

## SR Pharma plc ("SR Pharma" or "the Company")

### Placing, Change of Broker

**London, UK and Berlin, Germany 28 July 2005** SR Pharma plc today announced that it had raised £8.3 million via a placing with institutional investors and, in addition, had entered a strategic collaboration with Introgen Therapeutics Inc, Austin, Texas, USA whereby Introgen is making a US\$3 million equity investment in SR Pharma.

As a result of these transactions, the Company will be issuing 43,513,044 new Ordinary Shares at 23p per share, ranking pari passu with existing Ordinary Shares.

Application will shortly be made for the Ordinary Shares to be admitted to trading on AIM. Following admission of the new shares, the following shareholders will hold more than 3 per cent. of the issued share capital of the Company which now comprises 90,219,494 Ordinary Shares:

<i>Name</i>	<i>Number of shares</i>	<i>Percentage of Company</i>
Apax Europe IV-A LP	13,806,993	15.30%
Insight Investment Ltd	8,695,652	9.64%
The Oak Fund	8,652,174	9.59%
Introgen Therapeutics Inc	7,478,261	8.29%
Fidelity Investments International	4,508,696	5.00%
Artemis Investment Management Ltd	4,347,826	4.82%
MPM Asset Management 1998 LLC	3,440,959	3.81%
Novartis Forschungsstiftung	2,962,505	3.28%
Technologie-Beteiligungs-Gesellschaft mbH	2,869,400	3.18%
Bank von Ernst & Cie	2,769,284	3.07%

The company was advised by Mulier Capital Limited ("Mulier") on both the recent acquisition of Atugen AG and the placing. In consideration of its work on both projects, Mulier will be entitled to fees and warrants that have been disclosed in the Company's AIM admission document. In particular, Mulier and its associates will receive 5,463,478 warrants to subscribe for Ordinary Shares at 1p and 925,926 warrants to subscribe for Ordinary Shares at 27p. All warrants have a life of 5 years.

As described in the AIM admission document, each of the directors will now receive fees and options to subscribe for Ordinary Shares at the placing price of 23p, vesting over three years. That is, Iain Ross, the Company's chairman will receive 4,000,000 options, Melvyn Davies, the Company's Finance Director will receive 1,300,000 options, and each of Jeremy Curnock Cook, Peter Reynolds, Iain Rugheimer, David U'Prichard and Bernd Wetzel will received 250,000 options.

The interests of the directors in the share capital of the Company will now be as follows:

<i>Name</i>	<i>Number of shares</i>	<i>Number of options</i>
Iain Gladstone Ross	-	4,500,000
Jon Melvyn Davies	62,125	1,500,000
Hugh Ronald Peter Reynolds	172,408	450,000
Iain Nils Hessey Rugheimer	-	450,000
Jeremy Laurence Curnock Cook	-	250,000
David Charles U'Prichard	-	250,000
Bernd Otto Wetzel	-	250,000

### *Change of broker*

The Company is also pleased to announce that it has appointed Collins Stewart Limited as its broker with immediate effect.

### **For further information, please contact**

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Iain Ross, Executive Chairman  
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### **Notes to editors**

#### **About SR Pharma**

SR Pharma (AIM SPA.L) is a European biotechnology company, based in the UK and Germany, which is focused on the development of proprietary products for the treatment of unmet medical needs in the oncology and inflammatory diseases. Located in London, the company, founded in 1992, has been developing innovative immunomodulating vaccines and adjuvants for therapeutic use in atopy, cancer and tuberculosis. The company's proprietary *Mycobacterium vaccae*-based technology is the source of a number of product developments. SR Pharma is currently evaluating SRP299™ for the treatment of asthma and SRL172™ as a therapeutic in cancer and tuberculosis. SR Pharma has also isolated a novel molecule from *M. vaccae* that is potently active in a pre-clinical model of asthma. A synthetic version is active and code named SRP312™. In addition, SR Pharma holds a portfolio of intellectual property on inositol phosphoglycans (IPGs).

The Company plans to build its portfolio both organically and via acquisition in order to develop a revenue-generating business in the near term. Following the recent acquisition of Atugen AG its key products and technologies now include atuRNAi (chemically stabilised siRNA molecules) and atuPLEX, a liposomal system for the in vivo delivery of these molecules. The first RNAi product expected to enter the clinic in 2006. These technologies, which are covered by a strong intellectual property portfolio, are expected to allow systemic siRNA delivery and have been validated through partnerships with Sanofi-Aventis and Quark Biotech. In addition, they generate contract research revenues of around €3m per annum. For more information, please go to [www.srpharma.com](http://www.srpharma.com)

RNA-mediated interference, or RNAi, is a powerful new approach for achieving targeted gene silencing of pathological genes using complementary double stranded RNA such as short interfering (si)RNA. siRNA has advantages, such as increased potency, over other methods like antisense. It harnesses a naturally occurring cellular mechanism, in order to prevent the expression of target genes by inducing degradation of the target messenger RNA.

### **About Introgen Therapeutics Inc**

Introgen Therapeutics (NASDAQ: INGN) is a biopharmaceutical company focused on the discovery, development and commercialization of targeted molecular therapies for the treatment of cancer and other diseases. We are developing product candidates to treat a wide range of cancers using non-integrating tumor suppressors, cytokines and genes. These agents are designed to increase production of normal cancer-fighting proteins that act to overpower cancerous cells, stimulate immune activity. Product candidates can be used alone and also to enhance conventional cancer therapies such as surgery, chemotherapy, radiation and monoclonal antibodies. The Company has treated hundreds of patients with thousands of doses of its tumor suppressor lead product candidate ADVEXIN® in approximately 30 completed and ongoing Phase 1, Phase 2, and Phase 3 clinical trials worldwide. INGN 241 is in Phase 2 clinical development, INGN 225, a therapeutic vaccine, is in Phase 1-2 clinical development. Also in Phase 1-2 clinical development are INGN 234, a topical formulation for oral cancer prevention and treatment of oral pre-malignancies and INGN 401, a systemic nanoparticle tumor suppressor. Introgen's drug discovery and development programs have resulted in innovative approaches by which physicians may use targeted molecular agents to more precisely treat cancer. With the limited efficacy and debilitating toxic effects of conventional cancer treatments, Introgen's low-toxicity approach to cancer treatment has drawn global interest from oncologists.

Introgen also controls a broad intellectual property portfolio that includes more than 250 pending and issued patents for a variety of molecular therapy technologies and adenovirus production, purification and formulation. The Company has active collaborations with numerous academic centers of excellence and biotechnology industry partners