

Press Release

ProStrakan Group plc

Interim Management Statement

Galashiels, Scotland, 14 May 2009: ProStrakan Group plc (LSE: PSK), the international specialty pharmaceutical company, today issues its Interim Management Statement (IMS) for the period 1 January - 14 May 2009.

Trading

The first four months of 2009 (1 January - 30 April) have seen a period of significant further growth for ProStrakan, with total product revenues increasing by 40% over the corresponding period in 2008.

Of this 40% growth, 24% was in Europe, with sales of the Group's pan-EU products – Tostran, Rectogesic, Xomolix and Abstral – up by 50%. Sales of ProStrakan's top-selling product, Adcal-D3, which is marketed in the UK only, have increased by 20% despite the impact of the UK Department of Health's Pharmaceutical Price Regulation Scheme (PPRS), which saw an overall 3.9% price decrease implemented in February 2009. Adcal-D3 held a 45.2% share of the calcium & vitamin D supplement market during March 2009.

Abstral, ProStrakan's sub-lingual (under the tongue) tablet for breakthrough cancer pain, was launched in the UK and Germany in January 2009 and is already achieving sales of approximately 7,200 tablets per week and displaying continuing growth. This product received marketing authorisations in France and Spain earlier this year and will be launched in these countries later in 2009. Abstral has also received national licences for a number of Central and Eastern European countries, where the product has been outlicensed by ProStrakan to Gedeon Richter Limited, and launches there are expected to commence in late 2009 or early 2010.

Sancuso, ProStrakan's novel, transdermal patch for the prevention of chemotherapy-induced nausea and vomiting (CINV) in patients receiving chemotherapy for up to five consecutive days, was launched in the United States in late 2008. This product, which is ProStrakan's first commercialised product in the US, is displaying good growth and sales are now averaging approximately 850 patches per week. Sancuso has now been accepted in a number of high profile formularies and our sales force has secured a good level of access to oncologists and oncology nurses at clinics across the US. Furthermore, we have now achieved re-imburement for 93% of commercially covered lives in the US and for 72% of the covered lives of the US Government-sponsored Medicare health plans, a proportion of which require prior authorisation.

In March we announced the signing of an exclusive co-promotion agreement in the United States with EKR Therapeutics Inc. for Gelclair, a mouth gel indicated for the management and relief of pain associated with Oral Mucositis which can be experienced by cancer patients as a side effect of chemotherapy or radiation to the head and neck. This oncology support product was launched at ProStrakan's US sales conference last month and is now being marketed alongside Sancuso by our US sales force, which we have recently boosted by a further seven staff to 82.

At constant currency, ProStrakan's product sales grew by 29% during the first four months of 2009.

Regulatory Filings

As announced earlier this month, ProStrakan has filed its response to the Action Letter issued by the US Food and Drug Administration ("FDA") on July 3, 2003 relating to ProStrakan's New Drug Application ("NDA") for Fortigel (testosterone) 2% Gel. The FDA has now confirmed acceptance of the submission for review. Fortigel (which is branded as Tostran in much of Europe) is a patented 2% testosterone transdermal gel, which utilises a metered dose delivery system designed to permit accurate dose adjustment to individual patient requirements.

ProStrakan plans to file two further NDAs in the US in mid 2009: for Abstral; and Cellegesic (branded Rectogesic in Europe where it is prescribed for the relief of pain associated with chronic anal fissures).

Business Development

As announced in February, ProStrakan has signed two exclusive licence and supply agreements for Sancuso for certain countries in the Pacific Region, and for Turkey. Singapore-based Invida Pharmaceutical Holdings PTE Ltd will market Sancuso in Australia, Indonesia, the Philippines, Thailand and Vietnam, while Dubai-based NewBridge Pharmaceuticals FZ LLC will market Sancuso in Turkey. (ProStrakan has already partnered with NewBridge for the marketing of Sancuso in the Middle East and Africa.)

Corporate Brokers

The Company announces today that it has appointed J.P. Morgan Cazenove Limited as Financial Adviser and Corporate Broker to work alongside Numis Securities Limited.

Commenting on today's IMS, Dr Wilson Totten, ProStrakan's Chief Executive, said:

"ProStrakan has made a really strong start to 2009 both in terms of trading and in further developing the business. Product sales are 40% up on last year, Sancuso and Abstral have made very encouraging progress, Fortigel has been submitted for US approval and our development pipeline will result in two further NDAs being filed in the US this year.

"The strength of our performance in the first four months of 2009 reinforces our confidence in achieving our stated target of reaching breakeven in the closing months of 2009."

Ends

Note to editors

There will be a conference call for investment analysts today (Thursday 14 May, 2009) at 08.30 BST. Please contact Mo Noonan at Financial Dynamics on 020 7269 7116 for details.

For more information on this announcement, please contact:

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