



MEDIA INFORMATION

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SYNAIRGEN plc

SUCCESSFUL £10.5 MILLION PLACING

Synairgen plc, ("Synairgen" or the "Company"), a drug discovery company focused on identifying and out-licensing new pharmaceutical products which address the underlying causes of asthma and Chronic Obstructive Pulmonary Disease ("COPD"), has today published its document for the admission of its ordinary shares to the Alternative Investment Market ("AiM"), a market operated by the London Stock Exchange ("Admission"). The placing raised £10.5 million, including £10 million before expenses for the Company. In response to strong institutional investor demand, Southampton Asset Management were requested, and agreed, to sell £0.5 million of its shareholding in the Company.

It is expected that dealings in the Company's ordinary shares will commence on 26 October 2004. Synairgen's market capitalisation on Admission is expected to be £28.2 million at the placing price of 130 pence per share.

The net proceeds of the flotation will be used by Synairgen to strengthen its research capabilities and to develop further its proprietary programmes.

Robert W. Baird Limited is acting as nominated adviser and stockbroker to the Company.

Commenting on Synairgen's flotation plans, Simon Shaw, Non-Executive Chairman, said:

"We are pleased to report strong support by investors for this fundraising which reflects the first class respiratory research capability of the Company and the University of Southampton. We look forward to reporting on progress as we step up our proprietary and collaborative discovery programmes to address the significant markets of severe asthma and COPD."

-Ends-

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Notes to Editors

1. Background to the Company

Synairgen was founded by Professor Stephen Holgate, Dr Donna Davies and Dr 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, supported by funding from IP2IPO Group plc.

Synairgen seeks to commercialise a number of drug discovery opportunities, through its own internal research programmes and those that have been carefully selected from the wider range of research projects led by the Founders in their academic roles, and which offer out-licensing opportunities. The Group intends to out-license its IP at an early stage (pre-Phase II) rather than committing significant capital resources to late-stage clinical trials.

Since June 2003, the Company has made significant progress: two proprietary programmes in the field of asthma have been initiated and the Company has signed three agreements with pharmaceutical and biotechnology companies, including Merck Frosst (affiliate of Merck & Co Inc) and Cambridge Antibody Technology. Synairgen is currently discussing further collaboration agreements.

2. Asthma

According to the World Health Organisation, between 100 and 150 million people around the globe suffer from asthma and this number is rising. Asthma prevalence in the UK is now 3-4 times higher in adults and 6 times higher in children than it was 25 years ago, and currently it accounts for 1,400 deaths in the UK per year. In the United States, there are approximately 17-20 million sufferers and the cost is estimated to be about \$13 billion per annum. There are limited therapies available for severe asthma and the potential for treatments satisfying this largely unmet need is significant, as demonstrated by the projected sales of \$3.3 billion in 2012 for Xolair®.

3. COPD

COPD encompasses a number of diseases, including the smoking-related lung diseases, chronic bronchitis and emphysema. The prevalence of COPD is estimated at 16-17% in the US and Europe. Globally it is killing 2.7 million people per annum and is forecast to become the third largest cause of death in the world by 2020. COPD is underserved by current treatments.

Sales of pharmaceutical products used to treat asthma and COPD in major pharmaceutical markets in 2002 were estimated to be \$7.0 billion and \$2.7 billion respectively and are forecast to reach \$12.8 billion and \$5.8 billion in 2012.

4. Directors

Synairgen's Directors combine public company experience with specialism in the respiratory drugs sector:

- **Simon Shaw, Non-Executive Chairman (aged 39)**

Simon joined the Company in July 2003. He is currently Chief Financial Officer at Gyrus Group PLC. He was Chief Operating Officer of Profile Therapeutics plc from 1998 to 2003, and prior to that, he was a corporate financier, latterly with Hambros Bank Limited.

- **Richard Marsden, Managing Director (aged 37)**

Richard joined Synairgen in November 2003 to drive the commercial development of the Company as well as support the operational management. He was appointed to the Board as Managing Director in June 2004. Between 1998 and 2003, he worked as Projects Manager and Cystic Fibrosis Business Development Manager at Profile Therapeutics plc. Prior to this, he worked at Zimmer (UK) Ltd, Genentech (UK) Ltd, and Roche Products Ltd.

- **John Ward, Finance Director (aged 43)**

John joined Synairgen in October 2004. He was previously Chief Financial Officer and Company Secretary of Profile Therapeutics plc from 1999 to 2004. Prior to this, he worked at Rapid Deployment Group Ltd and Price Waterhouse.

- **Professor Stephen Holgate, Founder and Non-Executive Director (aged 57)**

Stephen is a co-founder of Synairgen and was appointed as a Non-Executive Director in June 2003. He is MRC Professor of Immunopharmacology in the Division of Infection, Inflammation and Repair at the University of Southampton's School of Medicine. He was instrumental in the development of Anti-IgE on which the drug, Xolair[®] for asthma, is based. He has established industry collaborations with a number of pharmaceutical companies, including, GlaxoSmithKline plc, Novartis AG, Merck Research Laboratories, Cambridge Antibody Technology, Immunex/Amgen Inc and AstraZeneca PLC.

Other Non-Executive Directors include David Norwood, Chief Executive Officer of IP2IPO Group plc (aged 36), and Sue Sundstrom, Director, Life Science Enterprise at the University of Southampton's Centre of Enterprise and Innovation (aged 47).