SYNAPTIC PHARMACEUTICAL CORP
Form DEFR14A
January 10, 2003

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SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Amendment No. 1
to Definitive Proxy Statement

Filed by the Registrant ý
Filed by a Party other than the Registrant o
Check the appropriate box:
o Preliminary Proxy Statement
o Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
ý Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to Rule 14a-12

Synaptic Pharmaceutical Corporation

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, If Other Than The Registrant)

Payment of Filing Fee (Check the appropriate box):
o No Fee required.
o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11. (set forth the amount on which the filing fee is calculated and state how it was determined):

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ý Fee paid previously with preliminary materials:
o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.
(1)

Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

215 College Road
Paramus, New Jersey 07652

January 10, 2003

Dear Stockholder:

We cordially invite you to attend a special meeting of stockholders of Synaptic Pharmaceutical Corporation to be held on February 11, 2003 at 10:00 a.m., local time, at the offices of the company located at 215 College Road, Paramus, New Jersey 07652.

At the special meeting, we will ask you to consider and vote on a proposal to adopt the Agreement and Plan of Merger, or merger agreement, we entered into on November 21, 2002 with H. Lundbeck A/S, or Lundbeck, and its wholly owned subsidiary, Viking Sub Corporation, or Merger Sub, providing for the acquisition of Synaptic by Lundbeck. In the proposed merger, Merger Sub will merge with and into Synaptic, and each issued and outstanding share of:

- our common stock will be converted into the right to receive $6.50 in cash, without interest;
- our Series B Convertible Preferred Stock will be converted into the right to receive $1,499.15 in cash, without interest; and
- our Series C Convertible Preferred Stock will be converted into the right to receive $1,088.54 in cash, without interest.

After the merger, Synaptic will be a wholly owned subsidiary of Lundbeck.

The merger consideration represents an 8% premium over the closing price of our common stock on November 20, 2002, and a 62.5% premium over the closing price of our common stock on November 14, 2002, one week prior to signing the merger agreement.

Our Board of Directors carefully considered and evaluated the merger. In connection with the Board's evaluation of the merger, the Board received an opinion from our financial advisor, Banc of America Securities LLC, stating that, as of the date of the opinion and subject to the assumptions and limitations set forth in its opinion, the merger consideration to be received by the holders of our capital stock in the proposed merger was fair, from a financial point of view, to the holders of our capital stock.

OUR BOARD OF DIRECTORS HAS UNANIMOUSLY DETERMINED THAT THE MERGER AGREEMENT IS ADVISABLE AND IN THE BEST INTERESTS OF OUR STOCKHOLDERS. OUR BOARD OF DIRECTORS ALSO HAS UNANIMOUSLY APPROVED THE MERGER AGREEMENT AND RECOMMENDS THAT YOU VOTE "**FOR**" THE ADOPTION OF THE MERGER AGREEMENT.

We cannot complete the merger unless the merger agreement is adopted by the affirmative vote of holders representing a majority in voting power of the outstanding shares entitled to vote on the adoption of the merger agreement.

WHETHER OR NOT YOU PLAN TO BE PRESENT AT THE SPECIAL MEETING, PLEASE COMPLETE, SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD OR GRANT YOUR PROXY ELECTRONICALLY BY THE INTERNET OR TELEPHONE AS DESCRIBED IN THE PROXY STATEMENT TO ENSURE YOUR SHARES ARE REPRESENTED AT THE SPECIAL MEETING. IF YOU DO NOT SEND IN YOUR PROXY OR DO NOT INSTRUCT YOUR

BROKER TO VOTE YOUR SHARES OR IF YOU ABSTAIN FROM VOTING, IT WILL HAVE THE SAME EFFECT AS A VOTE AGAINST ADOPTION OF THE MERGER AGREEMENT.

The enclosed proxy statement provides you with detailed information about the merger and related matters. We urge you to read the proxy statement carefully, including the annexes. If the merger agreement is adopted and the merger is completed, you will be sent written instructions for exchanging your Synaptic common and preferred stock certificates for a cash payment. If you hold Synaptic stock certificates, please do not send your certificates until you receive these instructions.

On behalf of our Board of Directors, I thank you in advance for your participation.

Yours truly,

Errol B. De Souza,
President and Chief Executive Officer

THIS PROXY STATEMENT IS DATED JANUARY 10, 2003 AND IS FIRST BEING MAILED TO STOCKHOLDERS ON OR ABOUT JANUARY 14, 2003.

SYNAPTIC PHARMACEUTICAL CORPORATION

215 COLLEGE ROAD
PARAMUS, NEW JERSEY 07652

NOTICE OF A SPECIAL MEETING OF STOCKHOLDERS TO BE HELD ON FEBRUARY 11, 2003

To the Stockholders of Synaptic Pharmaceutical Corporation:

NOTICE IS HEREBY GIVEN that we will hold a special meeting of the stockholders of Synaptic Pharmaceutical Corporation (we, us, Synaptic or our company) on February 11, 2003, at 10:00 a.m., local time, at the offices of the company located at 215 College Road, Paramus, New Jersey 07652, and any adjournments or postponements thereof, to consider and vote on a proposal to adopt the Agreement and Plan of Merger, dated as of November 21, 2002, among Synaptic Pharmaceutical Corporation, H. Lundbeck A/S, or Lundbeck, and Viking Sub Corporation, or Merger Sub, a wholly owned subsidiary of Lundbeck, pursuant to which, upon the merger becoming effective, each share of:

- common stock, par value $0.01 per share, of Synaptic will be converted into the right to receive $6.50 in cash, without interest;
- Series B Convertible Preferred Stock, par value $0.01 per share, of Synaptic will be converted into the right to receive $1,499.15 in cash, without interest; and
- Series C Convertible Preferred Stock, par value $0.01 per share, of Synaptic will be converted into the right to receive $1,088.54 in cash, without interest.

After the merger, Synaptic will be a wholly owned subsidiary of Lundbeck.

Adoption of the merger agreement requires the affirmative vote of holders representing a majority in voting power of the outstanding shares entitled to vote on the adoption of the merger agreement.

Only stockholders of record as of the close of business on January 9, 2003 are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the meeting. Each holder of common stock will be entitled to one vote per share and each holder of preferred stock will be entitled to one vote for each share of common stock issuable upon conversion of the shares of preferred stock it holds. The holders of Synaptic's common stock and preferred stock will vote together as a single class. On January 9, 2003, the number of votes entitled to be cast at the special meeting was 18,542,374, consisting of 10,977,790 shares of common stock and 41,000 shares of preferred stock which are convertible into 7,564,584 shares of common stock. A stockholders' list will be available for inspection by any stockholder entitled to vote at the meeting beginning ten days prior the meeting and continuing through the meeting.

Under Delaware law, holders of our capital stock who do not vote in favor of the adoption of the merger agreement will have the right to seek appraisal of the fair value of their shares as determined by the Delaware Court of Chancery if the merger is completed, but only if they submit a written demand for an appraisal prior to the vote on the merger agreement and they comply with the Delaware law procedures explained in the accompanying proxy statement. A copy of Section 262 of the Delaware General Corporation Law is attached as Annex D to the proxy statement.

A form of proxy and a proxy statement containing more detailed information with respect to the matter to be considered at the special meeting, including a copy of the merger agreement, accompany and form a part of this notice. You may grant a proxy by completing and returning the enclosed proxy card. You may also grant your proxy electronically by the Internet or telephone or vote in person at the meeting. You should not send any certificates representing your shares of Synaptic common or preferred stock with your proxy card.

WHETHER OR NOT YOU EXPECT TO ATTEND THE SPECIAL MEETING IN PERSON, TO ENSURE YOUR REPRESENTATION AT THE SPECIAL MEETING, PLEASE MARK, DATE AND SIGN THE ACCOMPANYING PROXY CARD AND RETURN IT PROMPTLY IN THE ENCLOSED POSTAGE-PAID ENVELOPE OR GRANT YOUR PROXY ELECTRONICALLY BY THE INTERNET OR TELEPHONE BY 4:00 P.M. EASTERN STANDARD TIME ON THE BUSINESS DAY PRIOR TO THE SPECIAL MEETING.

If you attend the special meeting and vote in person, your proxy will be revoked automatically and only your vote at the meeting will be counted. Your prompt return of the proxy included with this proxy statement or electronic proxy will assist us in preparing for the special meeting.

By order of the Board of Directors,

Errol B. De Souza,
President and Chief Executive Officer

Paramus, New Jersey
January 10, 2003

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

Below are brief answers to frequently asked questions concerning the merger and the special meeting. These questions and answers do not, and are not intended to, address all the information that may be important to you. You should read the summary and the remainder of this proxy statement, including all annexes, carefully.

Q:

WHAT IS THE PROPOSED MERGER?

A: In the proposed merger, Viking Sub Corporation or Merger Sub, a wholly owned subsidiary of H. Lundbeck A/S, or Lundbeck, will merge with and into our company and our company will continue as the surviving corporation. As a result of the merger, we will cease to be a publicly traded company and will become a wholly owned subsidiary of Lundbeck. The merger agreement is attached to this proxy statement as Annex A. We encourage you to read it carefully.

Q:

WHAT WILL I RECEIVE IN THE MERGER?

A: Upon completion of the merger, you will be entitled to receive:

$6.50 in cash, without interest, in exchange for each share of common stock that you own;

$1,499.15 in cash, without interest, in exchange for each share of Series B Convertible Preferred Stock that you own; and

$1,088.54 in cash, without interest, in exchange for each share of Series C Convertible Preferred Stock that you own.

In this proxy statement, we refer to these cash payments as the merger consideration. In addition, each holder of an option to purchase our common stock that is outstanding immediately prior to completion of the merger will be entitled to receive, in exchange for the cancelation of the option, an amount in cash equal to the excess, if any, of $6.50 over the exercise price per share of our common stock subject to the option, multiplied by the number of shares of our common stock subject to the outstanding portion of the option. The payment of the merger consideration and the payment of cash to option holders will be made net of applicable withholding taxes.

Q:

WILL THE HOLDERS OF PREFERRED STOCK BE ENTITLED TO RECEIVE MERGER CONSIDERATION THAT IS DIFFERENT FROM THE HOLDERS OF COMMON STOCK?

A: No. Upon completion of the merger, holders of our preferred stock will be entitled to receive the same merger consideration for each share of preferred stock that they would have received had they converted their preferred stock into common stock immediately prior to the merger. Under our certificate of designation, each share of Series B Convertible Preferred Stock may be converted into 230.6379 shares of common stock and each share of Series C Convertible Preferred Stock may be converted into 167.4677 shares of common stock.

Q:

WHAT ARE THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER?

A: The exchange of shares of common and/or preferred stock for cash pursuant to the merger will be a taxable transaction for United States federal income tax purposes. In general, a stockholder who is a United States person and who receives cash in exchange for shares of our common and/or preferred stock pursuant to the merger will recognize capital gain or loss for United States federal income tax purposes (assuming the common and/or preferred stock was held as a capital asset) in an amount equal to the difference, if any, between the amount of cash received and the stockholder's adjusted tax basis in the shares exchanged for cash pursuant to the merger. Because the tax consequences of the merger are complex and may vary depending on your particular circumstances, we recommend that you contact

your tax advisor concerning the Federal (and any state, local or foreign) tax consequences to you of the merger.

Q:

WHAT IS THE VOTE REQUIRED TO APPROVE THE MERGER AGREEMENT?

A: Adoption of the merger agreement requires the affirmative vote of holders representing a majority in voting power of the outstanding shares entitled to vote on the adoption of the merger agreement. Holders of our common stock and preferred stock will vote together as a single class. One of our stockholders who holds approximately 35% of the votes eligible to be cast at the special meeting has signed a stockholder agreement with Lundbeck, which we refer to in this proxy statement as the stockholder agreement, under which it has agreed to vote to adopt the merger agreement. The stockholder agreement is attached to this proxy statement as Annex B.

Q:

IS OUR BOARD OF DIRECTORS RECOMMENDING THAT I VOTE FOR THE MERGER AGREEMENT?

A: Yes. After considering a number of factors, our Board of Directors unanimously believes that the merger is advisable and in the best interests of our stockholders. Our Board of Directors recommends that you vote **FOR** adoption of the merger agreement. In connection with our Board's evaluation of the merger, among other things, the Board received an opinion from our financial advisor stating that, as of the date of the opinion and subject to the assumptions and limitations set forth in the opinion, the merger consideration to be received by the holders of our capital stock in the proposed merger was fair, from a financial point of view, to the holders of our capital stock. A copy of the fairness opinion is attached to this proxy statement as Annex C.

Q:

WHEN DO YOU EXPECT TO COMPLETE THE MERGER?

A: We expect to complete the merger in March 2003 after the special meeting and after all the conditions to the merger are satisfied or waived.

Q:

WHAT DO I NEED TO DO NOW?

A: We urge you to read this proxy statement carefully, including all of the annexes, and consider how the merger would affect you as a stockholder. You should then complete, sign and date your proxy card and mail it in the enclosed return envelope or grant your proxy electronically by the Internet or telephone as described in this proxy statement as soon as possible, even if you plan to attend the special meeting in person, so that your shares may be represented at the special meeting. If you sign, date and send in your proxy card without indicating how you want to vote, all of your shares will be voted **FOR** adoption of the merger agreement. If you do not vote or if you abstain, it will have the effect of a vote against adopting the merger agreement.

Q:

IF MY BROKER HOLDS MY SHARES IN "STREET NAME", WILL MY BROKER VOTE MY SHARES FOR ME?

A: Your broker will only be permitted to vote your shares if you provide instructions to your broker on how to vote. You should follow the procedures provided by your broker regarding the voting of your shares and be sure to provide your broker with instructions on how to vote your shares. Without instructions, your shares will not be voted, which will have the effect of a vote against adopting the merger agreement.

Q:

WHAT IF I WANT TO CHANGE MY VOTE?

A: You can revoke your proxy by sending a later-dated, signed proxy card or a written revocation to the Assistant Secretary of Synaptic at Synaptic Pharmaceutical Corporation, 215 College Road, Paramus, New Jersey 07652, who must receive it before your proxy has been voted at the special

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meeting. You can also revoke your proxy by electronically granting a proxy at a later date by the Internet or telephone, but no later than 4:00 p.m. Eastern Standard Time on the business day prior to the meeting, or by attending the meeting in person and voting. Your attendance at the special meeting will not, by itself, revoke your proxy. It will only be revoked if you actually vote at the special meeting. If you have instructed your broker to vote your shares, you must follow the directions received from your broker to change those voting instructions.

Q:

WHAT HAPPENS IF I DO NOT SEND IN MY PROXY, IF I DO NOT INSTRUCT MY BROKER TO VOTE MY SHARES OR IF I ABSTAIN FROM VOTING?

A: If you do not send in your proxy or do not instruct your broker to vote your shares, or if you abstain from voting, it will have the same effect as if you voted against adoption of the merger agreement.

Q:

SHOULD I SEND MY SYNAPTIC STOCK CERTIFICATES NOW?

A: No. Please do not send your Synaptic stock certificates now. If we complete the merger, you will receive written instructions for exchanging your Synaptic stock certificates for your merger consideration.

Q:

MAY I EXERCISE APPRAISAL RIGHTS IN THE MERGER?

