

LYONS GARY A
Form 4
February 14, 2003

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

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| 1. Name and Address of Reporting Person* Lyons Gary A | | | 2. Issuer Name and Ticker or Trading Symbol NBIX/Neurocrine Biosciences, Inc. | | | 6. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) President and Chief Executive Officer | | | | |
|---|--------------------------------------|--|---|---|---|--|-------|---|--|-----------------------------------|
| (Last) (First) (Middle) 10555 Science Center Drive | | | 3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary) | | | 4. Statement for Month/Day/Year 02/12/03 | | | | |
| (Street) San Diego, CA 92121 | | | 5. If Amendment, Date of Original (Month/Day/Year) | | | 7. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person | | | | |
| (City) (State) (Zip) | | | Table I Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned | | | | | | | |
| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 & 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 & 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
| | | | Code | V | Amount | (A) or (D) | Price | | | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

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FORM 4 (continued) Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 & 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form of Derivative Security: Direct (D) | 11. of I Ber Ow (Ins) |
|--|--|--------------------------------------|--|--------------------------------|--|--|---|--|--|---|-----------------------|
|--|--|--------------------------------------|--|--------------------------------|--|--|---|--|--|---|-----------------------|

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| | | | | (Instr. 3, 4 & 5) | | | Date Exer-cisable | Expira-tion Date | Title | Amount or Number of Shares | | | or Indirect (I) (Instr. 4) |
|---------------------------|-------|----------|--|--------------------|---|-----|-------------------|------------------|--------------|----------------------------|-----|-----|----------------------------|
| | | | | Code | V | (A) | | | | | | | |
| Forward Sale (Put Option) | 41.43 | 02/12/03 | | J/K ⁽¹⁾ | | (1) | 02/12/03 | 02/13/05 | Common Stock | 60,000 | (1) | (1) | D |
| Forward Sale (Put Option) | 41.00 | 02/13/03 | | J/K ⁽²⁾ | | (2) | 02/13/03 | 02/14/05 | Common Stock | 50,000 | (2) | (2) | D |
| Forward Sale (Put Option) | 41.17 | 02/14/03 | | J/K ⁽³⁾ | | (3) | 02/14/03 | 02/15/05 | Common Stock | 40,000 | (3) | (3) | D |

Explanation of Responses:

(1) On February 12, 2003, the reporting person entered into a prepaid forward purchase agreement pursuant to which, (i) the reporting person delivered to the broker, the shares listed in item 7 as collateral for the reporting person's obligations, (ii) the broker delivered to the reporting person, an agreed percentage of the market value of the shares listed in item 7 as collateral for broker's obligations, and (iii) the reporting person is obligated to deliver to the broker payment in stock or cash pursuant to the following formula: At Maturity (two years from date of transaction) (Payment in Stock or Cash, if available): (1) If NBIX price is < downside protection price: Client pays Salomon Smith Barney Number of Shares x NBIX price; (2) if NBIX price is between downside protection price and capped upside protection price: Client pays Salomon Smith Barney Number of Shares x downside protection price; (3) If NBIX price is > capped upside protection price: Client pays Salomon Smith Barney Number of Shares x the agreed downside protection price divided by the capped upside protection price, and (iv) reporting person has an agreed participation above the capped upside protection price.

(2) On February 13, 2003, same as Footnote 1

(3) On February 14, 2003, same as Footnote 1

By: /s/ **Margaret E. Valeur-Jensen**

02/14/03

Date

**Signature of Reporting Person

**Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed.

If space is insufficient, See Instruction 6 for procedure.

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