



Press Release

ProStrakan Group plc

UK Launch of ProStrakan's Latest Pan EU Product – Tostran™ (2% testosterone gel)

Galashiels, Scotland, 11 June, 2007 – ProStrakan Group plc (LSE: PSK), the European specialty pharmaceutical company, today announces the UK launch of Tostran – the latest in a sequence of existing and planned pan-European products.

Tostran 2% gel is used as replacement therapy for male hypogonadism when testosterone deficiency has been confirmed by clinical symptoms and laboratory analyses.

It will be actively marketed to healthcare professionals in the UK by ProStrakan's 60 person sales force. Tostran's launch in the UK market – which accounted for 54% of ProStrakan's product sales revenue in 2006 – follows its successful introduction into Sweden in 2005, where it now accounts for more than 30% of the testosterone gel market. The product is in the process of being introduced across Europe and is expected to be available in all major European markets by the end of Q4 2007.

It is estimated that 6%-12% of men over the age of 40 have low testosterone levels with associated clinical symptoms including: reduced energy levels; reduced sleep; moodiness; weight gain; deteriorating muscle mass, hair and skin changes; reduced bone mineral density; low libido and erectile dysfunction. The testosterone replacement market in the EU is currently valued at €60m and in the US, where the market is significantly more developed, at \$500 million.

In addition, a recent study has shown that testosterone levels are frequently low (42%) in men with type 2 diabetes (Kapoor D Diabetes Care 2007).

Early pilot studies have shown that testosterone replacement therapy in testosterone deficient men with type 2 diabetes can lead to improvements in insulin sensitivity, glycaemic control, and abdominal obesity, potentially reducing cardiovascular risk.

Commenting on today's UK launch, **Dr Wilson Totten**, Chief Executive of ProStrakan, said:

"Tostran represents a high potential, high value opportunity for us and its UK launch is a major milestone in the Group's development. Whilst the UK is our largest single market, we will continue the rollout of this product across the rest of Europe during the remainder of 2007 and anticipate that it will make a significant contribution to the Group's future revenues.

"Tostran is one of five new pan-European products ProStrakan intends to launch in the next 18 months. In addition, our plans to seek approval for Tostran in the US are well advanced and we expect to file for US approval during the course of 2008."

Ends

11 June, 2007

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Notes to Editors:

Testosterone Replacement Therapy

Testosterone and Diabetes

- Testosterone replacement therapy improves glycaemic control¹
- Testosterone replacement therapy may reduce insulin resistance²
- Testosterone therapy may improve lipid profiles²
- Testosterone replacement therapy reduces waist: hip ratio and body weight ¹

Testosterone and Erectile Dysfunction

- 10-20% of men with erectile dysfunction have low testosterone³
- 30% of patients receiving PDE5 inhibition do not respond⁴
- Low testosterone diminishes the activity of nitric oxide synthases and PDE5, resulting in reduced erectile response. In vitro studies have shown this is restored by testosterone, but not by PDE5 inhibitors alone⁵
- In a study of testosterone gel in men with both low testosterone and ED 63.3% gained 'normal' erectile function and significant increases in sexual desire with testosterone treatment alone⁶

References:

1. Boyanov MA et al. Ageing Male 2003; 6: 1-7; Kapoor D et al. Eur J Endocrinol 2006; 154: 899-906
2. Kapoor D et al. Eur J Endocrinol 2006; 154: 899-9067.
3. Rourneguerre T. European Urology 2006; 50: 898-900
4. Wespes E et al. European Urology 2006; 49: 806-815
5. Traish A and Kim N. J Sex Med 2005; 2: 759-770
6. Greenstein A et al. The Journal of Urology 2005; 173: 530-532

ProStrakan

ProStrakan Group plc is a rapidly growing specialty pharmaceutical company engaged in the development and commercialisation of prescription medicines for the treatment of unmet therapeutic needs in major markets.

ProStrakan's head office and development facilities are situated in Galashiels in Scotland. EU-wide sales and marketing of ProStrakan's portfolio of products are handled by commercial subsidiaries in the UK, France, Germany, Spain and other EU countries. www.prostrakan.com