A: Yes. Our stockholders of record are entitled to exercise appraisal rights if they do not vote in favor of the merger agreement and if they comply with the procedures set forth in Section 262 of the Delaware General Corporation Law, or the DGCL. A copy of Section 262 of the DGCL is attached to this proxy statement as Annex D. Please read it carefully.

Q:

WHAT HAPPENS IF THE MERGER IS NOT COMPLETED?

A: It is possible that the merger will not be completed. That might happen if, for example, antitrust approval is not obtained or an injunction has been issued by a court that has the effect of preventing the completion of the merger. If that occurs, none of Lundbeck, Synaptic or Merger Sub nor any third party is under any obligation to make or consider any alternative proposals regarding the purchase of shares of our common stock or preferred stock.

Q:

WHERE CAN I FIND MORE INFORMATION ABOUT SYNAPTIC?

A: Synaptic files periodic reports and other information with the Securities and Exchange Commission, or the SEC. You may read and copy this information at the SEC's public reference facilities. Please call the SEC at 1-800-SEC-0330 for information about these facilities. This information is also available on the Internet site maintained by the SEC at http://www.sec.gov. For a more detailed description of the information available about Synaptic, see "Where You Can Find More Information."

Q:
WHOM SHOULD I CALL IF I HAVE QUESTIONS OR WANT ADDITIONAL COPIES OF DOCUMENTS?

A: If you have any questions about the merger or this proxy statement or you would like additional copies of this proxy statement or the proxy card, you should call Mellon Investor Services LLC at 1-888-224-2734.

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SUMMARY

This summary, together with the preceding question and answer section, highlights important information discussed in greater detail elsewhere in this proxy statement. This summary includes parenthetical references to pages in other portions of this proxy statement containing a more detailed description of the topics presented in this summary. This summary may not contain all of the information you should consider before voting on the merger agreement. To more fully understand the merger, you should read carefully this entire proxy statement and all of its annexes, including the merger agreement, which is attached as Annex A, before voting on whether to adopt the merger agreement.

The Parties to the Merger Agreement (Page 10)

Synaptic Pharmaceutical Corporation

Synaptic Pharmaceutical Corporation, a Delaware corporation, is a drug discovery company using its proprietary portfolio of G protein-coupled receptors as the basis for developing new drugs for the treatment of a variety of human disorders. The address and phone number of our principal executive office is:

Synaptic Pharmaceutical Corporation
215 College Road
Paramus, New Jersey 07652
(201) 261-1331

H. Lundbeck A/S

H. Lundbeck A/S, a Danish company, is an international pharmaceutical company engaged in the research and development, production, marketing and sale of drugs for the treatment of psychiatric and neurological disorders. The address and telephone of Lundbeck's principal executive office is:

H. Lundbeck A/S
9 Ottiliavej
DK-2500 Valby
Copenhagen, Denmark
+45 36 30 13 11

Viking Sub Corporation

Viking Sub Corporation, a Delaware corporation and a wholly owned subsidiary of Lundbeck, was formed solely for the purpose of effecting the merger. The address and phone number of Merger Sub's principal executive office is:

Viking Sub Corporation
c/o H. Lundbeck A/S
9 Ottiliavej
DK-2500 Valby
Copenhagen, Denmark

+45 36 30 13 11

Merger Consideration (Page 31)

At the effective time of the merger:

- each issued and outstanding share of our common stock (other than those shares held by stockholders who validly exercise appraisal rights) will be canceled and converted into the right to receive $6.50 in cash, without interest;
- each issued and outstanding share of our Series B Convertible Preferred Stock (other than those shares held by stockholders who validly exercise appraisal rights) will be canceled and converted into the right to receive $1,499.15 in cash, without interest; and

- each issued and outstanding share of our Series C Convertible Preferred Stock (other than those shares held by stockholders who validly exercise appraisal rights) will be canceled and converted into the right to receive $1,088.54 in cash, without interest.

Holders of our preferred stock will be entitled to receive the same merger consideration for each share of preferred stock that they would have received had they converted their preferred stock into common stock immediately prior to the merger. After the merger is completed, you will have the right to receive the merger consideration, and you will no longer have any rights as a Synaptic stockholder, including voting or other rights with respect to the shares. Synaptic stockholders will receive the merger consideration after turning in their stock certificates in accordance with the instructions contained in the letter of transmittal to be sent by Lundbeck's paying agent to stockholders shortly after the completion of the merger.

Stock Options (Page 32)

Each holder of an option to purchase our common stock granted under our various stock option plans or otherwise that is outstanding immediately prior to completion of the merger will be entitled to receive, in exchange for the cancelation of the option, an amount in cash equal to the excess, if any, of $6.50 over the exercise price per share of common stock subject to the option multiplied by the number of shares of our common stock subject to the outstanding portion of the option, net of any applicable withholding taxes.

United States Federal Income Tax Consequences (Page 28)

The exchange of shares of common and/or preferred stock for cash pursuant to the merger will be a taxable transaction for United States federal income tax purposes. In general, a stockholder who is a United States person and who receives cash in exchange for shares of our common and/or preferred stock pursuant to the merger will recognize a capital gain or loss for United States federal income tax purposes (assuming the common and/or preferred stock was held as a capital asset) in an amount equal to the difference, if any, between the amount of cash received and the stockholder's adjusted tax basis in the shares exchanged for cash pursuant to the merger.

BECAUSE THE TAX CONSEQUENCES OF THE MERGER ARE COMPLEX AND MAY VARY DEPENDING ON YOUR PARTICULAR CIRCUMSTANCES, WE RECOMMEND THAT YOU CONSULT YOUR TAX ADVISOR CONCERNING THE FEDERAL AND ANY STATE, LOCAL OR FOREIGN TAX CONSEQUENCES TO YOU OF THE MERGER.

Appraisal Rights (Page 29)

Delaware law entitles a holder of record of shares of Synaptic capital stock who does not vote in favor of the merger agreement to exercise appraisal rights. A stockholder who duly exercises his or her appraisal rights and follows the procedures specified in Section 262 of the DGCL may have his or her shares appraised by the Delaware Court of Chancery and receive the "fair value" of these shares as of the completion of the merger as determined by the court instead of the merger consideration. In order to exercise these rights, you must demand and perfect your rights in accordance with

Section 262 of the DGCL. A copy of Section 262 of the DGCL is attached to this proxy statement as Annex D. Please read it carefully.

The Special Meeting (Page 10)

Date, Time and Place. The special meeting will take place on February 11, 2003, at 10:00 a.m., local time, at the offices of the company located at 215 College Road, Paramus, New Jersey 07652.

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The Proposal. At the special meeting, you will be asked to consider and vote upon a proposal to adopt the merger agreement that provides for Synaptic to be acquired by Lundbeck. A copy of the merger agreement is attached to this proxy statement as Annex A.

Record Date. The record date for determining the holders of shares of our capital stock entitled to notice of, and to vote at, the special meeting is January 9, 2003.

Voting Rights; Quorum. Each holder of common stock will be entitled to one vote per share. Each holder of preferred stock will be entitled to one vote for each share of common stock issuable upon conversion of the shares of preferred stock it holds. At the close of business on the record date, the number of votes entitled to be cast at the special meeting was 18,542,374, consisting of 10,977,790 shares of common stock and 41,000 shares of preferred stock which are convertible into 7,564,584 shares of common stock.
A quorum must be present at the special meeting in order to take action with respect to any proposal voted upon at such meeting. The presence, in person or by proxy, of holders of a majority of the shares of common stock and preferred stock outstanding on the record date, taken together as a single class, will constitute a quorum for the transaction of business at the special meeting.

Votes Required. Adoption of the merger agreement requires the affirmative vote of holders representing a majority in voting power of the outstanding shares entitled to vote on the adoption of the merger agreement. One of our stockholders who held as of the record date approximately 35% of the votes eligible to be cast at the special meeting has signed the stockholder agreement under which it has agreed to vote to adopt the merger agreement. The stockholder agreement terminates upon the earlier of the effective time of the merger and the termination of the merger agreement in accordance with its terms. A copy of the stockholder agreement is attached to this proxy statement as Annex B.

Voting of Proxies. Shares of our common and preferred stock represented by properly executed proxies received at or prior to the special meeting (or in the case of electronic proxies, no later than 4:00 p.m. Eastern Standard Time on the business day prior to the meeting) that have not been revoked will be voted at the special meeting in accordance with the instructions indicated on the proxies. Shares of our common and preferred stock represented by properly executed proxies for which no instruction is given will be voted **FOR** adoption of the merger agreement.

Revocability of Proxies. You may revoke your proxy prior to the special meeting by:

executing a later-dated proxy card relating to the same shares and delivering it to our Assistant Secretary before the taking of the vote at the special meeting;

granting a proxy electronically at a later date by the Internet or telephone, but no later than 4:00 p.m. Eastern Standard Time the day prior to the meeting (only your last electronic proxy is counted);

filing with our Assistant Secretary, before the taking of the vote at the special meeting, a written notice of revocation bearing a later date than the original proxy; or

attending the special meeting and voting in person (attending the special meeting without voting will not revoke a proxy).

Stockholder Agreement (Page 27)

As a condition to its entering into the merger agreement, Lundbeck required that Warburg Pincus Private Equity VIII, L.P. (which we refer to in this proxy statement as Warburg Pincus) enter into the stockholder agreement under which Warburg Pincus agreed to vote its shares of our capital stock in favor of the merger agreement and related matters and against any competing transaction or proposal or any proposal or transaction which could reasonably be

expected to prevent or impede the completion of the merger, which we refer to in this proxy statement as a frustrating transaction. The stockholder agreement terminates upon the earlier of the effective time of the merger and the termination of the merger agreement in accordance with its terms. As of the close of business on the record date, Warburg Pincus held approximately 35% of the votes eligible to be cast at the special meeting. The stockholder agreement is attached to this proxy statement as Annex B.

Recommendation of Our Board of Directors (Page 18)

Our Board of Directors has unanimously determined that it is advisable and in the best interests of our stockholders that we enter into the merger agreement and complete the merger and the transactions contemplated thereby subject to the terms and conditions set forth in the merger agreement. Our Board has unanimously approved the merger agreement and the transactions contemplated by the merger agreement.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT OUR STOCKHOLDERS VOTE **FOR** ADOPTION OF THE MERGER AGREEMENT.

Opinion of Our Financial Advisor (Page 20)

In connection with the proposed merger, our financial advisor, Banc of America Securities LLC (which we refer to in this proxy statement as Banc of America Securities or our financial advisor), delivered to our Board of Directors an opinion that, as of the date of the opinion, and subject to the various assumptions and limitations set forth therein, the merger consideration to be received by the holders of our capital stock in the proposed merger was fair, from a financial point of view, to the holders of our capital stock.

The full text of the written opinion of our financial advisor, dated November 21, 2002, is attached to this proxy statement as Annex C. We encourage you to read this opinion carefully for a description of the procedures followed, assumptions made, matters considered and limitations on our financial advisor's review.

THE OPINION OF OUR FINANCIAL ADVISOR IS ADDRESSED TO OUR BOARD OF DIRECTORS AND DOES NOT CONSTITUTE A RECOMMENDATION TO ANY STOCKHOLDER AS TO ANY MATTER RELATING TO THE MERGER.

Antitrust Matters (Page 46)

The completion of the merger is subject to expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (which we refer to in this proxy statement as the HSR Act), and the rules and regulations promulgated thereunder, and under any applicable foreign competition law. Based upon filings made to date with the U.S. antitrust authorities, there has not been a request for additional information and materials. On January 10, 2003, Lundbeck advised us that its HSR filing must be resubmitted to include information about its ultimate parent entity, Lundbeck Foundation. We anticipate the waiting period under the HSR Act to expire or terminate on or about February 18, 2003 unless early termination is granted or the U.S. antitrust authorities make a request for additional information and materials. In addition, the completion of the merger is also subject to the prior notification of the proposed transaction to the Mexican Antitrust Commission which we refer to in this proxy statement as the Mexican Commission. The Mexican Commission must rule on the notification prior to the completion of the merger.

Interests of Certain Persons in the Merger (Page 24)

When considering the recommendation of our Board of Directors, you should be aware that some of our directors and executive officers have interests in the merger that are different from, or in

addition to, yours. These interests may present actual, apparent or potential conflicts of interest. These interests include, among other things, the payment of compensation and benefits to some of our executive officers if their employment is terminated under some circumstances following the merger, the unvested options held by directors and executive officers automatically becoming exercisable as a result of the merger, and cash payments in exchange for the cancelation of stock options held by our directors and executive officers upon completion of the merger. These interests are described on pages 24 through 27 and the holdings of our directors and executive officers of our capital stock are set forth on page 47. In addition, our directors and executive officers will be indemnified against certain liabilities both before and after the merger.

No Solicitation of Transactions (Page 38)

Until the merger agreement is terminated, we have agreed not to initiate, solicit, encourage or discuss any proposals or offers or provide any information with respect to a merger or other specified similar transaction involving us or any of our subsidiaries, except as described below.

Prior to the special meeting, we may provide information and engage in discussions and negotiations relating to a proposal that neither we nor Warburg Pincus has solicited if our Board of Directors, after consultation with its financial advisors and outside legal counsel, determines in good faith that such proposal is or is reasonably likely to lead to a superior proposal (as defined on page 40).

We may terminate the merger agreement and enter into an agreement with another potential acquiror with respect to a superior proposal only if, among other things, our Board of Directors has determined in good faith that such action is or is reasonably likely to be required by its fiduciary duties.

However, we cannot terminate the merger agreement under these circumstances until we have paid Lundbeck a termination fee of $4,235,000 and reimbursed certain of its expenses and until after the third business day following Lundbeck's receipt of our written notice advising Lundbeck of the superior proposal, specifying the material terms and conditions of the superior proposal.

Conditions to the Merger (Page 42)

The completion of the merger depends on the satisfaction or waiver of a number of conditions, including the following:

- the adoption of the merger agreement by our stockholders;
- the expiration or termination of the applicable waiting period under the HSR Act and the obtaining of any necessary consents or approvals required to consummate the merger under any applicable foreign competition law;
- the absence of any legal restraint or prohibition preventing the completion of the merger;
- the accuracy of the parties' representations and warranties in the merger agreement, subject in some instances to qualifications as to materiality; and
- the performance by each party of its obligations under the merger agreement in all material respects.

The obligations of Lundbeck and Merger Sub to complete the merger are also subject to there being no pending or threatened proceedings by any governmental entity challenging the merger or seeking to prohibit or limit the ownership or operation by us, Lundbeck or our or their affiliates of our or their respective businesses or assets as a result of the merger, there having been no material adverse effect on our business since December 31, 2001, and obtaining or having in full force and effect all governmental and third party consents, approvals, qualifications, licenses, permits, orders and authorizations legally required in connection with the merger and the merger agreement, subject to qualifications as

to materiality.

Termination of the Merger Agreement (Page 44)

The parties may agree to terminate the merger agreement. In addition, either we or Lundbeck may terminate the merger agreement if:

- the merger is not completed by April 30, 2003;
- a legal restraint or prohibition preventing the completion of the merger is in effect and has become final and nonappealable;
- our stockholders do not adopt the merger agreement at the special meeting; or
- the other party breaches any of its representations, warranties or covenants in the merger agreement, which breach is incurable or is not cured within 15 business days of written notice of the breach.

