



COMPANY UPDATE

1 December 2006

**Presentation by
Tim McCarthy, Chief Executive Officer**


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The financial information does not constitute statutory financial statements within the meaning of section 240 of the Companies Act 1985. The unaudited financial results for the year ended 31 December 2005 are presented in accordance with the Group’s accounting policies based on International Financial Reporting Standards (“IFRS”). Comparative financial results for the year ended 31 December 2004 have been restated under IFRS.

- ◆ **Board Changes**
- ◆ **Fundraising**
- ◆ **Acceleration of Commercialisation**
- ◆ **NovaQuest** 
- ◆ **Summary**
- ◆ **Q&A's**

- ◆ **Richard Palmer to step down from Board and as CEO**
 - Continued access to Dr Palmer's scientific expertise as a consultant
- ◆ **Tim McCarthy appointed CEO**

New Board appointments:

- ◆ **Roger Hickling appointed R&D Director**
 - Previously Head of Development
- ◆ **David Campbell appointed Finance Director**
 - Previously Financial Controller

- ◆ **£x m raised at x p**
 - (x% premium to middle market price)
- ◆ **Through a range of UK institutional investors**
- ◆ **Provides financial stability into H1 2008**
- ◆ **Provides continued funding for:**
 - **Boosting patient recruitment into the Phase III trials for renzapride and COLAL-PRED® in order to report results around the end of 200**
 - **Continuing preparation of cetilistat for entry into Phase III in 2007**
 - **Progressing ATL-104 for mucositis for preparation into its next stage of clinical development in 2007**

- ◆ Company remains confident in the quality and commercial potential of its product portfolio
- ◆ Alizyme is evolving from a scientific development business into a more commercially-focused organisation
- ◆ Business now re-focused on accelerating the commercialisation of its products
 - **Leverage intellectual capital** of NovaQuest **to aid this effort**
- ◆ New approach to partnering / alliances
 - E.g.: Plain vanilla out-licensing vs more innovative deal structures
- ◆ Board remains focused on maximising shareholder value





**Ben Cons
Vice President**

**NovaQuest
The Partnering Group of Quintiles Transnational**

Quintiles Transnational is the world's leading pharmaceutical services provider, helping biotechnology and pharmaceutical companies of all sizes bring new medicines to patients faster

- **Global workforce (~17,000 employees; offices in 51 countries)**
- **2005 revenue \$1.9B**
- **Full range of development (Quintiles) and commercialization (In**
- **Precision prescriber targeting - Verispan**
- **Innovative partnering solutions – NovaQuest**



Quintiles has helped develop and/or commercialize **each of the world's top 30 best-selling pharmaceutical products** in each year since 2001, and **9 of the top 10 biotech products**

Helps pharma & biotech partners optimise portfolio development, company growth and profits through innovative, tailored financial and strategic solutions

Partnership models include:

- **Co-Development/Co-Promotion (via funding, services or both.**
- **Strategic resourcing to reduce fixed costs and increase resource flexibility**
- **Financial and strategic support**

NovaQuest’s unique “managed partnership” approach ensures sponsorship at the highest level and provides access to development and commercial expertise, financial solutions and efficient operational delivery when services are involved.

- **To date NovaQuest has committed over \$1.6 billion to customer partnerships**

- ◆ **The goal of the partnership with NovaQuest is to increase the value of Alizyme through the provision of proactive advice**

- ◆ **This will be accomplished through**
 - **delivery of the leveraged Intellectual Capital of NovaQuest and Quintiles**
 - **the proactive Management of the partnership through our Alliance Management team**

- ◆ **The collaboration is aimed at increasing shareholder value for Alizyme through optimisation of the Alizyme portfolio and associated business transactions**

- ◆ **Strong support from institutional shareholders of future strategy**
- ◆ **Board remains confident of the diversified late stage pipeline**
 - 4 products in Phase II/III
 - Competitive product profiles
 - 2 potential blockbuster products
- ◆ **2007 : Greater focus and emphasis on commercialising the portfolio**
- ◆ **Focus on realising inherent value of each of the products**