



Press Release

ProStrakan Group plc

ProStrakan announces an exclusive licence agreement with Ferring to distribute Rectogesic™ and Tostran™ in CEE, Russia and CIS

Galashiels, Scotland, 11 December 2006 - ProStrakan Group plc (LSE: PSK), the European specialty pharmaceutical company, announces today licensing and distribution agreements with Ferring International Center S.A. ("Ferring"), a subsidiary of Ferring Holding S.A., to distribute Rectogesic™ (glyceryl trinitrate ointment) and Tostran™ (testosterone gel) in various territories in Central and Eastern Europe, Russia and CIS states.

Under the terms of the agreement, ProStrakan will receive an undisclosed upfront payment and will supply both Tostran™ and Rectogesic™ at agreed transfer prices to Ferring.

Rectogesic™ and Tostran™ are two of ProStrakan's leading products having already been launched in one EU country (UK and Sweden respectively) and will be launched progressively in other Western EU countries through next year, having successfully completed Mutual Recognition Processes earlier this year.

As well as these agreements with Ferring, ProStrakan announces that it has also entered into distribution agreements with other partners for Rectogesic™ and Tostran™ for Ireland, Greece and Turkey.

These agreements continue ProStrakan's programme of seeking to generate value for its shareholders by ensuring that its products are available for sale in many geographic markets, whilst maintaining a focus for its own resources on its chosen key markets of Western Europe and, over time, the USA.

Commenting on the agreements, **Dr Wilson Totten, CEO of ProStrakan**, said: "I am delighted to have reached these agreements with Ferring. Rectogesic™ and Tostran™ are high potential products that are currently being launched directly through ProStrakan's own salesforces in Western European markets and our tie-up today with Ferring, accessing their marketing strength in Eastern European markets, will allow these products to reach a broader geographic patient population."

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Notes to Editors

Rectogesic™

Rectogesic is a 0.4% topical glyceryl trinitrate ointment indicated for the treatment of pain associated with chronic anal fissures. It is the only prescription medicine licensed specifically for the relief of this condition. Rectogesic works by relaxing the vascular smooth muscle around the anal canal leading to the dilation of peripheral arteries and veins. It is estimated that at any one time up to 800,000 individuals suffer from anal fissures in the EU.

Rectogesic was launched in the UK in May 2005 as the only prescription product approved for the treatment of pain associated with chronic anal fissures. Rectogesic successfully completed the Mutual Recognition Process (MRP) throughout the EU earlier this year which will permit its launch into other EU countries from next year. In July 2006, the Food and Drug Administration (FDA) granted Cellegesic "Approvable" status in the US, conditional upon a further clinical trial being successfully conducted. Cellegesic has patent cover in the US until 2014.

ProStrakan initially licensed EU rights to Rectogesic from Cellegy in December 2004. ProStrakan Group and Cellegy entered into a further agreement which completed in November 2006 whereby ProStrakan acquired all of Cellegy's then existing worldwide rights to Rectogesic including North America but excluding Australia, New Zealand, Singapore, South Korea and South Africa. ProStrakan took over Cellegy's existing partnering arrangements in Israel, Turkey, China and Taiwan.

Tostran™

Tostran is a clear, colourless gel containing 2% testosterone, for testosterone replacement therapy in hypogonadal males. It has twice the strength of other currently-marketed testosterone gel products, meaning less gel has to be applied for maximum efficacy.

Tostran (branded as Tostrex) was launched in Sweden in September of last year and has already captured a 29% share of the testosterone gel market in Sweden. The EU Mutual Recognition Procedure has been successfully completed and national licences are in the process of being issued which will permit further EU launches from next year. In the US, Tostran (branded as Fortigel) was the subject of a "Not Approvable" letter by the FDA in July 2003 and Cellegy has since received Special Protocol Assistance (SPA) on the requirements for an additional clinical trial.

ProStrakan initially acquired the EU rights to Tostran from Cellegy in July 2004. ProStrakan Group and Cellegy entered into a further agreement which completed in November 2006 whereby ProStrakan acquired all of Cellegy's then existing worldwide rights to Tostran (Fortigel in the US) and took over Cellegy's partnering arrangements which cover 13 countries, notably South Korea, Israel, South Africa, Philippines, Thailand and Malaysia.

Territorial rights subject to this agreement

Under these agreements, Ferring gains the exclusive right to sell Rectogesic™ and Tostran™ in Poland, Czech Republic, Slovak Republic, Hungary, Slovenia, Romania, Bulgaria, Serbia & Montenegro, Croatia, Bosnia, Macedonia, Albania, Russia and the CIS states

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

Ferring

Ferring is a Swiss-based research driven, speciality biopharmaceutical group active in global markets. The company identifies, develops and markets innovative products in the areas of endocrinology, gastroenterology, gynaecology, fertility and urology. In recent years Ferring has expanded beyond its traditional European base and now has offices in over 40 countries.

www.ferring.com