In addition, we may terminate the merger agreement if we have received a superior proposal, have entered into an acquisition agreement with a third party and have paid Lundbeck a termination fee and reimbursed certain of Lundbeck's expenses as described in this proxy statement.

Lundbeck may terminate the merger agreement if our Board of Directors withdraws its approval or recommendation of the merger agreement or the transactions contemplated thereby or if we fail to reconfirm our recommendation within ten calendar days upon Lundbeck's written request following the receipt of a takeover proposal.

Termination Fee; Expenses (Page 45)

We have agreed to pay Lundbeck a termination fee of $4,235,000 upon termination under the following circumstances:

- Lundbeck terminates the merger agreement because our Board of Directors (or any committee of the Board) has withdrawn or modified its recommendation of the merger agreement or the merger, or failed to confirm its recommendation within ten calendar days after a written request by Lundbeck to do so, if such request is made following a takeover proposal; or
- We terminate the merger agreement because we have received a superior proposal and have entered into an acquisition agreement with a third party.

We have also agreed to pay a termination fee of $4,235,000 upon the first to occur of:

- consummation of a takeover proposal within twelve months after termination of the merger agreement; or
- consummation of a takeover proposal pursuant to the terms of an acquisition agreement entered into within twelve months after termination of the merger agreement;

if a takeover proposal has been made known to us or our stockholders, or any person has announced an intention to make a takeover proposal, *and* the merger agreement is terminated by either us or Lundbeck because the merger has not been completed by April 30, 2003 (but only if the special meeting has not been held within five business days prior to such date) or our stockholders did not adopt the merger agreement at the special meeting.

For the purpose of determining if a termination fee is payable if we enter into an acquisition agreement with a third party with respect to, or consummate, any takeover proposal within twelve months of the merger agreement being terminated, the term "takeover proposal" is defined as a transaction to purchase 50% of the assets, capital stock or voting power of Synaptic.

We have agreed to pay all filing, printing, mailing and other fees including fees in connection with the HSR filing, and to promptly reimburse Lundbeck for any expenses paid by Lundbeck in connection with the foregoing.

Additional Information (Page 51)

If you have questions about the merger or this proxy statement or you would like additional copies of this proxy statement or the proxy card, you should call Mellon Investor Services LLC at 1-888-224-2734.

THE PARTIES TO THE MERGER AGREEMENT

Synaptic Pharmaceutical Corporation

We are a drug discovery company using our proprietary portfolio of G protein-coupled receptors as the basis for developing new drugs for the treatment of a variety of human disorders. Our common stock is traded on The Nasdaq Stock Market under the symbol "SNAP". Our principal executive office is located at Synaptic Pharmaceutical Corporation, 215 College Road, Paramus, New Jersey 07652, and our telephone number is (201) 261-1331. We are incorporated in the State of Delaware.

H. Lundbeck A/S

Lundbeck is an international pharmaceutical company engaged in the research and development, production, marketing and sale of drugs for the treatment of psychiatric and neurological disorders. Lundbeck's shares trade on the Copenhagen Stock Exchange under the symbol "LUN.CO". Lundbeck's principal executive office is located at 9 Ottiliavej, DK-2500 Valby, Copenhagen, Denmark, and its telephone number is +45 36 30 13 11. Lundbeck is organized in Denmark.

Viking Sub Corporation

Merger Sub is a Delaware corporation and a wholly owned subsidiary of Lundbeck. Merger Sub was formed solely for the purpose of effecting the merger. Merger Sub's principal executive office is c/o H. Lundbeck A/S, 9 Ottiliavej, DK-2500, Valby, Copenhagen, Denmark, and its telephone number is +45 36 30 13 11.

THE SPECIAL MEETING

General

This proxy statement is being furnished to our stockholders in connection with the solicitation of proxies by our Board of Directors for use at the special meeting.

Date, Time and Place

We will hold our special meeting of stockholders on February 11, 2003, at 10:00 a.m., local time, at the offices of the company located at 215 College Road, Paramus, New Jersey 07652.

This proxy statement and the enclosed proxy card are first being mailed to our stockholders on or about January 14, 2003.

The Proposal

The purpose of the special meeting is for our stockholders to consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of November 21, 2002, among Lundbeck, Merger Sub and our company. Under the merger agreement, Merger Sub will merge with and into our company and our company will become a wholly owned subsidiary of Lundbeck. A copy of the merger agreement is attached to this proxy statement as Annex A.

We are not aware of any business to be acted upon at the special meeting other than the consideration and vote on the merger agreement. If other matters are duly brought before the special meeting or any adjournments or postponements thereof, the persons appointed as proxies will

have discretion to vote or act on these matters according to their best judgment.

Record Date

The holders of record of Synaptic common and preferred stock as of the close of business on January 9, 2003 are entitled to receive notice of, and to vote at, the special meeting. On the record date, the number of votes entitled to be cast at the special meeting was 18,542,374, consisting of 10,977,790 shares of Synaptic common stock and 41,000 shares of Synaptic preferred stock which are convertible into 7,564,584 shares of common stock.

Voting Rights; Quorum

Each holder of common stock will be entitled to one vote per share. Each holder of preferred stock will be entitled to one vote for each share of common stock issuable upon conversion of the shares of preferred stock it holds. For purposes of voting on the merger agreement, the holders of preferred stock will vote together with the holders of common stock as a single class.

A quorum must be present at the special meeting in order to hold the special meeting and take action with respect to any proposal voted upon at such meeting. The presence, in person or by proxy, of holders of a majority of the shares of common stock and preferred stock outstanding on the record date, taken together as a single class, will constitute a quorum for the transaction of business at the special meeting.

If you hold your shares of common stock or preferred stock in an account with a broker or bank, you must instruct the broker or bank on how to vote your shares. If an executed proxy card returned by a broker or bank does not have authority to vote on a proposal, the shares will be considered present at the meeting for purposes of determining the presence of a quorum but will not be voted on the adoption of the merger agreement. This is called a broker non-vote. A broker non-vote will have the same effect as a vote against adoption of the merger agreement. Any shares of stock held in treasury by Synaptic are not considered to be outstanding for purposes of determining a quorum. In the event that a quorum is not present at the special meeting, it is expected that the special meeting will be adjourned or postponed to solicit additional proxies.

Votes Required

Under Delaware law, we are required to submit the merger agreement to our stockholders for adoption. Adoption of the merger agreement requires the affirmative vote of holders representing a majority in voting power of the outstanding shares entitled to vote on the adoption of the merger agreement.

Under the terms of the stockholder agreement, Warburg Pincus agreed to vote its shares, representing approximately 35% of the votes eligible to be cast at the special meeting as of the record date, in favor of adoption of the merger agreement and related matters and against any competing transaction or proposal or any frustrating transaction. See "The Merger Stockholder Agreement." The stockholder agreement terminates upon the earlier of the effective time of the merger and the termination of the merger agreement in accordance with its terms.

How You Can Vote

Each share of common stock and preferred stock outstanding on January 9, 2003 is entitled to vote at the special meeting. You may grant a proxy or vote your shares in any of four ways:

Granting a Proxy by Mail. If you choose to grant a proxy by mail, simply mark your proxy card "for," "against" or "abstain" with respect to the merger agreement, date and sign it, and return it in the postage paid envelope provided.

Granting a Proxy by Internet. You can also grant your proxy by the Internet no later than 4:00 p.m. Eastern Standard Time on the business day prior to the special meeting. To grant your proxy by the Internet:

go to the website address provided on your proxy card;

enter your control number located on your proxy card; and

follow the prompts to create and submit an electronic ballot.

Granting a Proxy by Telephone. You can grant your proxy by telephone no later than 4:00 p.m. Eastern Standard Time on the business day prior to the special meeting. To grant your proxy by telephone:

call the toll-free number provided on your proxy card;

enter your control number located on your proxy card; and

follow the directions given.

Voting in Person. You can also vote by appearing and voting in person at the special meeting.

If you grant your proxy by the Internet or telephone, you should not return your proxy card.

Voting of Proxies

If you wish to vote by proxy, whether or not you plan to attend the special meeting in person, you are requested to complete, sign, date and promptly return the enclosed proxy card in the postage-prepaid envelope provided for this purpose or grant your proxy electronically by the Internet or telephone no later than 4:00 p.m. Eastern Standard Time on the business day prior to the meeting to ensure that your shares are voted. Shares of our common and preferred stock represented by properly executed proxies received at or prior to the special meeting that have not been revoked will be voted at the special meeting in accordance with the instructions indicated on the proxies as to the proposal to adopt the merger agreement and in accordance with the judgment of the persons named in the proxies on all other matters that may properly come before the special meeting. Shares of our common and preferred stock represented by properly executed proxies for which no instruction is given on the proxy card will be voted **FOR** adoption of the merger agreement. The persons named as proxies may propose and vote for one or more adjournments of the special meeting, including adjournments to permit further solicitations of proxies. No proxy voted against the proposal to adopt the merger agreement will be voted in favor of any such adjournment or postponement.

Please return your marked proxy card promptly so your shares can be represented at the special meeting, even if you plan to attend the meeting in person.

PLEASE DO NOT SEND YOUR SYNAPTIC STOCK CERTIFICATES NOW. AS SOON AS REASONABLY PRACTICABLE AFTER THE COMPLETION OF THE MERGER, THE PAYING AGENT WILL MAIL A LETTER OF TRANSMITTAL TO YOU. YOU SHOULD SEND YOUR SYNAPTIC STOCK CERTIFICATES ONLY IN COMPLIANCE WITH THE INSTRUCTIONS THAT WILL BE PROVIDED IN THE LETTER OF TRANSMITTAL.

Revocation of Proxies

You may revoke your proxy prior to the special meeting by:

executing a later-dated proxy card relating to the same shares and delivering it to our Assistant Secretary before the taking of the vote at the special meeting;

granting a proxy electronically at a later date by the Internet or telephone, but no later than 4:00 p.m. Eastern Standard Time on the business day prior to the special meeting (only your last electronic proxy is counted);

filing with our Assistant Secretary, before the taking of the vote at the special meeting, a written notice of revocation bearing a later date than the original proxy; or

attending the special meeting and voting in person (attending the special meeting without voting will not revoke a proxy).

Any written revocation or subsequent proxy card should be delivered to Synaptic Pharmaceutical Corporation, 215 College Road, Paramus, New Jersey 07652, Attention: Assistant Secretary, or hand delivered to our Assistant Secretary or his representative before the taking of the vote at the special meeting.

Effect of Failure to Vote, Broker Non-Votes and Abstentions

If your shares are held by your broker (or a bank), your broker will vote your shares for you only if you provide instructions to your broker on how to vote your shares. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. Your broker cannot vote your shares without specific instructions from you. If you do not send in your proxy or do not instruct your broker to vote your shares or if you abstain from voting, it will have the same effect as a vote against the adoption of the merger agreement.

Solicitation of Proxies

This proxy solicitation is being made on behalf of our Board of Directors. We will solicit proxies initially by mail. Further solicitation may be made by our directors, officers and employees personally, by telephone, facsimile, e-mail, Internet or otherwise, but they will not be specifically compensated for these services. Upon request, we will reimburse brokers, dealers, banks or similar entities acting as nominees for their reasonable expenses incurred in forwarding copies of the proxy materials to the beneficial owners of the shares of our common stock they hold of record. We have retained Mellon Investor Services LLC to assist us in the solicitation of proxies using the means referred to above, and they will receive fees of up to approximately $5,500 in the aggregate plus reimbursement of out-of-pocket expenses. We will pay the expenses incurred in connection with printing, filing and mailing of this proxy statement.

THE MERGER

Background of the Merger

We are a drug discovery company using our proprietary portfolio of G protein-coupled receptors (GPCRs) as the basis for developing new drugs for the treatment of a variety of human disorders. In connection with our business, we regularly enter into research collaborations, license agreements and other arrangements with pharmaceutical companies and other life science and biotechnology companies.

Until late 2000, our primary focus was in the area of receptor discovery and function and early stage drug discovery. Our research efforts were aimed primarily at developing a broad-based technology platform focused on the discovery and function of GPCRs that would be useful in the development of compounds to treat a variety of human disorders. Our strategy was to enter into collaborations with major pharmaceutical companies during the early stages of drug research and development. From 1990 to 2000, we entered into collaborative agreements with a number of large multinational pharmaceutical companies. During 2000, we had several meetings with Lundbeck that focused on a prospective collaboration for orphan GPCRs, but no collaboration or other transaction was completed.

In late 2000, we implemented a new business strategy under which we planned to devote more of our own resources to internal drug development programs. Our goal was to bring selected drug candidates through clinical proof of concept in Phase II studies prior to partnering with pharmaceutical companies. In the third quarter of 2001, we obtained $41.0 million of equity financing to continue the internal development of our products consistent with our new business strategy. In addition, in November 2001, we initiated a CEO succession plan to retain a chief executive officer with significant drug development experience to lead our company as we implemented our new strategy, which resulted in the appointment of Dr. Errol B. De Souza as our new President and Chief Executive Officer on September 10, 2002. In December 2001, consistent with our new strategy, we filed an IND on our first internal drug development program, a drug candidate to treat depression.

In 2001, we were approached by two biotechnology companies concerning a possible business combination, however, we did not enter into or finalize any arrangements.

At various times during 2001 and during the first quarter of 2002, we met with a pharmaceutical company regarding a possible broad-based collaboration relating to GPCRs, including pooling of certain core technology resources and programs. During this period we also met with several other pharmaceutical companies to identify other possible broad-based collaborative partnerships. During the first three quarters of 2002, we also continued to seek some earlier stage collaborations to help develop some of our other compounds, while still retaining a significant ownership interest in these compounds for our company. In addition, we continued our ongoing licensing program under which we granted pharmaceutical and other companies licenses to use certain of our intellectual property in their drug development efforts.

During the first three quarters of 2002, we also met with two biotechnology companies to discuss the possibility of forming partnerships that would allow us to advance several of our earlier stage discovery programs. We did not have adequate resources to pursue these early stage programs on our own. Under these arrangements, our prospective partner would have brought our programs to a later stage of discovery and/or development after which we would have been able to re-enter as a co-development partner. We did not enter into or finalize any of these arrangements.

In April 2002, a representative of Lundbeck contacted us and expressed an interest in entering into a strategic collaboration. Between June and September of 2002, representatives of Synaptic and Lundbeck met several times to discuss various transaction structures. During August 2002, we signed a customary confidentiality and nondisclosure agreement with Lundbeck, including customary standstill provisions.

On September 10, 2002, the Board appointed Dr. Errol B. De Souza as our new President and Chief Executive Officer. Dr. Kathleen Mullinix, who had served as our President and Chief Executive Officer and led our drug discovery effort for 15 years, resigned.

To further our business strategy, beginning in the late third quarter and the fourth quarter of 2002, we initiated discussions with pharmaceutical companies and other life science companies that could potentially serve as collaboration partners for the later stage drug development of some of our more

advanced drug compounds. We anticipated that these collaboration arrangements would include the investment of significant capital by prospective partners. From September through November 2002, we met with three pharmaceutical companies to discuss potential collaborations for the Company's lead depression compound, SNEC-2.

