



Press Release

ProStrakan Group plc

ProStrakan Reports Further Strong Progress in Pre-Close Update

Galashiels, Scotland, 8 January, 2008 ProStrakan Group plc (LSE: PSK), the specialty pharmaceutical company, today issues a business and trading update for the 12 months ended 31 December, 2007, ahead of the close period preceding the publication of the Group's Preliminary Results, planned for 13 March, 2008.

Key Points

- Accelerated revenue growth – product sales up 22% over 2006; total revenues up 18%.
- Strong growth in recently launched pan-European products (Tostran, Rectogesic & Droperidol) with sales up 45%.
- Continuing improvement in gross margins.
- NDA for Sancuso under review by FDA, with US launch planned for 2008.
- European MAA for Sancuso submitted. EU launches planned for 2009.
- Significant progress achieved in creation of US infrastructure and sales force to support US Sancuso launch.
- Enrolment for Phase III US trial for Fortigel (Tostran) now complete. Re-filing with FDA anticipated in 2008, with US launch planned during 2009.
- Phase III US trial for Cellegesic (Rectogesic) under way. Recruitment expected to complete in H2 2008, with US launch planned during 2009.
- Rapinyl under CHMP review. EU launches expected from end 2008.
- Strong cash position of £24m with further available debt facility of £30m, intended to provide funding through to break-even.

Dr Wilson Totten, ProStrakan's Chief Executive Officer, said:

“ProStrakan has made further strong progress in 2007. Sales of our recently launched pan-European products are now starting to generate some real growth momentum. These newer, differentiated and protected products will continue to deliver significant improvement to the Group's gross margins in the coming years.

“During 2008, we look forward to receiving further positive news from regulatory authorities in both Europe and the US regarding a number of our development products, which will allow us to further extend our product offering in all our key markets. We also look forward

to continued progress in establishing our infrastructure in the US, at minimal financial outlay, which will serve as a platform for the Group's entry into the US market later this year."

Ends

There will be a conference call for analysts today (Tuesday 8 January) at 9.30am. Contact Claire Rowell, Financial Dynamics (+44 (0)20 7269 7116) for details.

For more information on this announcement, please contact:

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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. Sales and marketing of ProStrakan's portfolio of products are handled by commercial subsidiaries in the UK, US, France, Germany, Spain and other EU countries.
www.prostrakan.com