



Press Release

ProStrakan Group plc

ProStrakan announces first milestone in bone related diseases collaboration

Galashiels, Scotland, 6 December 2006 - ProStrakan Group plc (LSE: PSK), the European specialty pharmaceutical company, today announces that the first milestone has been reached under the exclusive collaboration with Novartis to research, develop and commercialise novel antibodies for bone related diseases. The milestone, relating to intellectual property, triggers a \$1m payment.

ProStrakan announced its collaboration with Novartis on 27 September 2006 pursuant to which, subject to achieving certain additional development, regulatory and sales milestones, ProStrakan could receive payments exceeding \$140 million, with undisclosed royalties payable on commercialisation. Novartis is responsible for all development, manufacture, clinical and regulatory costs and commercialisation. ProStrakan retains all rights to small molecule approaches to therapeutics under the intellectual property.

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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. 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 the UK, France, Germany and Spain.

ProStrakan was listed on the London Stock Exchange in June 2005.

On 13th Sept 2006, the Company announced its Preliminary Results for the first half of 2006: revenues on continuing products increased by 28% over the prior period to £16.1 million; total gross profit increased by 14% to £9.9 million and retained loss increased by 6% to £14.9 million.

www.prostrakan.com