



Renovo Group plc

2008 Interim Results

Prof Mark Ferguson, CEO
Rob Cridland, CFO
29 May 2008

Renovo is listed on the main market of the London Stock Exchange ("RNVO")
For further information please visit our web site: www.renovo.com

Important Notice



This presentation (the "Presentation") is personal to the recipient and has been prepared by and is the sole responsibility of Renovo Group plc (the "Company"). No representation or warranty, express or implied, is made as to and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information or opinions contained in the Presentation. The information in the Presentation is subject to verification, completion and change. The contents of the Presentation have not been verified by the Company or its subsidiary undertakings (the "Group"). No liability is accepted for any such information or opinions by the Company, or any of their respective directors, members, officers, employees, agents or advisers.

Accordingly, information and opinions contained in the Presentation is being supplied to you solely for your information and may not be copied, reproduced or further distributed to any person or published in whole or in part, for any purpose. In particular, the distribution of this Presentation in jurisdictions other than the United Kingdom may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe any, such restrictions. Any failure to comply with these restrictions may constitute a violation of laws of any such other jurisdiction. In particular, this document is not for distribution in the United States, Australia, Canada or Japan.

The Company is under no obligation to update or keep current the information contained in this Presentation or to correct any inaccuracies which may become apparent, and any opinions expressed in it are subject to change without notice. Save in the case of fraud, none of the Company or any of their respective directors, members, officers, employees, agents or advisers nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of this Presentation or its contents or otherwise arising in connection therewith.

This Presentation and the information contained in it does not constitute or form part of a prospectus and does not form any part of and should not be construed as constituting or forming any part of an offer of, or invitation to apply for, securities nor shall this document or any part of it, or the fact of its distribution, form the basis of or be relied on in connection with any investment decision, contract or commitment whatsoever. This Presentation should not be considered a recommendation by the Company or any of their respective directors, members, officers, employees, agents or advisers in relation to any purchase of the Company's securities, including any purchase of or subscription for any ordinary shares in the capital of the Company.

This Presentation includes "forward-looking statements" which include all statements other than statements of historical facts, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Group's products and services), and any statements preceded by, followed by or that include forward-looking terminology such as the words "targets", "believes", "estimates", "expects", "aims", "intends", "will", "can", "may", "anticipates", "would", "should", "could" or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Among the important factors that could cause the Group's actual results, performance or achievements to differ materially from those in forward-looking statements include those relating to the Company's funding requirements, regulatory approvals, clinical trials, reliance on third parties, intellectual property, key personnel and other factors. These forward-looking statements speak only as at the date of this Presentation. The Group expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in the Presentation to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. As a result of these factors, prospective investors are cautioned not to rely on any forward-looking statement.

By attending this Presentation and/or accepting a copy of this document, you agree to be bound by the foregoing limitations and conditions.

