

Press Release

ProStrakan Group plc

ProStrakan extends Tostrex™ and Rectogesic™ rights to Russia and the CIS

22 June 2006 - ProStrakan Group plc, the European specialty pharmaceutical company, today announces that it has agreed an extension of the geographic rights to two of its leading prescription products, Tostrex and Rectogesic, with its licensing partner, Cellegy Pharmaceuticals Inc.

In consideration for the re-structuring of the timing of certain approval milestones payable to Cellegy, Cellegy has agreed to extend the geographic rights for both Tostrex and Rectogesic to Russia and the Commonwealth of Independent States (CIS). No increase in the total amounts payable by ProStrakan to Cellegy is involved. ProStrakan originally acquired the EU commercialisation rights to Tostrex and Rectogesic from Cellegy in July and December 2004 respectively.

Tostrex is a 2% testosterone gel product indicated for the treatment of male hypogonadism. It was launched in Sweden in September 2005 and has already achieved a 25% share of the gel market. Rectogesic is a 0.4% topical nitroglycerin ointment indicated for the treatment of pain associated with chronic anal fissures and is the only prescription medicine specifically licensed for the relief of this condition. The product has grown rapidly since being launched on to the UK market in May 2005, with annualised sales in excess of £1.5 million.

The MRPs for Rectogesic and Tostrex were successfully concluded in March and April this year respectively. Local EU country marketing authorisations are now in the process of being issued.

Commenting on today's announcement, Dr Wilson Totten, Chief Executive of ProStrakan, said: "Tostrex and Rectogesic are two of ProStrakan's most important, high growth prescription medicines and we are pleased that we have been able to extend the rights for these products into Russia and the CIS. It expands our geographic reach and gives us the opportunity to build additional revenue streams in these important and expanding markets."

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Notes to Editors

ProStrakan

ProStrakan Group plc is a rapidly growing international 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, women's health and issues relating to the ageing male. Headquartered in Scotland, the company's R&D facilities are situated in Romainville, near Paris, and in Galashiels in Scotland. EU-wide sales and marketing of ProStrakan's portfolio of products are handled by commercial subsidiaries based in Paris, Munich and Madrid.

ProStrakan floated on the London Stock Exchange in June 2005.

www.prostrakan.com