In late September 2002, we received a non-binding letter from Lundbeck indicating Lundbeck's interest in acquiring 100% of our capital stock in an all cash transaction. Lundbeck indicated that it would consider paying $6.50 per share in cash for our common stock and common stock equivalents, subject to due diligence and the ability to negotiate a satisfactory agreement with us. The letter also requested that we commit to exclusive negotiations with Lundbeck. Shortly after that, representatives of our company contacted our financial advisor, Banc of America Securities, and asked them to assist the Board of Directors in considering Lundbeck's indication of interest.

In October 2002, our representatives met with representatives of Lundbeck on several occasions to discuss our company, the economic terms of the proposed acquisition of our company and the framework for carrying out due diligence activities. Our representatives expressed the company's interest in pursuing a transaction with Lundbeck, but indicated that we would not agree to exclusive negotiations.

In addition, in early October 2002, representatives of Banc of America Securities worked with members of our senior management in reviewing and analyzing our strategic alternatives. Representatives of Synaptic also requested that Banc of America Securities prepare a preliminary valuation analysis to assist the Board of Directors in its evaluation of Lundbeck's interest.

On October 14, 2002, our Board of Directors held a special meeting to consider Lundbeck's indication of interest. Dr. De Souza provided the Board with an analysis of the strategic options available to our company including continuing our current business strategy, entering into a major collaborative partnership with Lundbeck or another company, or entering into a business combination with Lundbeck or another company. Representatives of our financial advisor, Banc of America Securities, discussed with the Board a preliminary valuation of our company for purposes of considering our strategic options and Lundbeck's indication of interest. The Board determined that we should continue our discussions with Lundbeck, and that the Executive Committee of the Board, comprised of Mr. Stewart Hen and Mr. Patrick McDonald, should advise and assist Dr. De Souza in those negotiations.

On October 21, 2002, at a regular Board meeting, Dr. De Souza reviewed with the Board our major ongoing discovery and development programs and patent position, and the strategic options available to us. The Board also discussed Lundbeck's letter in greater detail, including the

tentative price being proposed by Lundbeck as well as possible strategies for obtaining a higher price. At that meeting, the Board determined that we should continue discussions with Lundbeck in parallel with discussions about an acquisition or collaboration with a group of other companies.

As a result of Lundbeck's letter, and at the request of the Board, from October 15 to October 25, representatives of Banc of America Securities met with members of the Executive Committee and senior management to review a list of potential parties who would most likely be interested in acquiring us based on past expressions of interest and/or strategic synergies. Thereafter, at the direction of the Board, representatives of Banc of America Securities contacted several pharmaceutical and biotechnology companies to discuss their possible interest in acquiring our company.

In addition, on or about October 16, 2002, Dr. De Souza contacted another large multinational pharmaceutical company to determine if it had any interest in acquiring our company. We believed that this company would be interested in acquiring us because it already had an existing arrangement with

us in one area and because of other strategic synergies. We met with that company on October 24, 2002.

During late October 2002, representatives of Lundbeck and its advisors conducted a due diligence review of our company, including meetings with members of our senior management at our offices in Paramus, New Jersey.

On October 29, 2002, at a special meeting of our Board, Dr. De Souza updated the Board on our discussions with Lundbeck and others concerning possible alternative transactions. Dr. De Souza reported that none of the companies contacted by him or Banc of America Securities were interested in pursuing an acquisition of our company, although one company conducted initial due diligence and expressed an interest in a possible collaboration involving our lead program, SNEC-2 for the treatment of depression and anxiety related disorders. Dr. De Souza and representatives of Banc of America Securities also reported on their discussions with Lundbeck and its advisors concerning the price per share Lundbeck was willing to pay in the proposed transaction and the likelihood of achieving an increase in Lundbeck's price. The Board decided that Dr. De Souza should request Lundbeck to provide us with a written proposal that included its best price.

In response to our request, on November 4, 2002, we received another letter from Lundbeck indicating its continued interest in acquiring our company at $6.50 in cash for each share of common stock and common stock equivalent. The letter requested that we commit to exclusive negotiations over a three-week period. As a condition to entering into a definitive agreement, Lundbeck also requested that two of our principal stockholders, including Warburg Pincus, enter into a written agreement with Lundbeck committing to vote to adopt the merger agreement. Lundbeck's letter was expressly non-binding and subject to continued due diligence and the ability to negotiate a satisfactory agreement with us.

On November 4, 2002, the Executive Committee of the Board and Dr. De Souza met with representatives of Banc of America Securities and representatives of our outside counsel to discuss Lundbeck's proposal.

On November 5, 2002, at a special meeting of our Board, Dr. De Souza described his discussions with Mr. Ole Vahlgren, Lundbeck's Vice President of U.S. Operations, concerning the terms of the offer, and Lundbeck's position that it would not increase its proposed price above $6.50 per share. During the meeting, representatives of our outside counsel discussed the Board's fiduciary duties in considering Lundbeck's indication of interest. The Board discussed Lundbeck's requests for an exclusive negotiating period and a voting agreement with Warburg Pincus and a second principal stockholder. Dr. De Souza reported that he had advised Lundbeck that we would not pursue any proposal that included a voting commitment from the second principal stockholder. Dr. De Souza also reported that he informed Lundbeck of our desire to continue to pursue discussions with other pharmaceutical companies concerning possible collaborations involving certain projects in our pipeline as well as discussions concerning an equity financing. However, Lundbeck had not agreed to our request.

During that meeting, Dr. Richard Weinshank, our Vice President of Business Development, updated the Board on the status of our discussions concerning possible collaborations with other pharmaceutical companies and the timing of upcoming meetings with those companies. Dr. Weinshank reported that we had a number of meetings scheduled with several large multinational pharmaceutical companies regarding our two lead programs.

During the meeting, the Board determined that further discussions would not likely result in a higher price and could jeopardize a potential transaction with Lundbeck. After further discussion, the Board authorized us to enter into an exclusivity period with Lundbeck to determine whether the parties

could enter into a definitive merger agreement at a price of $6.50 per share on the terms set forth in Lundbeck's letter received on November 4, 2002.

On November 11, 2002, we signed an exclusivity agreement with Lundbeck whereby we agreed to negotiate solely with Lundbeck until the earlier of November 25, 2002 or the execution of a definitive merger agreement. We had the option to terminate the exclusivity agreement on November 20, 2002 if we determined not to go forward with the proposed merger. On November 11, 2002, Dr. De Souza visited Lundbeck's offices in Copenhagen to discuss transition issues arising out of the proposed merger, including the retention of employees.

During the period from November 11, 2002 through November 17, 2002, the Executive Committee and Dr. De Souza met with representatives of our outside counsel several times to discuss the drafts of the merger agreement and stockholder agreement we received from Lundbeck. In addition, during this time period, Dr. De Souza and Mr. Vahlgren had numerous discussions concerning the terms of the merger agreement and stockholder agreement.

On November 18, 2002, Dr. De Souza, Dr. Weinshank, Mr. Edmund Caviasco, our Controller, and representatives of our outside counsel met with Mr. Vahlgren and representatives of Lundbeck's outside counsel to negotiate the terms of the merger agreement.

On November 18, 2002, at a special meeting of our Board, Dr. De Souza reported on his visit to Lundbeck's offices in Copenhagen the previous week and described his perception of Lundbeck's high level of commitment to the proposed transaction. At that meeting, representatives of our outside counsel described the negotiations concerning the merger agreement during the prior week and some of the material terms of the merger agreement.

On November 19 and 20, 2002, a member of our Executive Committee and Dr. De Souza met with representatives of our outside counsel to discuss the terms of the draft merger agreement.

From November 20 to November 21, 2002, Dr. De Souza, Dr. Weinshank, Mr. Caviasco, our financial advisors and representatives of our outside counsel met with Mr. Vahlgren, Lundbeck's financial advisor and representatives of its outside counsel to further negotiate the terms of the proposed merger agreement.

On November 21, 2002, at a special meeting of the Board, representatives of our outside counsel made a presentation to the Board as to the material terms of the proposed merger agreement and related transactions and again advised the Board members with respect to their fiduciary duties in considering the merger agreement. In addition, representatives of Banc of America Securities made a presentation to the Board concerning several valuation analyses to assist the Board in considering the proposed merger. The Board also received an oral opinion from Banc of America Securities that, as of that date and based upon and subject to the various assumptions and limitations set forth therein, the merger consideration to be received by the holders of our capital stock in the proposed merger was fair, from a financial point of view, to the holders of our capital stock. The Board then unanimously determined that the merger agreement is advisable and in the best interests of our stockholders, approved the terms of the merger agreement and recommended that our stockholders adopt the merger agreement. Later that day, Banc of America Securities delivered its written opinion to our Board that, as of November 21, 2002 and based upon and subject to the various assumptions and limitations set forth therein, the consideration to be received by the holders of our capital stock in the proposed merger was fair, from a financial point of view, to the holders of our capital stock.

On November 21, 2002, we, Lundbeck and Merger Sub executed the merger agreement and issued a press release describing the proposed merger. The $6.50 per share merger consideration provided in the merger agreement represents an 8% premium over the closing price of our common stock on

November 20, 2002 and a 62.5% premium over the closing price of our common stock on November 14, 2002, one week prior to signing the merger agreement.

Purpose and Effects of the Merger

The principal purpose of the merger is to enable Lundbeck to own all of the equity interests in our company and afford our stockholders the opportunity, upon completion of the merger, to receive a cash price for their shares. The merger will be accomplished by merging a wholly

owned subsidiary of Lundbeck with and into our company, with our company becoming the surviving corporation of the merger. As a result of the merger, our company will become a wholly owned subsidiary of Lundbeck.

The merger will terminate all equity interests in Synaptic held by our stockholders and all options held by our option holders and Lundbeck will be the sole beneficiary of our business following the merger. Our common stock is currently registered under the Securities Exchange Act of 1934, as amended, which we refer to in this proxy statement to as the Exchange Act, and is listed for trading on The Nasdaq Stock Market under the symbol "SNAP". Upon the completion of the merger, our common stock will be delisted from The Nasdaq Stock Market and registration of our common stock under the Exchange Act will be terminated.

Upon completion of the merger, our stockholders will be entitled to receive:

$6.50 in cash, without interest, in exchange for each share of common stock that they own;

$1,499.15 in cash, without interest, in exchange for each share of Series B Convertible Preferred Stock that they own; and

$1,088.54 in cash, without interest, in exchange for each share of Series C Convertible Preferred Stock that they own.

Each holder of an option to purchase our common stock granted under our various stock option plans or otherwise that is outstanding immediately prior to completion of the merger will be entitled to receive, in exchange for the cancelation of the option, an amount in cash equal to the excess, if any, of $6.50 over the exercise price per share of our common stock subject to the option, multiplied by the number of shares of our common stock subject to the option, net of any applicable withholding taxes.

If any condition to the merger is not satisfied or waived, including the necessary regulatory clearances, the merger will not be completed. In such an event, you will not receive any cash or other consideration in exchange for your shares of common stock and preferred stock.

Reasons for the Merger; Recommendation of Our Board of Directors

Our Board of Directors has unanimously approved the merger agreement and determined that the merger agreement is advisable and in the best interests of our stockholders. In reaching its decision to approve the merger agreement and to recommend that our stockholders vote to adopt the merger agreement, our Board considered a number of factors, including the following:

Our Business, Financial Condition And Prospects. Our Board considered information with respect to our business, financial condition, results of operations, competitive position and business strategy, on both a historical and prospective basis, as well as current industry, economic and market conditions;

Alternative Transactions. Our Board considered the fact that it had discussions with several other companies to explore possible alternatives to the merger and none of those companies made a proposal to acquire our company;

Financing Considerations. Our Board considered our substantial liquidity needs over the near and medium term and the advice of Banc of America Securities as to the significant risks involved in obtaining financing on acceptable terms or at all under current market conditions and conditions expected to be in effect in the near to medium term. Our Board also considered the likely significant dilution our stockholders would suffer as a result of obtaining financing under current market conditions.

Form of Merger Consideration. Our Board considered the cash only merger consideration to be received by our stockholders and the desirability of the liquidity and certainty of value that an all cash transaction would afford our stockholders.

Limited Conditionality. Our Board considered the fact that the transaction is not conditioned on obtaining financing and that the conditions to the completion of the transaction were customary and, in the Board's judgment, likely to be satisfied.

Potential Risks. Our Board considered a number of potential risks in connection with its evaluation of the merger. These risks included the potential diversion of management resources from operational matters and the opportunity costs associated with pursuing the proposed merger. In addition, our Board considered, among others, the following:

- the merger agreement prohibits us from soliciting alternative transactions and would require us to pay a termination fee if we terminated the merger agreement and entered into an acquisition agreement for a superior proposal, as described herein;

- that we will spend a significant amount of cash to fund our operations during the period between signing the merger agreement and completing the merger while being restricted under the terms of the merger agreement from raising additional cash, and therefore, should the merger not be completed, we likely would be required to raise capital immediately to continue to operate independently; and

- we would be required to conduct our business only in the ordinary course consistent with past practice and subject to operational restrictions until the completion of the merger.

Opinion of Our Financial Advisor. Our Board considered the opinion of our financial advisor, dated November 21, 2002, that the merger consideration to be received by the holders of our capital stock is fair, from a financial point of view, to the holders of our capital stock.

Market Price. Our Board considered the relationship of the merger consideration to the historical market prices, volatility and trading information with respect to our common stock. In particular, our Board considered the fact that the merger consideration of $6.50 per share of common stock represented an 8% premium over the closing price of our common stock on November 20, 2002, the day before we signed the merger agreement, and a 62.5% premium over the closing price on November 14, 2002, one week before we signed the merger agreement.

Additional Considerations. In the course of its deliberations regarding the merger, our Board consulted with members of our senior management and representatives of our legal and financial advisors on various legal, business and financial matters. Additional factors considered by our Board in determining whether to approve the merger agreement included:

- the possibility that, under certain circumstances specified in the merger agreement, we could conduct negotiations with a third party and terminate the merger agreement if a superior proposal was made by a third party, subject to the payment of a termination fee;

- the current industry, economic and marketplace conditions and trends;

- the terms and conditions of the merger agreement;

- the belief of our management and our advisors that, after extensive negotiations with Lundbeck and its representatives, we have obtained the highest price per share that Lundbeck is willing to pay;

the fact that our largest stockholder was willing to support the proposed transaction;

the likelihood and anticipated timing of receipt of required regulatory approvals and satisfaction of all other conditions;

the volatility of the capital markets in general;

current financial market conditions and historical market prices with respect to our common stock; and

the appraisal rights provided to our stockholders under Delaware law.

The above discussion is not intended to be exhaustive, but we believe it addresses the material information and factors considered by our Board of Directors in its consideration of the merger, including factors that support the merger as well as those that may weigh against it. In view of the number and variety of factors and the amount of information considered, our Board did not find it practicable to make specific assessments of, quantify or otherwise assign relative weights to the specific factors considered in reaching its determination. In addition, our Board did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to its ultimate determination, and individual members of our Board may have given different weights to different factors.

Our Board of Directors has unanimously approved the merger agreement and declared its advisability and unanimously recommends that our stockholders vote FOR adoption of the merger agreement.

