

27 May 2011

**Synairgen plc  
('Synairgen' or 'the Company')**

**Fundraising**

**Highlights:**

- Placing and Subscription to raise £2.65 million (gross) at 27p per Ordinary Share
- Proceeds used to accelerate the completion of the ongoing Phase II study in asthma, to conduct additional laboratory-based work on the interferon beta programme and to expand the scope of the influenza preclinical programme, in addition to working capital requirements
- Shareholder approval to be sought at a General Meeting to be held on 13 June 2011

Synairgen plc (LSE: SNG), the drug discovery and development company specialising in respiratory diseases with a particular focus on viral defence, today announces that it proposes to raise £2.65 million (gross) by means of a placing with institutional and other investors of 9,359,262 new Ordinary Shares and a subscription by the Directors and others for 455,553 new Ordinary Shares, all at a price (the 'Issue Price') of 27p per Ordinary Share (the 'Fundraising').

The Fundraising is conditional, *inter alia*, on Shareholder approval and a circular convening a General Meeting on 13 June 2011 (the 'Circular') will be posted to Shareholders today and will be available on the Company's website [www.synairgen.com](http://www.synairgen.com).

**The Fundraising**

The net proceeds of the Fundraising will be used: to accelerate the completion of the ongoing Phase II study in asthma; to conduct additional laboratory-based work on the interferon beta programme; and to expand the scope of the influenza preclinical programme. In addition, the net proceeds will also provide the Company with its working capital requirements for the foreseeable future, being a period of not less than 12 months from the date of Admission of the Placing Shares and the Subscription Shares.

The Placing Shares and Subscription Shares will, when issued, rank *pari passu* with the existing Ordinary Shares.

The Fundraising is conditional, *inter alia*, on the passing of a special resolution at the General Meeting. It is anticipated that, subject to the passing of the Resolution, the admission of the Placing Shares and the Subscription Shares to trading on AIM will occur on 14 June 2011.

The Placing is to be effected on behalf of the Company by Matrix Corporate Capital LLP ('Matrix') on the terms of a placing agreement dated 27 May 2011 between the Company and Matrix (the 'Placing Agreement'). Pursuant to the Placing Agreement, Matrix has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for Placing Shares.

The Placing Agreement contains warranties in favour of Matrix given by the Company with respect to its business and certain matters connected with the Placing. In addition, the Company has given customary indemnities to Matrix in connection with the Placing and its performance of services in relation to the Placing. Matrix has certain rights to terminate the Placing Agreement in specified circumstances.

Commitments from placees have already been received by Matrix in respect of all of the Placing Shares.

Commitments from subscribers have already been received by the Company in respect of all of the Subscription Shares.

All the Directors of the Company (being Simon Shaw, Richard Marsden, Dr Phillip Monk, John Ward, Iain Buchanan, Dr Bruce Campbell, Paul Clegg and Professor Stephen Holgate) have committed to subscribe for 92,592, 37,037, 18,518, 37,037, 92,592, 37,037, 37,037 and 11,111 Ordinary Shares, respectively, at the Placing Price.

Following the Placing and Subscription, and subject to the passing of the Resolution at the General Meeting, Simon Shaw, Richard Marsden, Dr Phillip Monk, John Ward, Iain Buchanan, Dr Bruce Campbell, Paul Clegg and Professor Stephen Holgate will have an interest in 1,368,580, 95,860, 18,518, 228,788, 92,592, 253,960, 184,095 and 852,316 Shares, respectively, representing 1.97, 0.14, 0.03, 0.33, 0.13, 0.37, 0.26 and 1.23 per cent., respectively, of the then issued ordinary share capital of the Company.

## **Resolution**

The Resolution, which will be proposed as a special resolution, is to authorise the Directors, pursuant to section 551 of the Companies Act 2006, to allot and issue up to 9,814,815 Ordinary Shares in relation to the Placing and the Subscription and to disapply the statutory pre-emption rights contained in section 561(1) of the Companies Act 2006 in relation to the Placing and the Subscription.

## **Details of the General Meeting**

A notice convening the General Meeting to be held at the offices of Fasken Martineau LLP, Fourth Floor, 17 Hanover Square, London W1S 1HU at 11.00 a.m. on 13 June 2011 will be posted to Shareholders today. A Form of Proxy for use by Shareholders in connection with the General Meeting is enclosed with the notice. Whether or not Shareholders propose to attend the General Meeting in person, they are requested to complete the Form of Proxy in accordance with the instructions and to return it to the Company's registrars, Capita Registrars PXS, 34 Beckenham Road, Beckenham BR3 4TU, as soon as possible and in any event so as to arrive no later than 11.00 a.m. on 11 June 2011. Completion and return of the Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

Unless otherwise stated, all definitions used in this announcement are as set out in the circular to Shareholders dated 27 May 2011.

Ends

For further information, please contact:

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