SYNAPTIC PHARMACEUTICAL CORP
Form DEFM14A
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

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)

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(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

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.

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.

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. The waiting period under the HSR Act expired on January 3, 2003 at 11:59 p.m. 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.