



Press Release

ProStrakan Group plc

ProStrakan Launches Nordic Sales Joint Venture with Orexo

Galashiels, Scotland, 1 August 2007 - ProStrakan Group plc (LSE: PSK), the European specialty pharmaceutical company, announces that it has entered into a joint venture agreement with the Swedish pharmaceutical company, Orexo AB (OMX Midcap: ORX), to collaborate in the marketing and distribution of the current and future product portfolios of both ProStrakan and Orexo in the Nordic countries (Norway, Sweden, Finland, Denmark & Iceland).

ProStrakan's existing Swedish affiliate, ProStrakan AB, will be used as the joint venture company. Orexo is investing £1.3 million to acquire 50% of ProStrakan AB. The joint venture company will initially trade as ProStrakan AB from its offices located at Malmo, Sweden.

ProStrakan has entered into an exclusive supply agreement with the joint venture company for commercialisation of its current products in the Nordic countries. The portfolio of drugs will include: Tostrex; Rectogesic; Droperidol; Rapinyl (for the management of breakthrough cancer pain, licensed from Orexo in 2005) and Sancuso (ProStrakan's proprietary transdermal patch for the prevention of chemotherapy-induced nausea and vomiting). Orexo has a number of products in clinical development that have the potential to be commercialised in the Nordic countries through the joint venture company. Sales will be booked on a 50:50 basis by the parent companies, and costs and profits similarly shared.

Today's announcement marks a further development of ProStrakan's distribution network in Europe. ProStrakan's most recent products, Tostrex (2% testosterone gel, marketed as Tostran in some countries) and Rectogesic (for the relief of pain associated with anal fissures) – having received EU approval in 2006 – will now be available throughout Europe by the end of 2007.

Commenting on the agreement, Dr Wilson Totten, Chief Executive of ProStrakan, said:

“The Nordic countries are very important to ProStrakan and teaming up with Orexo will considerably boost the ability of both companies to enhance our performance in this

market and increase sales. Orexo is an ambitious, fast-growing and successful business and it makes for a complementary partner for ProStrakan in this venture.

“Today’s announcement effectively sees the further development of our distribution network in major European countries and ensures that our products are effectively marketed in a cash efficient manner to as broad an audience across Europe as possible.”

Zsolt Lavotha, President and CEO of Orexo AB said:

“This joint venture represents a critical next step which will enable us to operate as an integrated pharmaceutical company with a sales and marketing structure in the Nordic region. This joint venture will furthermore provide us with market presence from day one with the sales of Tostrex, Rectogesic and Droperidol.”

Ends

For more information, please contact:

ProStrakan	+44 (0)1896 664000
Dr Wilson Totten, CEO	
Paul Garvey, CFO	
Callum Spreng, Corp Comms Director	

Financial Dynamics (for ProStrakan)	+44 (0)20 7831 3113
David Yates	

Orexo	
Zsolt Lavotha, President & CEO	+46 (0)18 780 88 12
Claes Wentzel, Exec VP & CFO	+46 (0)18 780 88 44

ProStrakan

ProStrakan Group plc is a rapidly growing specialty pharmaceutical company engaged in the development and commercialisation of prescription medicines for the treatment of unmet therapeutic needs in major markets.

ProStrakan's head office and development facilities are situated in Galashiels in Scotland. EU-wide sales and marketing of ProStrakan's portfolio of products are handled by commercial subsidiaries in the UK, France, Germany, Spain and other EU countries.
www.prostrakan.com

Orexo

Orexo is a pharmaceutical business with its global headquarters and development laboratories in Sweden. The company currently operates across the world through development, licensing and distribution agreements in all major markets. Orexo has a balanced portfolio with two products on the market, three in registration and/or late stage clinical phase and two under formulation development.