Highlights



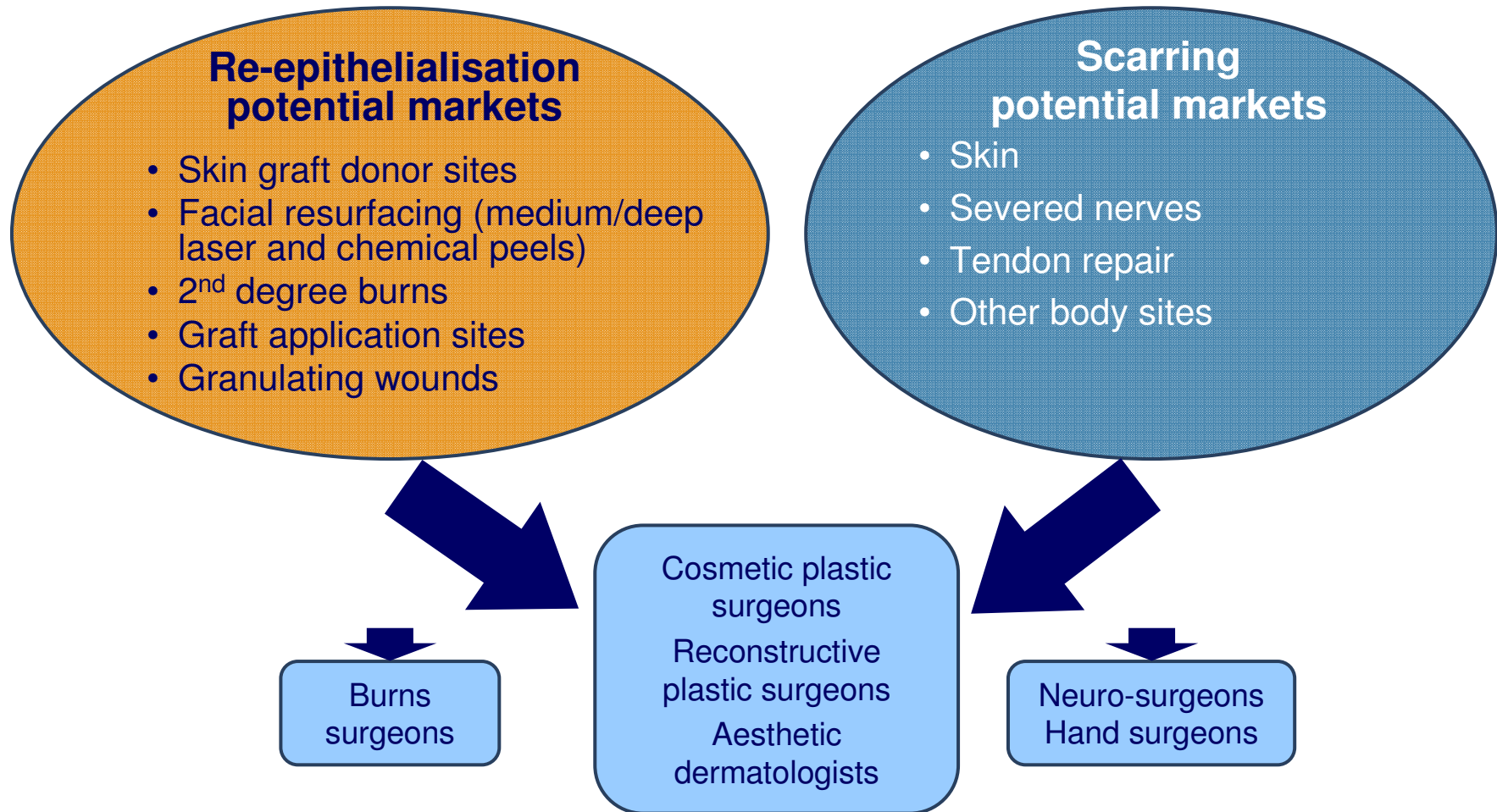
- Juvista® Phase 2 trial in scar revision surgery (dosed twice) met its primary endpoint with a statistically significant reduction in scarring compared to placebo
- Juvista Phase 2 trials in breast augmentation surgery and mole removal (both dosed once) did not meet their primary endpoints
- Latest Phase 2 results suggest Juvista's efficacy is greater when dosed twice, 24 hours apart
- 12 month data from two further Juvista trials showed significant improvement in scar appearance and confirm the efficacious dosage window of 50-500ng/100µL/linear cm of wound margin
- First Juvista European Phase 3 efficacy trial for the prophylactic reduction of scarring following scar revision surgery planned to commence H2 2008
- Zesteem® Phase 3 trial for the acceleration of healing in skin graft donor sites on track to report H2 2008
- Juvidex™ Phase 2 trial for the acceleration of healing commenced H1 2008
- Prevascar® Phase 2 trial for the reduction of scarring following digital nerve repair to commence H2 2008

Pipeline of First-in-Class Drugs



		Pre-clinical	Phase 1	Phase 2	Phase 3
Juvista (TGFB3)	Reduction of scarring in the skin			EFFICACY	
Zesteem (Estradiol)	Skin Re-epithelialisation			EFFICACY	
Prevascar (IL-10)	Reduction of scarring in the skin			EFFICACY	
	Reduction of scarring and restoration of function following nerve injury				
Juvidex (M6P)	Skin Re-epithelialisation				
	Reduction of scarring in tendons				

Regenerative Pipeline focused on Plastic Surgeons and Dermatologists





Reduction of Scarring

Juvista: Skin
Prevascar: Nerves

Juvista

Comprehensive Clinical Programme



- Juvista is being investigated for the prophylactic reduction in scarring in a comprehensive Phase 1 & 2 programme involving in total 16 clinical trials to establish:
 - Safety and tolerability
 - Active dose range
 - Optimal dose frequency
 - Appropriateness of different clinical trial models
 - Variability of response in differing surgical applications (for powering Phase 3)
 - Effects on different scars – incisions, excisions, grafts, lengths, good or poor
 - Influence of different body sites
 - Patient sex, age and skin colour
 - Different ways of measuring scarring (endpoints)
 - Major clinical effects of Juvista and mechanism of action in humans

- This is a holistic, not sequential, Phase 2 trial package executed to provide basis for designing Phase 3 trials – by their exploratory nature in a programme of this style not all Phase 2 trials would be expected to demonstrate statistical significance