Opinion of Our Financial Advisor

As part of its engagement as financial advisor to Synaptic in connection with the merger, Banc of America Securities was asked to render an opinion to our Board of Directors as to the fairness, from a financial point of view, to the holders of Synaptic's capital stock of the consideration to be received by such holders in the proposed merger. On November 21, 2002, Banc of America Securities delivered its written opinion to our Board of Directors that, as of that date and subject to the various assumptions and limitations summarized below, the consideration to be received by the holders of Synaptic's capital stock in the proposed merger was fair, from a financial point of view, to the holders of Synaptic's capital stock. **The full text of Banc of America Securities' written opinion, dated November 21, 2002, is attached as Annex C to this proxy statement. The opinion sets forth the assumptions made, procedures followed, other matters considered and limits of the review undertaken. We incorporate the Banc of America Securities opinion into this proxy statement and summary of opinion by reference, and urge**

you to read the opinion in its entirety. This section is only a summary of the Banc of America Securities opinion and as a summary is qualified by reference to, and is not a substitute for, the full text of the opinion. Banc of America Securities' analyses and opinion were prepared for and addressed to our Board of Directors and are directed only to the fairness, from a financial point of view, of the consideration to be received by the holders of Synaptic's capital stock pursuant to the merger as of the date of such opinion and do not constitute an opinion as to the merits of the merger or a recommendation to any stockholder as to how to vote on the proposed merger.

In arriving at its opinion, Banc of America Securities has reviewed and considered such financial and other matters as it deemed relevant, including, among other things:

certain publicly available financial statements and other business and financial information of our company;

certain internal financial statements and other financial and operating data concerning our company;

certain financial forecasts prepared by the management of our company;

discussions Banc of America Securities had with our senior executives regarding the past and current operations, financial condition and prospects of our company;

the reported prices and trading activity for Synaptic's common stock;

the financial performance of our company and the prices and trading activity of Synaptic's common stock as compared with that of certain other publicly traded companies Banc of America Securities deemed relevant;

certain financial terms of the merger as compared to financial terms, to the extent publicly available, of certain other business combination transactions Banc of America Securities deemed relevant;

discussions and negotiations among representatives of Synaptic and Lundbeck and their financial and legal advisors;

the November 19, 2002 draft of the merger agreement, the November 19, 2002 draft of the stockholder agreement between Lundbeck and Warburg Pincus and certain related documents; and

such other analyses and factors as Banc of America Securities deemed appropriate.

In conducting its review and arriving at its opinion, Banc of America Securities assumed and relied upon, without independent verification, the accuracy and completeness of the information reviewed by Banc of America Securities for the purposes of its opinion. Banc of America Securities assumed that the final form of the merger agreement and related agreements would be substantially similar to the last drafts reviewed by Banc of America Securities. With respect to the financial forecasts, Banc of America Securities assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the future financial performance of our company. Banc of America Securities did not make any independent valuation or appraisal of our assets or liabilities, nor has Banc of America Securities been furnished with any such appraisals.

As is customary in the rendering of fairness opinions, Banc of America Securities based its opinion on financial, economic, market and other conditions as in effect on, and the information made available to Banc of America Securities as of, November 21, 2002. It was understood that, although subsequent developments may affect Banc of America Securities' opinion, Banc of America Securities does not have any obligation to update, revise or reaffirm its opinion. Banc of America Securities expressed no opinion as to whether any alternative transaction might produce consideration for the holders of Synaptic's capital stock in an amount in excess of that contemplated in the merger. The opinion of Banc of America Securities expressed in the opinion letter was provided for the information of our Board of Directors. Banc of America Securities expressed no opinion or recommendation as to how the holders of Synaptic's capital stock should vote with respect to the merger.

In accordance with customary investment banking practice, Banc of America Securities employed generally accepted valuation methods in reaching its opinion. The following is a summary of the material financial analyses that Banc of America Securities utilized in providing its opinion.

Illustrative Asset-Based Valuation. Based on the estimates provided to Banc of America Securities by our management, Banc of America Securities projected future cash flows from our lead product programs, discovery programs, intellectual property assets and partnered programs. Using selected discount rates, Banc of America Securities then calculated the net present value of these future cash flows and applied a probability weight to each net present value based on the particular stage of development of each such program, asset and product. After taking into account our total cash position as of September 30, 2002, this analysis yielded an implied total equity value of our company ranging from approximately $98.9 million to approximately $147.1 million, and a range of implied diluted equity value per share of our company of $5.33 to $7.67.

Selected Public Company Technology Valuation. Using publicly available information, Banc of America Securities calculated the "technology value" (which Banc of America Securities defined as equity market value plus total debt, minority interest and preferred stock, less

cash and cash equivalents) of selected publicly traded biotechnology companies that have products at a similar stage of development as our company. These companies were:

Arena Pharmaceuticals, Inc.;	Keryx Biopharmaceuticals, Inc.;
Array Biopharma Inc.;	Neurogen Corporation;
Atherogenics, Inc.;	Rigel Pharmaceuticals, Inc.; and
Dov Pharmaceuticals, Inc.;	3-Dimensional Pharmaceuticals, Inc.
Esperion Therapeutics, Inc.;	

Banc of America Securities' analysis of these technology values yielded a reference range technology value for our company of approximately $40 million to approximately $75 million, which implied a diluted equity value per share of our company of $3.65 to $5.54.

Although the selected companies were used for comparative purposes, none of these companies is directly comparable to our company. Accordingly, an analysis of the results of such a comparison is not mathematical but instead involves complex considerations and judgments concerning differences in the products of such companies and other factors that could affect the public trading value of such companies.

Present Value of 2008 Equity Value. Based on estimates provided to Banc of America Securities by our management, Banc of America Securities derived an integrated projected income statement for our company. Based on such projected income statement, Banc of America Securities determined that our

first full fiscal year of profitability would be 2009. Banc of America Securities then selected certain profitable publicly traded biotech companies. These companies were:

Amgen Inc.;	Genentech, Inc.;
Biogen, Inc.;	Genzyme Corporation;
Cephalon, Inc.;	IDEC Pharmaceuticals Corporation; and
Chiron Corporation;	MedImmune, Inc.

For each selected publicly traded company, Banc of America Securities used First Call earnings per share estimates for the year ending December 31, 2003 in order to calculate a price to earnings per share multiple. This analysis yielded a mean multiple of 29.1x and a median multiple of 28.5x. Banc of America Securities then applied a range of multiples to our projected 2009 fully taxed net income to derive a theoretical range of 2008 aggregate equity values for our company.

Banc of America Securities then determined the net present value for the range of 2008 aggregate equity values by using a range of discount rates from 20.0% to 25.0%, and deducting the present value of future financing requirements, net of the present value of net operating losses. This analysis yielded a range of implied diluted equity value per share of our company of $4.06 to $7.02.

Although the selected companies used in the present value of 2008 equity value analysis were used for comparative purposes, none of those companies is directly comparable to our company. Accordingly, an analysis of the results of such a comparison is not mathematical but instead involves complex considerations and judgments concerning differences in historical and projected financial and operating characteristics of such companies and other factors that could affect the public trading value of these companies or our company.

The summary set forth above does not purport to be a complete description of all the analyses performed by Banc of America Securities. The preparation of a fairness opinion involves various determinations as to the most appropriate and relevant methods of financial analyses and the application of these methods to the particular circumstances and, therefore, such an opinion is not readily susceptible to partial analysis or summary description. Banc of America Securities did not attribute any particular weight to any analysis or factor considered by it, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, notwithstanding the separate factors summarized above, Banc of America Securities believes, and has advised our Board of Directors, that its analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all analyses and factors, could create an incomplete view of the process underlying its opinion. In performing its analyses, Banc of America Securities made numerous assumptions with

respect to industry performance, business and economic conditions and other matters, many of which are beyond our control. These analyses performed by Banc of America Securities are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by such analyses. In addition, analyses relating to the value of businesses do not purport to be appraisals or to reflect the prices at which businesses or securities may actually be sold. Accordingly, such analyses and estimates are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, and none of our company, Banc of America Securities or any other person assumes responsibility if future results are materially different from those projected. The analyses supplied by Banc of America Securities and its opinion were among the many factors taken into consideration by our Board of Directors in making its decision to enter into the merger agreement and should not be considered as determinative of such decision. The consideration to be received by the holders of shares of our capital stock pursuant to the merger agreement was determined through arms-length negotiations between Lundbeck and us and was approved by our Board of Directors.

Banc of America Securities was selected by our Board of Directors as its financial advisor, and to render an opinion to our Board of Directors, because Banc of America Securities is a nationally recognized investment banking firm and because, as part of its investment banking business, Banc of America Securities is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. In the ordinary course of its business, Banc of America Securities and its affiliates are engaged in a broad range of securities activities and financial services, including trading or otherwise effecting transactions in debt or equity securities of Synaptic and Lundbeck or any of their affiliates for their own account and for the accounts of their customers, and accordingly, may at any time hold a long or short position in such securities.

Pursuant to a letter agreement, we have agreed to pay Banc of America Securities a fee of $2,000,000 for its services, which is contingent upon completion of the merger. Regardless of whether a transaction is proposed or completed, Synaptic has agreed to reimburse Banc of America Securities, immediately upon Banc of America Securities' request, for all reasonable expenses, including reasonable fees and disbursements of Banc of America Securities' counsel, up to $25,000, and has agreed to indemnify Banc of America Securities against certain liabilities, including liabilities under the federal securities laws. The terms of the fee arrangement with Banc of America Securities, which are customary in transactions of this nature, were negotiated at arm's length between us and Banc of America Securities, and our Board of Directors was aware of such arrangement, including the fact that Banc of America Securities' fee was contingent upon completion of the merger.

Merger Financing; Source and Amount of Funds

Lundbeck expects to fund the approximately $122 million of merger consideration and payment to option holders through available cash and existing credit facilities. The merger is not conditioned on any financing arrangements.

Interests of Certain Persons in the Merger

Some of our directors and executive officers have interests in the merger that are different from, or in addition to, their interests as stockholders. These interests may present actual, apparent or potential conflicts of interest. Our Board of Directors was aware of these interests and took these interests into account in approving the merger.

Employment Agreements. We have employment agreements with Errol B. De Souza, our President and Chief Executive Officer, Richard L. Weinshank, our Vice President for Business Development, and Theresa A. Branchek, our Vice President of Research. These employment agreements include change of control provisions which provide that under certain circumstances the executives will receive fees, among other things, following a change of control.

Dr. De Souza. We entered into an employment agreement with Dr. De Souza on September 9, 2002, which expires on September 9, 2006, subject to the renewal provisions contained therein. Pursuant to the terms of his employment agreement, Dr. De Souza would be entitled to the following payments and benefits if his employment is terminated after the merger by the surviving corporation without cause (as defined in the employment agreement) or upon his resignation from the surviving corporation for good reason (as defined in the employment agreement):

- 12 months' base salary ($475,000), payable in one lump sum upon execution by Dr. De Souza of a general release in favor of the surviving corporation;

- a pro-rated bonus for the year of termination if Dr. De Souza is terminated by the surviving corporation without cause; and

continuation of his life insurance coverage and medical benefits for one year.

Dr. De Souza is subject to non-competition and non-solicitation covenants that continue for one year after termination of employment. The non-competition covenant does not apply if the surviving corporation terminates Dr. De Souza without cause. Dr. De Souza is also subject to a confidentiality covenant that continues after termination of his employment.

Drs. Weinshank and Branchek. The employment agreements with Dr. Weinshank and Dr. Branchek have one-year terms which renew for one additional year on each anniversary of the date of the applicable employment agreement unless either we or the executive provides 90 days' advance notice of his or her intent not to renew the employment agreement. Pursuant to the terms of the employment agreements with Dr. Weinshank and Dr. Branchek, each of them would be entitled to the following payments and benefits if his or her employment is terminated by the surviving corporation without cause (as defined in the applicable employment agreement) or the executive resigns for good reason (as defined in the applicable employment agreement) in contemplation of, or within one year following, the merger:

50% of one year's base salary, payable at the same times and in the same manner in which the base salary would have been payable to the employee had the termination of employment not occurred; and

the benefits he or she is entitled to receive under our benefit plans as in effect at the time of the termination of employment.

Accordingly, if the merger is completed and the employment of Dr. Weinshank or Dr. Branchek is terminated by the surviving corporation within one year of the completion of the merger without cause or the executive resigns for good reason, the total severance payments due under the agreements described above would be approximately $105,500 for Dr. Weinshank and approximately $121,750 for Dr. Branchek.

Stock Options. Under the terms of the merger agreement and our stock option agreements with our directors, officers, employees and consultants, as a result of the merger all of the options granted to such individuals have automatically become exercisable, whether or not then previously vested, until immediately prior to the completion of the merger.

The table set forth below indicates the total number of shares subject to stock options that have automatically become exercisable in connection with the merger (until immediately prior to the completion of the merger) for each director and executive officer of the Company.

NAME OF EXECUTIVE OFFICER OR DIRECTOR	NUMBER OF SHARES UNDERLYING STOCK OPTIONS THAT HAVE AUTOMATICALLY BECOME EXERCISABLE
Errol B. De Souza, Ph. D.	937,502
Thomas P. Blackburn, Ph. D.	16,250
Theresa A. Branchek, Ph. D.	12,500
Richard L. Weinshank, Ph. D.	12,500
Stewart J. Hen	7,814
Zola P. Horovitz, Ph. D.	7,605
Jonathan S. Leff	7,814
John E. Lyons	7,605
Patrick J. McDonald	7,605
Alison Taunton-Rigby, Ph. D.	7,605
Robert L. Zerbe, M.D.	8,543

Under the terms of our stock option agreements with our directors, officers, employees and consultants, and in accordance with the terms of the merger agreement, each option to acquire our common stock granted under our various stock option plans or otherwise that is outstanding immediately prior to the completion of the merger will be canceled and the holder of the option will be

entitled to receive a cash payment for each share subject to the option equal to the excess, if any, of $6.50 over the exercise price per share of the option, net of any applicable withholding taxes, to be paid within five business days following the completion of the merger.

The total number of stock options for all option holders that have an exercise price of less than $6.50, which we refer to as "in-the-money" options, and the weighted average exercise price of such "in-the-money" options as of the record date are 2,188,483 and $5.634, respectively. The following table sets forth information with respect to "in-the-money" stock options, held as of the record date, by our executive officers and directors:

NAME OF EXECUTIVE OFFICER OR DIRECTOR	NUMBER OF SHARES UNDERLYING "IN-THE-MONEY" STOCK OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE OF "IN-THE-MONEY" STOCK OPTIONS
Errol B. De Souza, President, Chief Executive Officer and Director	1,000,000	$ 5.75
Thomas P. Blackburn, Vice President for Drug Development Operations	70,000	$ 5.99
Theresa A. Branchek, Vice President of Research	73,033	$ 5.22
Richard L. Weinshank, Vice President for Business Development	68,750	$ 5.48
Stewart J. Hen, Director	12,500	$ 6.01
Zola P. Horovitz, Director	17,500	$ 5.81
Jonathan S. Leff, Director	12,500	$ 6.01
John E. Lyons, Director	17,500	$ 5.81
Patrick J. McDonald, Director	17,500	$ 5.81
Alison Taunton-Rigby, Director	17,500	$ 5.81
Robert L. Zerbe, Director	12,500	$ 6.06
Kathleen Mullinix (Former President and Chief Executive Officer)	150,000	$ 5.52
Robert Spence (Former Chief Financial Officer)	30,000	$ 5.18

Retention Bonuses. Lundbeck plans to pay a retention bonus to each person who was an employee on the date of the merger agreement and who continues his or her employment with the surviving corporation, including the executive officers of our company. The amount of the retention bonus will be determined by Lundbeck in its sole discretion and may vary among employees. An employee who remains continuously employed with the surviving corporation for:

- 3 months after the date of the completion of the merger will be entitled to receive 25% of his or her retention bonus;
- 6 months after the date of the completion of the merger will be entitled to receive an additional 25% of his or her retention bonus; and
- 1 year after the date of the completion of the merger will be entitled to receive the remaining 50% of his or her retention bonus.

