



PRESS RELEASE

SYNAIRGEN PLC (‘Synairgen’ or the ‘Company’)

New research signals second indication for Interferon beta programme in COPD

24 May 2006, Southampton, UK - Synairgen, the drug discovery company focused on the underlying causes of asthma and chronic obstructive pulmonary disease ('COPD'), today announces new research signalling a second indication for its inhaled interferon beta ('IFN β ') programme. This new discovery is being presented today at the American Thoracic Society conference in San Diego, USA, the largest annual international conference of respiratory physicians.

COPD, which is predominantly caused by smoking, is the fourth leading cause of death worldwide and is an area of significant unmet clinical need. Its total annual economic cost to the United States exceeds \$35 billion, twice the cost of asthma. It is forecast that the global market for COPD drugs will double to \$10 billion per annum over the next five years. The common cold (Rhinovirus) is a major factor behind the worsening of COPD symptoms and resultant hospitalisations. Preliminary data presented by Synairgen today, derived from its *in vitro* models of airway cells from smokers, indicates that these are unusually susceptible to the common cold virus and that the addition of IFN β improves their natural defence system. This suggests that IFN β treatment has the potential to reduce the likelihood of hospitalisation of COPD patients as a consequence of common cold infections.

Following this discovery, Synairgen will utilise its *in vitro* models of COPD to further validate this target. The Company's inhaled IFN β programme for asthma is currently in Phase I trials. It is anticipated that the successful completion of these trials will help to accelerate clinical studies for this additional indication.

Richard Marsden, Managing Director of Synairgen, said, "Pharmaceutical and biotechnology companies are increasingly focusing on speciality drugs that address specific patient types which are under-treated within large disease areas. Synairgen's focus is on the under-served severe segments of asthma and COPD. With the addition of COPD to our interferon programme, we now have two distinct indications where successful drugs could achieve annual sales in excess of \$1 billion."

-Ends-

On Friday 26 May, Professor Stephen Holgate will be giving a short briefing to press and analysts on his views of the most exciting developments in asthma presented at the May 2006 American Thoracic Society and a brief update on Synairgen's IFN β programme. For more information, please contact Natalie Barone on tel: 020 7357 9477.

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Notes to Editors

Background to the Company

Synairgen was founded by Professors Stephen Holgate, Donna Davies and Ratko Djukanovic (the 'Founders'), a world-renowned respiratory research team from the University of Southampton (the 'University'), and spun-out from the University in June 2003. In October 2004 the Company floated on AIM, raising £10.0 million (£9.0 million net of expenses) to enhance its research and development capabilities and invest in its proprietary programmes.

For more information, please visit Synairgen's website at: www.synairgen.com.