

VANDA PHARMACEUTICALS ANNOUNCES PRICING OF FOLLOW-ON OFFERING OF 3,800,000 SHARES OF COMMON STOCK

Vanda Pharmaceuticals

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Vanda Pharmaceuticals Inc. , a biopharmaceutical company focused on the development and commercialization of clinical-stage product candidates for central nervous system disorders, announced the offering of 3,800,000 shares of its common stock at a price to the public of \$27.29 per share. All of the 3,800,000 shares are newly issued and are being offered by the Company, with expected net proceeds to the Company of approximately \$96.2 million after deducting underwriting discounts and commissions and estimated offering expenses.

JPMorgan and Morgan Stanley are the joint book-running managers for the offering. Banc of America Securities LLC and Natexis Bleichroeder Inc. are co-managers. The Company has granted the underwriters a 30-day option to purchase up to an additional 570,000 shares of common stock to cover over- allotments, if any.

Vanda Pharmaceuticals Inc. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. A registration statement relating to these securities has been filed with and declared effective by the Securities and Exchange Commission, and a final prospectus relating to the offering has been filed with the Securities and Exchange Commission pursuant to Rule 424(b)(4) promulgated under the Securities Act of 1933, as amended. A copy of this final prospectus may be obtained from J.P. Morgan Securities Inc., Prospectus Library, 4 Chase Metrotech Center, CS Level, Brooklyn, NY 11245, or by calling 1-718-242-8002. A copy of the final prospectus may also be obtained from Morgan Stanley & Co. Incorporated, c/o Prospectus Department, 180 Varick St, New York, NY 10014 or by e-mail at prospectus@morganstanley.com.