Nothing in the merger agreement, however, prevents Lundbeck from terminating the employment of any employee for any reason.

Directors' and Officers' Indemnification. The merger agreement provides that Lundbeck will cause the surviving corporation to assume all rights to indemnification and exculpation from liabilities for acts or omissions at or prior to the completion of the merger, and rights to advancement of expenses existing as of the date of the merger agreement in favor of our current or former directors or officers, as provided in our organizational documents or in written agreements with any of our current or former directors or officers in effect as of the date of the merger agreement.

The surviving corporation will either maintain our current directors' and officers' liability insurance for at least six years, with terms and amounts no less favorable in any material respect than the policy in effect as of the date of the merger agreement, or provide alternative coverage that is no less favorable in any material respect to our directors and officers than the directors' and officers' liability insurance policy in effect as of the date of the merger agreement. However, if the annual premium for coverage exceeds 200% of the last annual premium we paid prior to the date of the merger agreement, then the surviving corporation will be required to provide only that amount and coverage that can be obtained for 200% of the last annual premium.

Interests of Certain Directors. Jonathan S. Leff, a director of our company, is a managing director and member of Warburg Pincus LLC, and Stewart J. Hen, also a director of our company, is a vice president of Warburg Pincus LLC. Both Messrs. Leff and Hen serve on our Board as designees of our preferred stockholders. Warburg Pincus LLC manages Warburg Pincus, which owns 9,398 shares of Series B Convertible Preferred Stock and 25,452 shares of Series C Convertible Preferred Stock, which are convertible into a total of 6,429,923 shares of common stock (see the section entitled "Security Ownership of Certain Beneficial Owners and Management"). If the merger agreement is adopted by our stockholders and the merger is completed, Warburg Pincus will be entitled to receive approximately $41,794,530 pursuant to the terms of the merger agreement in exchange for its shares of preferred stock. As a condition to Lundbeck entering into the merger agreement, Lundbeck required that Warburg Pincus enter into the stockholder agreement.

Stockholder Agreement

As a condition to its entering into the merger agreement, Lundbeck required that Warburg Pincus enter into the stockholder agreement under which Warburg Pincus agreed to vote for adoption of the merger agreement and related matters, and against any competing transaction or proposal or any frustrating transaction. The following summary of the material provisions of the stockholder agreement is qualified in its entirety by reference to the stockholder agreement, which is attached to this proxy statement as Annex B. We urge you to read carefully the full text of the stockholder agreement. As of the record date for the special meeting, Warburg Pincus held approximately 35% of the votes eligible to be cast at the special meeting.

Under the stockholder agreement, Warburg Pincus has:

- agreed to vote in favor of the adoption of the merger agreement, the merger and related transactions;
- agreed to vote against:
  - any takeover proposal (as defined in the section entitled "The Merger Agreement No Solicitations of Transactions") or transaction or occurrence that if proposed and offered would constitute a takeover proposal; or
  - any amendment of our certificate of incorporation, by-laws or the rights agreement or other proposal, action or transaction involving us or any of our stockholders which could reasonably be expected to prevent, materially impede or delay the completion of the merger or any of the other transactions contemplated by the merger agreement, or to dilute the benefits to Lundbeck of the merger and the other transactions contemplated by the merger agreement, or change the voting rights of our common stock;
- irrevocably granted to and appointed Lundbeck, and certain officers of Lundbeck, as its proxy and attorney-in-fact to vote all the shares of our capital stock subject to the stockholder agreement; and
- agreed not to permit any of its directors, officers, employees, consultants or other representatives to and agreed not to facilitate any action by any of its subsidiaries to:
  - solicit, initiate or encourage, or knowingly take any other action to facilitate, any takeover proposal or frustrating transaction;

  - enter into any agreement with respect to any takeover proposal or frustrating transaction; or
  - enter into, continue or otherwise participate in any discussions or negotiations regarding, or furnish to any person any information with respect to, or take any other action to facilitate any inquiries or the making of any proposal that constitutes, or could reasonably be expected to lead to, any takeover proposal or frustrating transaction.

The stockholder agreement terminates upon the earlier of the effective time of the merger and the termination of the merger agreement in accordance with its terms. Termination of the stockholder agreement will not relieve the parties from any liability for any breach of the stockholder agreement prior to termination.

Rights Agreement

The Company is a party to a Rights Agreement, dated December 11, 1995, with Mellon Investor Services LLC (formerly known as Chemical Mellon Shareholder Services) as the Rights Agent, which we refer to as the rights agreement. The rights agreement has the effect of making an acquisition of our company prohibitively expensive for any potential acquiror not approved by our Board of Directors. As a condition to Lundbeck entering into the merger agreement, Lundbeck required us to amend our rights agreement to render it inapplicable to the merger agreement, the stockholder agreement, the merger and the other transactions contemplated by the merger agreement. On November 21, 2002, we amended the rights agreement in accordance with the merger agreement.

United States Federal Income Tax Consequences

General. The following is a summary of the United States federal income tax consequences of the merger to our stockholders who are United States persons for federal income tax purposes and whose shares are converted into the right to receive cash in the merger. The discussion does not purport to consider all aspects of United States federal income taxation that might be relevant to those stockholders. The discussion is based on current provisions of the Internal Revenue Code of 1986, as amended, or the Code, and existing, proposed and temporary regulations promulgated under the Code and administrative and judicial interpretations of the Code and regulations, all of which are subject to change, possibly with retroactive effects. The discussion applies only to stockholders whose shares of our common and/or preferred stock are held as capital assets within the meaning of Section 1221 of the Code. This discussion does not apply to shares of our common stock received upon to the exercise of employee stock options or otherwise as compensation, to stockholders who hold shares of our common stock as part of a hedging, "straddle", conversion or other integrated transaction, or to certain types of stockholders (such as insurance companies, tax-exempt organizations, financial institutions, broker-dealers and traders) who may be subject to special rules. Except for the discussion under " Information Reporting and Backup Tax Withholding," this discussion does not consider the United States federal income tax consequences of the merger to any stockholder who, for United States federal income tax purposes, is a non-resident alien individual, a foreign corporation, a foreign partnership or a foreign estate or trust, nor does it consider the effect of any foreign, state or local tax or any United States federal tax other than income tax.

BECAUSE INDIVIDUAL CIRCUMSTANCES MAY DIFFER, YOU SHOULD CONSULT YOUR OWN TAX ADVISOR TO DETERMINE THE APPLICABILITY TO YOU OF THE RULES DISCUSSED BELOW AND THE PARTICULAR TAX EFFECTS TO YOU OF THE MERGER, INCLUDING THE APPLICATION AND EFFECT OF THE ALTERNATIVE MINIMUM TAX, AND ANY STATE, LOCAL AND FOREIGN TAX LAWS AND OF CHANGES IN SUCH LAWS.

Consequences of the Merger to Synaptic Stockholders. The exchange of shares of common and/or preferred stock for cash pursuant to the merger will be a taxable transaction for United States federal income tax purposes. In general, a stockholder who is a United States person and who receives cash in exchange for shares of our common and/or preferred stock pursuant to the merger will recognize capital gain or loss for United States federal income tax purposes in an amount equal to the difference,

if any, between the amount of cash received and the stockholder's adjusted tax basis in the shares exchanged for cash pursuant to the merger. Gain or loss will be determined separately for each block of shares (shares acquired at the same cost in a single transaction) exchanged for cash pursuant to the merger. Such gain or loss will be long-term capital gain or loss provided that a stockholder's holding period for such shares of common stock is more than one year at the time of completion of the merger. Certain limitations apply to the use of a stockholder's capital losses.

Information Reporting and Backup Tax Withholding. Under the "backup withholding" provisions of United States federal income tax law, the paying agent for the merger may be required to withhold and pay over to the Internal Revenue Service, referred to in this proxy statement as the IRS, a portion of the amount of any payments you receive in connection with the merger unless you:

- provide a correct taxpayer identification number (which, if you are an individual, is your Social Security number) and any other required information to the paying agent, or
- are a corporation or come within certain exempt categories and, when required, demonstrate this fact and otherwise comply with applicable requirements of the backup withholding rules.

If you do not provide a correct taxpayer identification number, you may be subject to penalties imposed by the IRS. Any amount withheld as backup withholding will be creditable against your United States federal income tax liability, provided the required information is provided to the IRS. If withholding results in an overpayment of taxes, a refund may be obtained by filing a tax return with the IRS. You should consult with your own tax advisor as to your qualification for exemption from backup withholding and the procedure for obtaining an exemption.

If you are a United States person (as defined for United States federal income tax purposes), you may prevent backup withholding by completing the IRS Form W-9 that will be included with the letter of transmittal mailed to you by the paying agent and submitting the completed IRS Form W-9 to the paying agent when you submit your stock certificate(s) following the effective time of the merger. Foreign stockholders should complete and sign the appropriate IRS Form W-8 (a copy of which may be obtained from the paying agent) in order to avoid backup withholding. Such stockholders should consult a tax advisor to determine which IRS Form W-8 is appropriate. Please see the instructions in the letter of transmittal for more details.

Appraisal Rights

Under Delaware law, the holders of record of shares of Synaptic capital stock that follow the procedures specified in Section 262 of the DGCL are entitled to appraisal rights under the DGCL and may have their shares appraised by the Delaware Court of Chancery and receive, instead of the merger consideration, the "fair value" of these shares as of the completion of the merger as determined by the court. In order to exercise these rights, you must comply with the procedures established by Section 262 of the DGCL. The following is a summary of the material provisions of Section 262. A complete copy of Section 262 is attached as Annex D to this proxy statement and this summary is qualified in its entirety by reference to Annex D. This summary and Annex D should be reviewed carefully by you if you wish to exercise statutory appraisal rights or if you wish to preserve the right to do so, as failure to comply with the statutory procedures will result in the loss of your appraisal rights.

In order to exercise a right of appraisal under Section 262, you must do all of the following:

File with Synaptic at its main office in Paramus, New Jersey, a written demand for appraisal of the shares of Synaptic capital stock which you hold. The demand must be filed before the vote is taken on the merger agreement at our special meeting. The demand must identify the Synaptic stockholder demanding an appraisal and expressly request an appraisal. The demand must be in addition to, and separate from, any proxy or vote as to the merger agreement. Merely voting, abstaining from voting or failing to vote, on the merger agreement will not constitute a demand for appraisal for the purposes of Section 262 of the DGCL.

Not vote in favor of, or consent in writing to, the merger agreement. Failing to vote or abstaining from voting will satisfy this requirement, but a vote in favor of adopting the merger agreement, by proxy or in person, or the return of a signed proxy card that does not specify a vote against adoption of the merger agreement, or that does not specify that you abstain from voting on the merger agreement, will constitute a waiver of your right of appraisal and will nullify any previously filed written demand for appraisal.

Continuously hold of record your shares of Synaptic stock through the completion of the merger.

All written demands for appraisal should be addressed to Synaptic Pharmaceutical Corporation, 215 College Road, Paramus, New Jersey 07652, Attention: Assistant Secretary. Demands for appraisal must be received before the vote is taken on the merger agreement at the special meeting. **Demands for appraisal must be executed by, or on behalf of, the holder of record of the relevant shares of Synaptic capital stock.** A beneficial owner of shares that are held of record by a broker or other nominee must take all necessary action to cause such broker or other nominee, as the record holder of the shares, duly and timely to file a written demand for appraisal and otherwise comply with the statutory procedures.

Within ten days after the completion of the merger, the surviving corporation of the merger will give written notice of the completion of the merger to each Synaptic stockholder that has satisfied the requirements of Section 262 of the DGCL and has not voted for or consented to the proposal to adopt the merger agreement. We refer to such a stockholder as a "dissenting stockholder." Within 120 days after the completion of the merger, the surviving corporation or any dissenting stockholder may file a petition in the Delaware Court of Chancery demanding a determination of the fair value of the shares of Synaptic stock that are held by all dissenting stockholders. We advise any dissenting stockholder desiring to file this petition to file on a timely basis. Synaptic has no obligation, nor any present intention, to file a petition for appraisal.

If a petition for appraisal is timely filed, the court will determine which stockholders are entitled to appraisal rights. The court then will determine the fair value of the shares of Synaptic stock held by the dissenting stockholders, exclusive of any element of value arising from the accomplishment or expectation of the merger, together with a fair rate of interest, if any, to be paid on the amount determined to be fair value. In determining the fair value, the court will take into account all relevant factors. The fair value so determined may be more than, less than or equal to the consideration that the dissenting stockholder would otherwise be entitled to receive under the merger agreement. If a petition for appraisal

is not timely filed, then the right to an appraisal will be forfeited. The costs of the appraisal proceeding may be determined by the court and charged against the parties as the court determines to be equitable under the circumstances. Upon application of a stockholder, the court may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, reasonable attorneys' fees and the fees and expenses of experts, to be charged pro rata against the value of all shares of Synaptic stock entitled to appraisal.

From and after the completion of the merger, no dissenting stockholder will have any rights of a Synaptic stockholder with respect to that dissenting stockholder's shares for any purpose, except to receive payment of its fair value and to receive payment of dividends or other distributions on that dissenting stockholder's shares of Synaptic stock, if any, payable to Synaptic stockholders of record as of a date prior to the completion of the merger. If a dissenting stockholder delivers to the surviving corporation a written withdrawal of the demand for an appraisal and an acceptance of the merger within 60 days after the completion of the merger, or thereafter with the written approval of the surviving corporation, or otherwise is determined not to be entitled to appraisal of his shares, then the right of that dissenting stockholder to an appraisal will cease and the dissenting stockholder will be entitled to receive only the merger consideration, without interest. No proceeding in the Court of Chancery may be dismissed as to any dissenting stockholder without the approval of such court.

THE MERGER AGREEMENT

The following is a summary of the material terms of the merger agreement. This summary is qualified in its entirety by reference to the merger agreement, which is attached to this proxy statement as Annex A and incorporated by reference in this section of the proxy statement. We urge you to read carefully the full text of the merger agreement.

Structure and Effective Time of the Merger

Following the adoption of the merger agreement by our stockholders and the satisfaction or waiver of the other conditions to the merger, including receipt of requisite regulatory approvals, Merger Sub will be merged with and into our company, and we will be the surviving corporation of the merger. As a result of the merger, we will become a wholly owned subsidiary of Lundbeck. The merger will become effective upon the filing of a certificate of merger with the Secretary of State of the State of Delaware or at a later time agreed to by the parties and specified in the certificate of merger.

While we anticipate that the merger will be completed in March 2003, we cannot specify when, or assure you that, all conditions to the merger will be satisfied or waived. We intend to complete the merger as promptly as practicable subject to receipt of stockholder approval and all requisite regulatory approvals, and satisfaction of all other conditions to the merger.

