

Press Release

10 June 2005

Not for release or distribution in or into the United States, Canada, Japan or Australia

This announcement has been issued by ProStrakan Group plc and is the sole responsibility of ProStrakan Group plc and has been approved solely for the purposes of Section 21 of the Financial Services and Markets Act 2000 by Morgan Stanley & Co. International Limited ("Morgan Stanley") of 25 Cabot Square, Canary Wharf, London E14 4QA.

These materials are not for distribution, directly or indirectly, in or into the United States. They are not an offer of securities for sale into the United States. The Offer Shares have not been registered under the US Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States unless they are registered or exempt from registration under the Securities Act. There will be no public offer of securities in the United States.

Morgan Stanley is acting exclusively for ProStrakan Group plc and no one else in relation to the Global Offer and will not be responsible to any other person for providing the protections afforded to clients of Morgan Stanley, or for providing advice in relation to the Global Offer.

PROSTRAKAN GROUP plc

ProStrakan prices IPO at 100p per share

ProStrakan Group plc ("ProStrakan"), the emerging specialty pharmaceutical company, today announced that its initial public offering (IPO) has been priced at 100p per share, raising circa £40 million. The placing comprises a placing of circa 40 million new shares with institutional and other investors in connection with the Company's applications for admission to the Official List of the UK Listing Authority and to trading on the main market of the London Stock Exchange. Based on the offer price and the number of shares in issue the market capitalisation of the Company will be approximately £186 million.

ProStrakan intends to use the net proceeds of this Global Offering to (i) raise equity finance to broaden the geographic scope and scale of the Group's operations through investing in the growth or development of identified existing products and launching new products; (ii) fund and bring forward product candidates in clinical development; and (iii) use a portion of the proceeds of the Global Offer for the acquisition of additional products, businesses, companies, technologies or other assets that fit within, or are complementary to, the Group's strategic objectives.

Unconditional trading in ProStrakan's shares on the main market of the London Stock Exchange is expected to begin on 16 June 2005, under the symbol "PSK.L". The settlement date is expected to be 16 June 2005.

Morgan Stanley & Co. International Limited is acting as Sponsor to the listing. Morgan Stanley Securities Limited is acting as the Sole Book runner and Lead Manager to the Global Offer. Credit Suisse First Boston and Code Securities are

acting as Co-Lead Managers to the Global Offer.

Wilson Totten, Chief Executive, said:

“In this very difficult equity market, we are delighted that investors have recognised ProStrakan’s differentiation and qualities, as evidenced by their support. We are now looking forward to continuing ProStrakan’s rapid growth and taking advantage of the many opportunities ahead to build shareholder value.”

Enquiries

ProStrakan

Wilson Totten, Chief Executive Officer
Adrian Gardner, Chief Financial Officer
David Watt, Group Communications

(0)1896 668060

Morgan Stanley

Laura Howard
Peter Moorhouse
John Porter
Henrik Gobel

(0)20 7425 8000

Brunswick

Jon Coles
Wendel Verbeek

(0)20 7404 5959

These materials are not for distribution, directly or indirectly, in or into the United States. It is not an offer of securities for sale into the United States. The Offer Shares have not been registered under the Securities Act and may not be offered or sold in the United States unless they are registered or exempt from registration under the Securities Act. There will be no public offer of securities in the United States.

No offer or invitation to acquire shares in ProStrakan Group plc is being made by or in connection with this announcement. Any such offer will be made solely by means of a supplementary prospectus published or to be published in due course and any acquisition of shares should be made solely on the basis of the information contained in such document and any supplements thereto.

The value of shares can go down as well as up. Past performance is not a guide to future performance. Persons needing advice should consult a professional adviser.

Certain statements contained in this announcement are or may constitute “forward looking statements”. Such forward looking statements involve risks, uncertainties and other factors which may cause the actual results, performance or achievement of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other factors include, among others, dependency on key customers, difficulties in forecasting demand, dependency on key suppliers, delays in the introduction of new products, decreases in demand for the Group’s products, the Company’s failure to introduce new products and to implement new techniques and general economic and business conditions, particularly in the United Kingdom and the United States. These forward looking

statements speak only as at the date of this announcement and the Company does not undertake any obligation to update or revise publicly any forward looking statement, whether as a result of new information, future events or otherwise.

STABILISATION/FSA