

Shionogi & Co. Ltd.

Shionogi and Purdue Pharma L.P. Sign Multi-Year Research and Worldwide Co-Marketing Agreement for Novel Analgesic Drug Compounds

Stamford, CT, USA and Osaka, Japan – January 10, 2006 - Shionogi & Co, Ltd. of Osaka, Japan and Purdue Pharma L.P. of Stamford, CT, USA announced the companies have entered into a multi-year agreement to develop and co-market several novel drug compounds for the treatment of pain.

The research focuses on developing new compounds in three programs that target receptors and pathways known to modulate the pain response in the body. As part of the agreement, the research will be conducted at Purdue's Cranbury, NJ research facility and Shionogi's laboratories in Osaka, Japan.

Under the terms of the agreement, Shionogi will pay the research costs for the first three years of the collaboration, then provide additional payments to Purdue as the programs reach certain development milestones. Purdue in turn will make certain milestone payments to Shionogi based on sales once the products are commercialized. The companies will share the costs of clinical development. All analgesic drugs created through this research will be co-promoted by Purdue and Shionogi worldwide.

“Purdue is a leader in pain research and this agreement will drive the development of some very promising new drug candidates for the treatment of pain,” said Michael Friedman, President and CEO of Purdue. “We hope to file an investigational new drug (IND) application and commence human clinical trials in early 2007 for a compound that has already been identified, to be followed thereafter by IND filings for additional drug candidates on a yearly basis.”

“Pain is one of three therapeutic areas Shionogi has identified as a target area under its second medium-term management plan,” said Motozo Shiono, President of Shionogi. “I am confident that the collaborative agreement with Purdue will strengthen Shionogi's franchise in the pain management field and I hope our research and marketing partnership will help bring to market new and innovative treatments for people suffering with pain.”

Burrill & Company acted as the exclusive advisor to Purdue on the collaboration. Steve Burrill said: “This strategic collaboration brings together two companies with strong and complementary expertise in pain Research, Development and Commercialization. It illustrates one of the best characteristics of our industry – that a true partnership, driven by science now has the potential to help patients on a global basis.”

Shionogi & Co. Ltd. is a major research-driven Japanese pharmaceutical manufacturer. The company's primary businesses are research and development, manufacturing, marketing, and import and export sales of pharmaceutical and diagnostics products. Shionogi follows a basic policy of continually providing the superior medicines essential to people's health. For more details, please visit <http://www.shionogi.co.jp>

Purdue Pharma L.P. and its associated companies are privately-held pharmaceutical companies known for pioneering research on persistent pain. Headquartered in Stamford, CT, Purdue is engaged in the research, development, production, and distribution of both prescription and over-the-counter medicines and hospital products. Additional information about Purdue can be found at www.purduepharma.com.

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