Merger Consideration

At the effective time of the merger:

- each issued and outstanding share of our common stock (other than those shares held by stockholders who validly exercise appraisal rights) will be canceled and converted into the right to receive $6.50 in cash, without interest;

- each issued and outstanding share of our Series B Convertible Preferred Stock (other than those shares held by stockholders who validly exercise appraisal rights), will be canceled and converted into the right to receive $1,499.15 in cash, without interest; and

- each issued and outstanding share of our Series C Convertible Preferred Stock (other than those shares held by stockholders who validly exercise appraisal rights), will be canceled and converted into the right to receive $1,088.54 in cash, without interest.

Holders of preferred stock will be entitled to receive the same merger consideration for each share of preferred stock that they would have received had they converted their preferred stock into common stock immediately prior to the merger.

After the merger is completed, stockholders of record will have the right to receive the merger consideration, and will no longer have any rights as Synaptic stockholders, including voting or other rights with respect to the shares. Synaptic stockholders will receive the merger

consideration after turning in their stock certificates in accordance with the instructions contained in the letter of transmittal to be sent by Lundbeck's paying agent to stockholders shortly after completion of the merger.

Shares of our common stock and preferred stock that are outstanding immediately prior to the effective time of the merger and held by any stockholder who properly perfects his or her appraisal rights will not be converted into the right to receive the merger consideration. Rather such stockholder will be entitled to payment of the fair value of his or her dissenting shares in accordance with and subject to Section 262 of the DGCL. For more information concerning appraisal rights, see the section entitled "The Merger Appraisal Rights."

Lundbeck will engage a paying agent for the payment of the merger consideration. After the effective time of the merger, Lundbeck will deliver or will cause to be delivered to the paying agent, when and as needed, funds necessary for the payment of the merger consideration. As soon as reasonably practicable after the effective time of the merger, the paying agent will mail a letter of transmittal to you. The letter of transmittal will tell you how to surrender your Synaptic stock certificates in exchange for the merger consideration. **Please do not send your Synaptic stock certificates to us or the paying agent now. You should send them only in compliance with the instructions that will be provided in the letter of transmittal. In all cases, the merger consideration will be paid only in accordance with the procedures set forth in the merger agreement and the letter of transmittal.**

Stockholders whose certificates are lost, stolen or destroyed will be required to provide an affidavit identifying the certificate or certificates as lost, stolen or destroyed and, if required by Lundbeck, to post a bond in a reasonable amount or deliver a reasonable indemnity as directed by Lundbeck to indemnify against any claim that may be made against the surviving corporation with respect to the certificates.

Nine months after the completion of the merger, the paying agent will return to Lundbeck all cash in its possession that constitutes any portion of the merger consideration, and the paying agent's duties will terminate. None of Lundbeck, Merger Sub, Synaptic, the surviving corporation or the paying agent will be liable to any person in respect of any cash delivered to a public official pursuant to any applicable abandoned property, escheat or similar law. If any certificate has not been surrendered prior to five years after the completion of the merger, any cash with respect to such certificate will, to the extent permitted by applicable law, become the property of the surviving corporation, free and clear of all claims of any person.

Lundbeck, the surviving corporation or the paying agent, as applicable, shall be entitled to deduct and withhold from the consideration otherwise payable to our stockholders such amounts as are required to be withheld under any tax laws.

Stock Options

As of the record date, there are outstanding options to purchase a total of 2,708,724 shares of our common stock, all of which are exercisable. In accordance with our stock option agreements and the merger agreement, as a result of the merger, all outstanding options have automatically become exercisable until immediately prior to the completion of the merger. Any options not exercised immediately prior to the effective time of the merger will be canceled.

Upon completion of the merger, each holder of an option to purchase our common stock that is outstanding immediately prior to completion of the merger will be entitled to receive, in exchange for the cancelation of the option, an amount in cash equal to the excess, if any, of $6.50 over the exercise price per share of our common stock subject to the option, multiplied by the number of shares of our common stock subject to the outstanding portion of the option, net of any applicable withholding taxes. Payments to option holders will be made within five business days following the completion of the merger.

Certificate of Incorporation and By-Laws

When the merger becomes effective:

- the certificate of incorporation of the surviving corporation will be amended at the effective time of the merger so that the certificate of incorporation of Merger Sub, as in effect immediately prior to the effective time of the merger, will in all material respects be the certificate of incorporation of the surviving corporation until changed or amended; and

the by-laws of Merger Sub, as in effect immediately prior to the effective time of the merger, will in all material respects be the by-laws of the surviving corporation until changed or amended.

Directors and Officers

The directors of Merger Sub immediately prior to the effective time of the merger will be the directors of the surviving corporation until the earlier of their resignation or removal or until their respective successors are duly elected and qualified. The directors of Synaptic will resign effective as of the effective time of the merger. Our officers immediately prior to the effective time of the merger will be the officers of the surviving corporation until the earlier of their resignation or removal or until their respective successors are duly elected and qualified.

Representations and Warranties

The merger agreement contains various representations and warranties with respect to our company. The representations and warranties are subject, in some cases, to specified exceptions and qualifications. All of the representations and warranties will expire at the effective time of the merger. These representations and warranties relate to, among other things:

organization, standing, corporate power and authority;

the execution, delivery, performance and enforceability of the merger agreement and related matters;

the adoption of board resolutions to render Delaware's anti-takeover statute inapplicable to Lundbeck, Merger Sub, the merger agreement and any other transaction contemplated by the merger agreement;

the stockholder vote required to adopt the merger agreement;

the absence of any violation of, or conflict with, our organizational documents, contracts, judgments, orders, laws or regulations as a result of entering into the merger agreement or completing the merger or any other transaction contemplated by the merger agreement;

capitalization of Synaptic, the issuance of shares of common stock and preferred stock and the issuance of options to purchase capital stock pursuant to our benefit plans or otherwise;

the consents we are required to obtain and the filings we are required to make in connection with the merger agreement and the transactions contemplated by the merger agreement;

the accuracy of the information contained in the reports and financial statements that we filed with the SEC, and the compliance of our SEC filings with applicable federal securities laws;

the absence, since December 31, 2001, of any undisclosed material liabilities;

the absence, since December 31, 2001, of any adoption or amendment in any material respect of our benefit plans and agreements, and other matters related to our benefit plans;

the accuracy of this proxy statement at the time it is mailed to our stockholders and at the time of the special meeting;

the accuracy of any premerger notification and report form filed under the HSR Act at the time it is filed;

the conduct of our business, and the absence, since December 31, 2001, of a material adverse effect;

the absence, since December 31, 2001, of changes in our financial reporting methods, accounting principles and tax elections;

the adequacy of the governmental authorizations and permits needed to conduct our business, compliance with applicable laws and governmental orders and the absence of material legal proceedings;

tax, environmental, insurance, real property, labor and employment, employee welfare and benefit plan matters;

a representation that we presented Lundbeck with a true and complete list of various agreements such as all contracts made outside of the ordinary course of business, all confidentiality and standstill agreements and all contracts that involve future royalty payments by us of more than $75,000;

our compliance in all material respects with all applicable laws, regulations, judgments and orders;

the ownership of our intellectual property, our right to license our intellectual property to third parties, the absence of infringement of any third party's intellectual property rights and actions taken by us to protect our intellectual property rights;

the maintenance of our registration files, dossiers and other documentation of our pharmaceutical products in accordance with industry standards;

regulatory compliance with respect to each of our products and product candidates subject to the Federal Food, Drug and Cosmetic Act of 1938, as amended;

the absence of undisclosed broker's fees;

our receipt of a fairness opinion from our financial advisor;

the inapplicability of our rights agreement to the merger agreement, the stockholder agreement and the merger and any other transaction;

our minute books; and

our audit committee and its correspondence with our independent auditors.

The merger agreement contains representations and warranties by Lundbeck and Merger Sub relating to, among other things:

their organization, standing and corporate power;

their corporate power and authority as it relates to their ability to execute and deliver the merger agreement and to complete the merger;

the absence of any violation of, or conflicts with, their organizational documents, contracts, judgments, orders, laws and regulations as a result of entering into the merger agreement or completing the merger or any other transaction contemplated by the merger agreement;

the consents Lundbeck and Merger Sub are required to obtain and the filings they are required to make in connection with the merger agreement and the transactions contemplated by the merger agreement;

the accuracy and completeness of the information supplied for inclusion in this proxy statement;

the accuracy and completeness of any premerger notification and report form filed under the HSR Act at the time it is filed;

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the sufficiency of Lundbeck's funds on or prior to the closing date to pay the merger consideration and amounts payable to option holders;

the formation of Merger Sub solely for the purpose of effecting the merger; and

a representation that neither Lundbeck, Merger Sub nor any of their respective subsidiaries owns or has ever owned any shares of our capital stock.

Covenants Relating to the Conduct of Our Business

In the merger agreement, we agreed that between November 21, 2002 and the completion of the merger, except for matters set forth in our disclosure schedule, expressly permitted by the merger agreement or consented to in advance in writing by Lundbeck, which consent shall not be unreasonably withheld, we will, among other things:

conduct our business in the usual, regular and ordinary course consistent with past practice;

use our commercially reasonable efforts to preserve our current business organization, assets and intellectual property, keep available the services of our current officers and employees and keep our third-party relationships;

confer with Lundbeck on a regular and frequent basis to report on our operational matters and other matters as reasonably requested by Lundbeck;

timely file all tax returns required to be filed and timely pay all taxes due and payable;

with respect to our leased property in Paramus, New Jersey, fully comply with the New Jersey Industrial Site Recovery Act as it applies to the merger and any other transaction contemplated by the merger agreement;

consult with Lundbeck with respect to the Phase II clinical trial of our SNEC-2 compound, and keep Lundbeck reasonably informed as to any developments in such clinical trial;

promptly advise Lundbeck of any change or event that would reasonably be expected to have a material adverse effect on our company; and

promptly provide Lundbeck with copies of filings we make with governmental entities in connection with the merger.

In addition, we have agreed that between November 21, 2002 and the completion of the merger, we will not take any of the following actions, except for matters set forth in our disclosure schedule, expressly permitted by the merger agreement or consented to in advance in writing by Lundbeck, which consent shall not be unreasonably withheld:

declare, set aside or pay any dividends on, or make any other distributions in respect of, our capital stock;

split, combine or reclassify any of our capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for, shares of our capital stock;

purchase, redeem or otherwise acquire any shares of our capital stock or any other securities or any rights, warrants or options to acquire any such shares or other securities;

acquire, form or create a subsidiary;

take any action which results in us acquiring or otherwise owning an equity interest in any other person;

issue, deliver, sell, pledge, grant or otherwise encumber any shares of our capital stock or any other voting securities, any securities convertible into, or exchangeable for, or any options,

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warrants, calls or rights to acquire, any shares of capital stock, voting securities, convertible or exchangeable securities, or any other rights or interests based on or linked to the value of our common stock, other than the issuance of shares of our common stock upon the exercise of stock options outstanding on the date of the merger agreement or upon the conversion of our convertible preferred stock;

amend our certificate of incorporation or by-laws;

directly or indirectly acquire or agree to acquire by merger, consolidation, purchasing all or a portion of the assets of, or any other manner, any equity interest in any business, corporation, partnership, joint venture or any other business organization or division thereof, or any assets, other than the acquisition of research supplies and office supplies in the ordinary course of business, or capital assets as permitted by the merger agreement;

grant to any current or former director, officer, employee, consultant or independent contractor any increase in compensation, except in the ordinary course of business consistent with past practice (which on an annualized basis will not exceed $600,000 in the aggregate);

grant or pay any bonus to any current or former director, officer, employee, consultant or independent contractor, except in the ordinary course of business consistent with past practice or to the extent required under an employment agreement in effect as of December 31, 2001 or to the extent required under the employment agreement with Dr. De Souza dated September 9, 2002; provided that such amounts granted or paid (including amounts paid under our announced 2002 bonus program) may not exceed $800,000 in the aggregate;

grant to any current or former director, officer, employee, consultant or independent contractor any increase in severance or termination pay;

establish, adopt, enter into or amend in any material respect any collective bargaining agreement or other labor union agreement or benefit plan or agreement;

take any action to accelerate any rights or benefits or take any action to fund or in any other way secure the payment of compensation or benefits under any benefit plan or agreement, other than as provided in the merger agreement;

make any material determination not in the ordinary course of business consistent with past practice under any collective bargaining agreement or other labor union agreement or benefit plan or agreement;

amend or modify any stock option, other than as contemplated in the merger agreement;

grant or promise any tax offset payment award under any stock option plan;

make any loan or cash advance to, or engage in any transaction with, any current or former director, officer or employee, other than travel and other business expenses advanced to such directors, officers or employees in the ordinary course of business consistent with past practice;

make any loan or advance to any current or former consultant or independent contractor, other than travel and other business expenses advanced to such consultants or independent contractors incurred in the ordinary course of business consistent with past practice;

make any change in accounting methods, principles or practices affecting our reported consolidated assets, liabilities or results of operations, except as may have been required by a change in generally accepted accounting principles or other law;

sell, lease, license, mortgage or otherwise dispose of or encumber, directly or indirectly, any of our properties or assets, except for sales of obsolete equipment in the ordinary course of business consistent with past practice;

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incur or guarantee any indebtedness for borrowed money, issue or sell any debt securities or warrants or other rights to acquire any of our debt securities, or enter into any "keep well" or other agreement to maintain any financial statement condition of another person;

make any loans, advances or capital contributions to, or investments in, any other person, except for the extension of trade credit in the ordinary course of business consistent with past practice and except in connection with treasury cash management policies in the ordinary course of business consistent with past practice;

incur or commit to incur any new capital expenditures, or any obligations or liabilities in connection with any capital expenditures that, individually, is in excess of $100,000, or in the aggregate, are in excess of $500,000;

make any material tax election, or settle or compromise any material tax liability or refund;

pay, discharge, settle or satisfy any claims, liabilities or obligations, other than the payment, discharge or satisfaction in the ordinary course of business consistent with past practice or as required by their terms in effect on November 21, 2002, liabilities or obligations reflected or reserved against in our most recent audited consolidated financial statements included in

our publicly filed documents or incurred since the date of such audited financial statements in the ordinary course of business consistent with past practice;

cancel any indebtedness or waive, release, grant or transfer any claims or rights of material value;

waive any benefit of, agree to modify in any adverse respect, fail to enforce, consent to any matter with respect to which our consent is required under any confidentiality or similar agreement to which we are a party;

decrease or defer in any material respect the level of training provided to our employees or the associated costs;

fail to maintain our insurance policies at levels at least comparable to current levels so long as such insurance is available at reasonable rates and on reasonable terms;

transfer or license to any person or entity or otherwise extend, amend or modify any rights to our intellectual property;

enter into or amend any contracts pursuant to which any person is granted marketing, manufacturing or other rights with respect to our intellectual property or any other Synaptic product, process or technology;

enter into or amend any contract that contains any guarantees as to our future revenues or any "most-favored-nation" provisions, as such term is understood in the pharmaceutical industry;

obtain, through acquisition, lease, sublease or otherwise, any real property for our use as an office or other facility;

hire any new employee other than as a replacement for an employee whose employment with us was terminated on or after November 21, 2002, at a salary level no greater than, or comparable to, that of the terminated employee;

revalue any of our assets, except as required by generally accepted accounting principles;

enter into or amend any joint venture, partnership, collaboration, business or research alliance contract;

create any lien on any of our assets;

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commence any lawsuit, arbitration or administrative proceeding against any third party;

begin any, or make any material decision or enter into any agreement with respect to any clinical study of any of our pharmaceutical products, other than the Phase II clinical trial of our SNEC-2 compound;

take any action that would reasonably be expected to result in any of our representations or warranties that are qualified as to materiality becoming untrue, any of our representations or warranties that are not so qualified becoming untrue in any material respect or any condition to the merger not being satisfied; or

authorize any of, or commit or agree to take any of, these actions prohibited by the merger agreement.

