled €35.8 million with 75.4% attributable to research and development expenses and 24.6% to selling and administrative expenses.

Research and development expenses reached €27.0 million during the first nine months of 2007 (including €1.6 million allocated to cost of sales). These expenses are primarily due to the costs associated with the phase 3 development of naproxcinod, such as expenses related to contract research organizations and suppliers involved in naproxcinod's clinical development and manufacturing activities. At this time the cost of sales principally corresponds to the expenses incurred by NicOx in performing research activities under the contracts signed with Pfizer and Merck. Operational subsidies from the research tax credit, which are deducted from research and development expenses, amounted to €3.1 million for the nine months ended September 30, 2007. On September 30, 2007, the Company employed 79 people in research and development, compared to 64 people on December 31, 2006.

Administrative and selling expenses amounted to €8.8 million during the first nine months of 2007. General and administrative expenses were €5.6 million for the nine months ended September 30, 2007, and were primarily the result of personnel expenses in administrative and financial functions, as well as to the remuneration of corporate officers, including stock option, gratuitous share, and warrant attributions. These expenses also included structural costs such as leases, property service charges, and maintenance costs (excluding structural costs related to research and development activities), legal and accounting fees, and other external administrative costs.

Selling expenses, which reached €3.2 million during the first nine months of 2007, were the result of market analysis activities for naproxcinod, as well as business development and communication activities. The increase in selling expenses also is due to the hiring of new personnel following the creation of a commercial department whose primary function is to develop commercial strategies for NicOx' product portfolio. On September 30, 2007, the Company employed 32 people in selling, general, and administrative departments, compared to 25 people on December 31, 2006.

Operating loss

The operating loss amounted to €17.4 million during the first nine months of 2007. This situation is explained primarily by the strong increase in revenues recognized during the period as explained above.

Other results

Net financial income amounted to €3.7 million during the first nine months of 2007. Net financial income has benefited from the increase in the Company's cash, cash equivalents, and financial instruments following the capital increase completed in February 2007.

The income tax expense incurred by NicOx during the first nine months of 2007 relates principally to its Italian subsidiary and amounts to €0.03 million.

Net loss

The Company recorded a net loss of €13.7 million for the nine months ended September 30, 2007. This is primarily due to the operating expenses being offset by a strong increase in the revenues recognized over the period, the significant increase in the research tax credit over the period and its impact on the research and development expenses, and the increase in the net financial income following the investment of the net proceeds of the rights offering completed in February 2007.

Balance sheet items

On September 30, 2007, the Company's current and non-current financial instruments and cash and cash equivalents amounted to €187.3 million, compared to €81.7 million on December 31, 2006. This significant increase in cash, cash equivalents, and current and non current financial instruments is primarily attributed to the increase of capital with preferential rights completed in February 2007, the net proceeds of which amounted to €120.7 million.

The indebtedness incurred by NicOx is mainly short-term operating debt. As of September 30, 2007, the Company's current liabilities amounted to €15.4 million, including notably €8.0 million in accounts payable to suppliers and external collaborators, €3.7 million of deferred revenues through payment received under collaboration agreements, €2.3 million in accrued compensation for employees, and €1.0 million in taxes payable.

NicOx had no outstanding loans and the Company's long-term financial leasing commitments amounted to €0.03 million as of September 30, 2007.

NicOx (Bloomberg: COX:FP, Reuters: NCOX.PA) 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 inflammation and cardio-metabolic disease. Resources are focused on two lead compounds, naproxcinod (formerly HCT 3012); in phase 3 development for the treatment of signs and symptoms of osteoarthritis, and NCX 4016, in phase 2 for type 2 diabetes.

NicOx has strategic partnerships with some of the world's leading pharmaceutical companies, including Pfizer Inc. and Merck & 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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CONSOLIDATED INCOME STATEMENT

	For the nine months ended September 30, 2007
	(in thousands of € except for per share data)
Revenues..	18,398
Cost of sales………………………………………………………..	(1,647)
Research and development expenses………………………………	(25,321)
Administrative and selling expenses………………………………	(8,811)
Operating loss .... ….	**(17,381)**
Net financial income……………………………………………….	3,703
Loss before income	**(13,678)**
Income tax expense………………………………………………...	(27)
Loss for the period	**(13,705)**
Attributable to:	
- Equity holders of the Company…………………………………..	**(13,705)**
- minority interests	-
Earnings per share for profit attributable to equity holders of the Company	**(0.30)**

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CONSOLIDATED BALANCE SHEET

	As of September 30, 2007	As of December 31, 2006
	(in thousands of €)	
ASSETS		
Non current assets		
Property, plant, & equipment	2,613	1,900
Intangible assets	308	214
Non-current financial instruments	24,467	-
Government subsidies receivable	4,666	1,521
Other financial assets	210	141
Deferred income tax assets	3	11
Total non-current assets	**32,267**	**3,787**
Current assets		
Trade receivables …	2,224	2,142
Government subsidies receivable	-	708
Other current assets	1,720	1,670
Prepaid expenses	3,060	1,362
Current financial instruments	-	27,602
Cash and cash equivalents	162,824	54,138
Total current assets	**169,828**	**87,622**
TOTAL ASSETS	**202,095**	**91,409**
LIABILITIES		
Capital and Reserves attributable to equity holders of the Company		
Ordinary shares	9,457	7,610
Other reserves	176,903	66,302
Minority interests in equity…	-	-
Total Equity	**186,360**	**73,912**
Non-current liabilities		
Provisions for other liabilities and charges	183	118
Deferred income tax liabilities	110	110
Finance lease	24	34
Total non-current liabilities	**317**	**262**
Current liabilities		
Provisions for other liabilities and charges	-	17
Finance lease	9	17
Trade payables	8,031	6,188
Deferred revenue	3,703	8,102
Current income tax payable	88	209
Social security and other taxes	3,288	2,702
Other liabilities	299	-
Total current liabilities	**15,418**	**17,235**
TOTAL LIABILITIES and SHAREHOLDERS'EQUITY	**202,095**	**91,409**