



Press Release

ProStrakan Group plc

Interim Management Statement

Galashiels, Scotland, 15 May 2008: ProStrakan Group plc (LSE: PSK), the international specialty pharmaceutical company, today issues its Interim Management Statement (IMS) for the period 1 January - 15 May 2008.

Trading in the first four months of the year (1 January - 30 April 2008) has been at the upper end of management's expectations, with total product revenues increasing by 38% over that period in 2007, with the stronger Euro accounting for 8% of that growth.

The Company continues to see strong growth in sales of its pan-European products: Tostran, Rectogesic and Xomolix, which recorded growth of 75%. The strength of the Euro accounted for 16% of this uplift. Sales of ProStrakan's best-selling product, Adcal-D3, grew by 17% in the UK (the only country in which it is marketed) as the benefits of the 2007 launch of its lemon-flavoured chewable tablet and soluble variants began to feed through. In addition, the Company received a one-off payment of \$120,000 from Galapagos NV as part of the earn-out amounts agreed at the time of the sale of the Proskelia discovery unit in December 2006.

During the period, the following events occurred:

Earlier this month the Company announced positive results from the pivotal US clinical program on Fortigel™ for testosterone replacement therapy in hypogonadal men. Based on these results, ProStrakan expects to re-file Fortigel with the US Food and Drug Administration (FDA) in Q3 2008.

In April, ProStrakan announced that it had received notification from the FDA of its decision to postpone the Action Date under the Prescription Drug User Fee Act (PDUFA) for Sancuso (for the prevention of chemotherapy-induced nausea and vomiting) by approximately six weeks from early May to mid-June 2008. Their decision had been taken as a result of the well-publicised resourcing issues being experienced by FDA. The Company continues to plan for the US launch of Sancuso in H2 2008.

Earlier in April, the Company announced that it had received further Marketing Authorisations for Xomolix in a number of European countries. Xomolix is a branded, injectable drug, indicated for the prevention and treatment of post-operative nausea and vomiting (PONV) in adults and, as a second line, in children. It is also indicated for the prevention of nausea and vomiting induced by morphine derivatives during post-operative patient controlled analgesia (PCA) in adults. This product is already marketed in eight

European countries, including France, the Netherlands and Portugal, with sales of £4.2m in 2007, and these new Marketing Authorisations relate to eight further European countries, including Germany and the UK.

In March, the Swedish Medical Products Agency issued a Marketing Authorisation for Rapinyl - a fast-dissolving tablet for sub-lingual administration of fentanyl intended for the treatment of breakthrough cancer pain. Sweden is the Reference Member State (RMS) for the wider EU Regulatory filing of Rapinyl and has taken the decision to issue a Marketing Authorisation for Sweden alone based on its Assessment Report made as RMS for the EU regulatory procedure. ProStrakan expects that the wider EU regulatory procedure will complete during 2008. Meanwhile, the Company anticipates launching the product, branded as Abstral, in Sweden in Q3 2008.

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

"ProStrakan has made an excellent start to the year in terms of product sales in Europe and we have made solid progress towards establishing our business in the US, subject to FDA approval of Sancuso, which is set to be a major inflection point for the business."

Separately, the Company announces that it has appointed Landsbanki Securities (UK) Limited as joint broker to ProStrakan. Landsbanki will work alongside Morgan Stanley Securities Limited, who remain as joint broker.

The Company confirms that it plans to announce its Interim Results for the six months to 30 June 2008 on Thursday 21 August 2008.

For more information on this announcement, please contact:

ProStrakan +44 (0)1896 664000
Dr Wilson Totten, Chief Executive
Paul Garvey, Chief Financial Officer
Callum Spreng, Corporate Comms

Financial Dynamics +44 (0)20 7831 3113
David Yates / Ben Brewerton

Trout Group (for US investor enquiries)
Gitanjali Jain (646) 378-2949

Morgan Stanley +44 (0)20 7425 8000
Peter Moorhouse / Ed Knight

Landsbanki +44 (0)20 7426 9000
Shaun Dobson / Claes Spang