No Solicitation of Transactions

The merger agreement contains detailed provisions prohibiting us from seeking an alternative transaction regarding an acquisition of our company. We have agreed that we will not, and that we will not authorize or permit Warburg Pincus or any of our directors, officers, employees, investment bankers, attorneys, accountants, auditors or other advisors or representatives to, directly or indirectly:

- solicit, initiate or encourage or knowingly take any other action to facilitate, the submission of, any takeover proposal;
- enter into any agreement with respect to any takeover proposal; or
- enter into, continue or otherwise participate in any discussions or negotiations regarding, or furnish to any person any information with respect to, or take any other action to facilitate any inquiries or the making of any proposal that constitutes, or could reasonably be expected to lead to, any takeover proposal.

However, our Board of Directors may, prior to stockholder adoption of the merger agreement, in response to a superior proposal (as defined below) or a *bona fide*, written takeover proposal that our Board of Directors determines in good faith (after consultation with outside counsel and a financial advisor of nationally recognized reputation) is or is reasonably likely to lead to a superior proposal, in each case that did not otherwise result from a breach or a deemed breach of the merger agreement or the stockholder agreement, and to the extent that our Board determines in good faith (after consultation with outside counsel) that such action is or is reasonably likely to be required by its fiduciary duties:

- furnish information with respect to our company to the person making such superior proposal or likely superior proposal and its officers, directors, employees, investment bankers, attorneys, accountants, auditors or other advisors or representatives pursuant to a customary confidentiality agreement; and
- participate in discussions or negotiations with the person making such superior proposal or likely superior proposal and its officers, directors, employees, investment bankers, attorneys, accountants, auditors or other advisors or representatives regarding such superior proposal or likely superior proposal.

In such event, we will:

- no less than 24 hours prior to furnishing any such information or participating in any such discussions, inform Lundbeck of the material terms and conditions of such superior proposal or likely superior proposal, including the identity of the person making such superior proposal or likely superior proposal;

- promptly inform Lundbeck of the substance of any material discussions relating to such superior proposal or likely superior proposal; and
- promptly keep Lundbeck informed of the status, including any change to the material details, of any such superior proposal or likely superior proposal.

We have also agreed that neither our Board of Directors nor any committee of our Board of Directors may:

- withdraw (or modify in a manner adverse to Lundbeck or Merger Sub) or publicly propose to withdraw (or modify in a manner adverse to Lundbeck or Merger Sub) its approval or recommendation of the merger agreement, the stockholder agreement, the merger or any other transaction contemplated by the merger agreement, except that at any time prior to our stockholders adopting the merger agreement our Board of Directors may withdraw or modify, or propose to withdraw or modify, its recommendation of the merger agreement and the merger, which we refer to in this proxy statement as an adverse

recommendation change:

- if our Board of Directors determines in good faith (after consulting with outside counsel) that the failure to make an adverse recommendation change would be reasonably likely to result in a breach of its fiduciary duties;
- only at a time that is after the third business day following Lundbeck's receipt of our written notice advising Lundbeck that our Board is prepared to take such action and the reasons for such action (during which time we will negotiate in good faith with Lundbeck and Merger Sub concerning any proposed amendment to the terms of the merger agreement or the merger); and
- if such action is in response to a superior proposal, after taking into account any amendment (or proposed amendment) by Lundbeck to the terms of the merger agreement or the merger;

adopt, approve or recommend, or propose publicly to adopt, approve or recommend, any takeover proposal, or resolve or agree to take any such action;

cause or permit us to enter into any letter of intent, memorandum of understanding, merger agreement or other acquisition agreement (as defined below) that is intended to or would reasonably be expected to lead to, any takeover proposal; or

take any action (or propose to take any action) with respect to the rights agreement to permit or facilitate the completion of a takeover proposal.

Notwithstanding the foregoing, at any time prior to our stockholders adopting the merger agreement, our Board may, in response to a superior proposal, cause us to terminate the merger agreement and concurrently enter into an acquisition agreement, provided that we have paid Lundbeck a termination fee of $4,235,000 and any required expense reimbursement prior to or concurrently with such termination, and provided further that we will not be entitled to exercise our termination right until after the third business day following Lundbeck's receipt of a written notice from us advising Lundbeck that our Board of Directors has received a superior proposal and specifying the material terms and conditions of such superior proposal.

We must promptly advise Lundbeck orally and in writing of any request for information that we reasonably believe could lead to or contemplates a takeover proposal or of any takeover proposal, or any inquiry we reasonably believe could lead to a takeover proposal, the material terms and conditions of such request, takeover proposal or inquiry and the identity of the person making any such request, takeover proposal or inquiry. We must promptly keep Lundbeck informed in all material respects of the

status and details (including material amendments or proposed amendments) of any such request, takeover proposal or inquiry.

The merger agreement does not prohibit us from making any disclosure to our stockholders if, in the good faith judgment of our Board of Directors, after consultation with outside counsel, failure so to disclose would be inconsistent with our obligations under applicable law; provided, however, that, subject to the merger agreement, as described above, in no event may we, our Board of Directors or any committee of our Board of Directors withdraw (or modify in a manner adverse to Lundbeck or Merger Sub), or publicly propose to withdraw (or modify in a manner adverse to Lundbeck or Merger Sub), its position with respect to the merger agreement, the stockholder agreement, the merger or any other transaction contemplated by the merger agreement or adopt, approve or recommend, or propose to adopt, approve or recommend, a takeover proposal.

The term "takeover proposal" is defined in the merger agreement as any inquiry, proposal or offer from any person relating to, or that would reasonably be expected to lead to, any direct or indirect acquisition or purchase, in one transaction or a series of transactions, of:

20% or more of our assets;

20% or more in voting power of the outstanding shares of our capital stock;

any tender offer or exchange offer that if consummated would result in any person beneficially owning 20% or more in voting power of the outstanding shares of our capital stock; or

any merger, consolidation, business combination, recapitalization, reclassification, share exchange, liquidation, dissolution or similar transaction or any series of transactions involving our company, other than the transactions contemplated by the merger agreement.

The term "superior proposal" means any *bona fide*, written offer not solicited by or on behalf of us or Warburg Pincus made by a third party to consummate a tender offer, exchange offer, merger, recapitalization, reclassification, business combination, consolidation or similar transaction which would result in such third party (or in the case of a direct merger between such third party and us, stockholders of such third party) owning, directly or indirectly, 80% or more of the voting power of our capital stock then outstanding (or of the surviving entity in a merger) or all or substantially all of our assets that our Board of Directors determines in its good faith judgment (following consultation with outside counsel and with a financial advisor of nationally recognized reputation):

to be more favorable to our stockholders from a financial point of view than the proposed acquisition by Lundbeck taking into account all the terms and conditions of such proposal and the merger agreement entered into by us, Lundbeck and Merger Sub;

to be reasonably capable of being completed, taking into account all legal, financial, regulatory and other aspects of the proposal; and

for which financing, to the extent required, has been committed.

The term "acquisition agreement" means any letter of intent, memorandum of understanding, agreement in principle, acquisition agreement, merger agreement, option agreement, joint venture agreement, partnership agreement or other agreement constituting or related to, or which is intended to or could reasonably be expected to lead to, any takeover proposal.

Additional Agreements

In addition to our agreement to conduct our business in accordance with the covenants described above in the section entitled " Covenants Relating to the Conduct of Our Business," the merger agreement contains agreements by us or by us and Lundbeck to take several other actions in anticipation of the merger, as described below.

Proxy Statement. We and Lundbeck have agreed to cooperate with respect to amending or supplementing the proxy statement to reflect material information discovered prior to the completion of the merger. Any filing of, or amendment or supplement to, the proxy statement is subject to Lundbeck's review and comment. We have agreed to promptly notify Lundbeck of the receipt of any comments or requests for further information made by the SEC.

Stockholder Meeting. We have agreed to, as soon as reasonably practicable after November 21, 2002, establish a record date for, duly call, give notice of, convene and hold a stockholders' meeting for the purpose of seeking stockholder adoption of the merger agreement. We have further agreed that we will, through our Board of Directors, recommend that our stockholders adopt the merger agreement, subject to the terms of the merger agreement.

Access to Information. We have agreed to afford to Lundbeck and to Lundbeck's subsidiaries and their respective officers, directors, employees, investment bankers, attorneys, accountants, auditors and other advisors or representatives, reasonable and prompt access during normal business hours during the period prior to the effective time of the merger or the termination of the merger agreement to our properties,

assets, books, contracts, commitments, officers, directors, employees, investment bankers, attorneys, accountants, auditors or other advisors or representatives and records, and during such period, we will make available to Lundbeck on a prompt basis a copy of each report, schedule, form, statement and other document we file or receive pursuant to the requirements of domestic or foreign laws and all other information concerning our business, properties and personnel that Lundbeck reasonably requests.

Commercially Reasonable Efforts. Synaptic, Lundbeck and Merger Sub have agreed that each of us will use commercially reasonable efforts to take, or cause to be taken, all reasonable actions, and do, or cause to be done, and to assist and cooperate with the other parties in doing, all things reasonably necessary, proper or advisable to consummate and make effective, in the most expeditious manner reasonably practicable, the merger and the other transactions contemplated by the merger agreement, including all commercially reasonable efforts to accomplish the following:

- the taking of all reasonable acts necessary to cause the conditions precedent set forth in the merger agreement to be satisfied as promptly as practicable;
- the obtaining of all necessary actions or nonactions, waivers, consents, approvals, orders and authorizations from any governmental entity;
- the making of all necessary registrations, declarations and filings (including all filings with governmental entities, if any);
- the taking of all steps as may be necessary to obtain an approval or waiver from, or to avoid an action or proceeding by, any governmental entity;
- the obtaining of all necessary consents, approvals and waivers from third parties;
- the defending of any lawsuits or other legal proceedings, whether judicial or administrative, challenging the merger agreement, the stockholder agreement or the consummation of the transactions contemplated by the merger agreement, including seeking to have any stay or temporary restraining order entered by any court or other governmental entity vacated or reversed; and
- the execution and delivery of any additional instruments necessary to consummate the transactions contemplated by the merger agreement;

provided, however, that Lundbeck will not be required to agree to, or proffer to, divest or hold separate, or enter into any licensing or similar arrangement with respect to, any assets (whether tangible or intangible) or any of Lundbeck's, Synaptic's or any of their respective affiliates' businesses

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or cease to conduct business or operations in any jurisdiction in which Lundbeck or its subsidiaries or Synaptic conducts business or operations as of the date of the merger agreement.

Notification. Synaptic and Lundbeck will give each other prompt written notice of any representation or warranty made by it becoming untrue or inaccurate such that the condition to the other party's or parties' obligations to effect the merger relating to such representations and warranties (see below under " Conditions to the Merger") would not be satisfied.

Publicity. Lundbeck and Merger Sub, on the one hand, and Synaptic, on the other hand, will, to the extent reasonably practical, consult with each other before issuing, and provide each other a reasonable opportunity to review and comment upon, any press release or other public statements with respect to the merger agreement, the merger and the other transactions contemplated by the merger agreement and will not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable law, court process or by obligations pursuant to any listing agreement with any national securities exchange or national securities quotation system.

Employee Benefit Matters

Lundbeck has agreed that, from the completion of the merger until December 31, 2003, the surviving corporation will provide to those persons who were our employees on the date of the merger agreement and who continue their employment with benefits that are either:

- substantially comparable in the aggregate to the benefits provided by our company in effect on the date of the merger agreement (other than equity-based awards); or

- substantially comparable in the aggregate to those provided to similarly situated employees of Lundbeck (other than equity-based awards).

Lundbeck has also agreed that the surviving corporation will honor all of our existing employment, severance and termination agreements, plans and policies that have been disclosed to Lundbeck. However, nothing in the merger agreement prevents Lundbeck from terminating the employment of any employee for any reason. To the extent any Lundbeck benefit plan becomes available in the future to our continuing employees, Lundbeck has agreed that service with our company will be credited under that Lundbeck benefit plan for purposes of determining eligibility to participate and vesting but not to the extent it would result in duplication of benefits. Lundbeck has also agreed to waive any pre-existing condition limitations for our continuing employees but only to the extent those limitations would not have been applicable under a comparable benefit plan of our company. Lundbeck has agreed to recognize amounts incurred by our continuing employees for purposes of satisfying deductible and co-payment limitations after the effective time of the merger under benefit plans in which those continuing employees participate for the year in which the merger occurs.

In addition, Lundbeck intends to formulate a stock-based incentive program to be offered to our continuing employees, subject to all necessary authorizations and compliance with applicable law. Lundbeck's intention to provide such a program is subject to the sole discretion of Lundbeck's Board of Directors.

Conditions to the Merger

Neither we nor Lundbeck or Merger Sub is obligated to complete the merger unless conditions are satisfied or waived by each party, including, among others, the following:

- our stockholders must have adopted the merger agreement;

- any waiting period (and any extension) applicable to the merger under the HSR Act must have been terminated or expired, and any consents, approvals and filings under any foreign competition, merger control, antitrust or similar law, the absence of which would prohibit the completion of the merger, must have been obtained or made; and

- no temporary restraining order, preliminary or permanent injunction or other judgment issued by any court of competent jurisdiction or other legal restraint or prohibition that has the effect of preventing the completion of the merger may be in effect.

Lundbeck and Merger Sub are not obligated to complete the merger unless a number of additional conditions are satisfied or waived, including, among others, the following:

- our representations and warranties that are qualified by materiality must be true and correct and our representations and warranties that are not qualified by materiality must be true and correct in all material respects, in each case as of the date of the merger agreement and as of the closing date with the same effect as though made on the closing date, except that the accuracy of representations and warranties that by their terms speak of a specified date will be determined as of such date;

we must have performed in all material respects all obligations required to be performed by us under the merger agreement at or prior to the closing date;

there must not be pending or threatened any suit, action or proceeding by any governmental entity, and there must be no legal restraint that has the effect of:

challenging the acquisition by Lundbeck or Merger Sub of any shares of our capital stock, seeking to restrain or prohibit the completion of the merger or any other transaction contemplated by the merger agreement, or seeking to obtain from us, Lundbeck or Merger Sub any damages that are material in relation to our company;

seeking to prohibit or limit the ownership or operation by us or Lundbeck and its subsidiaries of any material portion of our business or assets, or the business or assets of Lundbeck and its subsidiaries, taken as a whole, or to compel us or Lundbeck and its subsidiaries to dispose of or hold separate any material portion of our business or assets, or the business or