

Press Release

First EU launch of Tostrex® testosterone gel

Galashiels, UK, and Malmo, Sweden, 29 September 2005. ProStrakan Group plc announces today that its new testosterone replacement therapy, Tostrex® 2% gel, for use in hypogonadal men has been launched onto the Swedish market.

Tostrex® is a unique, transdermal testosterone product for which ProStrakan acquired the European marketing rights in 2004. Twice the strength of other similar products, Tostrex® is the only such treatment available via a metered dose delivery system.

The benefits of testosterone replacement therapy (TRT) for use against the symptoms of hypogonadism in androgen deficient males are well established but correct dosing can be problematic, sometimes leading to poor compliance. Current TRT treatments include injections, oral capsules, patches, implanted pellets and gels. Dispensed from a pump-action canister, Tostrex is tailored to the patient's needs by delivering an accurate dose of 0.5g of gel with each full depression of the pump. This helps maintain physiological levels of testosterone in the body throughout the day.

ProStrakan CEO, Dr Wilson Totten, said: "We believe the TRT market has major growth potential in Europe. Tostrex® offers significant therapeutic and practical benefits to patients and represents an important addition to our growing range of pan-European marketed products. We are delighted to have launched the product on schedule in Sweden and look forward to further European launches in 2006 via the Mutual Recognition Procedure."

ENDS

Notes to Editors

Hypogonadism

Hypogonadism is defined as a reduced or absent secretion of sex hormones, primarily testosterone. Testosterone production in the body declines naturally with age but may also result from disease or damage to the hypothalamus, pituitary gland or testes. Key symptoms include reduced libido, loss of muscle mass, reduced bone density and reduced energy levels. Testosterone plays a pivotal role in physical development, reproduction, sexual function, muscle mass, skin and hair growth and bone development.

Prevalence is known to increase with age, some estimates suggesting 9% of men under 49 years of age suffer from the condition but this may rise steeply to 91% in men over the age of 80¹. As the population grows and demographics shift towards an ageing population, a higher proportion of the population will be affected by hypogonadism.

¹ Harman SM, Metter EJ, Tobin JD et al. Longitudinal effects of ageing on serum total and free testosterone levels in healthy men. *J Clin Endocrinol Metab*; 86(2): 724-731.

Tostrex®

Tostrex® gel was developed by US-based Cellegy Pharmaceuticals Inc, from whom ProStrakan acquired the European marketing rights in July 2004. It is branded Fortigel® in the USA. Tostrex® received marketing authorisation in Sweden in December 2004. It is a clear, colourless gel containing 2% testosterone, twice the strength of other testosterone gel products, meaning less gel has to be applied for maximum efficacy. Benefits to patients include:

- easy-to-use, once daily application
- accurate dosing via a pump-action canister
- the ability to shower only 2 hours after application

European Mutual Recognition Procedure (MRP) preparations are underway for the commercialisation of Tostrex® throughout the rest of Europe.

ProStrakan

ProStrakan Group plc is a rapidly growing specialty pharmaceutical company engaged in the research, development and commercialisation of prescription medicines for the treatment of unmet therapeutic needs in major markets. The company's therapeutic focus is on bone diseases, female health and issues relating to the ageing male. Employing around 300 people, ProStrakan is based in Scotland with commercial operations throughout the UK and continental Europe. The company's Research facilities are situated in Paris. Development facilities are located in both Scotland and Paris.

ProStrakan sells a range of products via its own specialty European sales force of over 180 people. In September 2005, the company announced 2005 first half revenues up 78% over the same period in 2004. The company's in-house, Europe-wide commercial operation provides a strong platform for further sales success, either through organic growth or through in-licensing deals, such as the one concerning Tostrex®. Tostrex® is ProStrakan's second pan-European product launched in recent months; May 2005 saw the UK launch of Rectogesic® (also in-licensed from Cellegy) which is indicated for the relief of pain associated with chronic anal fissures.

In June 2005, ProStrakan successfully completed its initial public offering (IPO) of shares to become listed on the London Stock Exchange.

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