JUVISTA CLINICAL STUDY INVENTORY

Number	Indication or Volunteer	Number of subjects Sex and age	Dose(s)	Controls	Location	Duration of study	Purpose	Status R = reported
1001	Volunteer – punch biopsies	55 male 18-45 years	50, 100, 500, 1,000, 10,000ng. x2 dosing	Placebo & SC	Renovo CTU	24 Days	Safety	Concluded R
1002	Volunteer – incisions & excisions	103 male 18-45 years	0.25, 1, 5, 20, 50, 100, 500ng. x2 dosing	Placebo & SC	Renovo CTU	12 Months	Safety and Efficacy	Concluded R
1003	Volunteer – punch biopsies	45 male 18-45 years	5, 50ng. x1, x3, x5 dosing	Placebo & SC	Renovo CTU	6 Months	Safety and Efficacy	Concluded R
1004	Volunteer - incisions	20 male 18-45 years	50ng. x2 dosing	Placebo	Renovo CTU	6 Months	Genomic data	Concluded R
1005	Volunteer – incisions and punch biopsies	42 male and female >60 years	5, 50, 100ng. x2 dosing	Placebo & SC	Renovo CTU	6 Months	Safety and Efficacy	Concluded R
1006	Volunteer - incisions	35 female 18-45 years	5, 50ng. x2 dosing	Placebo	Renovo CTU	12 Months	Safety and Efficacy	Concluded R
1007	Volunteer – skin graft donor sites	94 male 18-85 years	50ng. x1, x2 dosing	Placebo & SC	Renovo CTU	12 Months	Safety and Efficacy	Concluded R
1008	Mole Removal	239 male and female 18-85 years	20, 50, 100, 200ng. x1 dosing	Placebo	Renovo CTU	12 Months	Safety and Efficacy	Concluded R
1009	Scar Revision (2 groups)	60 male and female 18-85 years	200ng. x2 dosing	Placebo	Single centre in Manchester	7(12)* Months	Safety and Efficacy	Group 1 R Group 2 recruited
1010	Breast Augmentation	63 female 18-55 years	50, 200ng. x1 dosing	Placebo	Multi-centre (8) UK	12 Months	Safety and Efficacy	Concluded R
1011	Volunteer - incisions	67 male 18-45 years	50, 200ng. x1, x2 dosing	Placebo & SC	Renovo CTU	12 Months	Safety and Efficacy	Concluded R
0036	Volunteer - incisions	78 male and female 18-85 years	5, 50, 200, 500ng. x2 dosing	Placebo	Renovo CTU	7 (12)* Months	Safety and Efficacy	Concluded R
0041	Breast Reduction	39 female 18-65 years	200ng. x1 dosing	Placebo	Multi-centre (6) EU	7 (12)* Months	Safety and Efficacy	Ongoing
0042	Varicose Veins	156 male and female 18-85 years	5, 50, 200, 500ng. x1 dosing	Placebo	Multi-centre (29) EU	7 (12)* Months	Safety and Efficacy	Fully recruited
0050	Volunteer	39 male and female 18-85 years	5, 50, 200, 500ng. x1 dosing	Placebo	Renovo CTU	7 (12)* Months	Safety and Efficacy	Concluded R
0064	Keloid Pilot	30 male and female 18-85 years	50, 200, 500 ng x2 dosing	Placebo	Single centre US	Safety (3 months) Efficacy (12 months)	Safety and Efficacy	Ongoing

* Primary endpoints at 7 months. Follow-up at 12 months. Novartis patient exposure (higher doses, leg ulcers and systemic) = 369 male and female patients

Major Findings from 13 Reported Juvista Trials Safety and Tolerability - Favourable



- Safety data in more than 1,500 human subjects
- Favourable profile based on adverse events and tolerability
- Acute use, low dose and local application
- Large therapeutic index
- Histopathology confirms regeneration of more normal skin architecture and no adverse pathology

Major Findings from 13 reported Juvista trials Evidence of Efficacy



- Efficacious dose range 50 – 500ng/100µl/linear cm wound margin:
200 and 500 appear best
- Dosing frequency – twice (wound closure and 24 hours later) appears more efficacious than once (wound closure only)
- Positive clinical results obtained with drug substance manufactured at Ph3 and commercial scale
- Statistically significant results from 7 double blind, placebo controlled, within subject efficacy trials (1002, 1005, 1007, 1011, 0050, 0036, 1009)
- Significant with primary and multiple secondary measures of scarring – endpoint validation
- Efficacy/experience with different : ages, sex, skin colour, body sites, surgeries (incisions, excisions, donor sites), scar lengths, good and poor scars
- Knowledge/experience of different clinical trial models including variation to be used in designing Phase 3
- Early and late improvement in scar appearance (colour (redness), width, height)

1009: Scar Revision Phase 2 Study Design



- Double-blind, placebo-controlled, within-patient trial to investigate the safety and efficacy of 200ng per 100µl per linear cm wound margin of Juvista when administered twice (wound closure and 24 hours later) following scar revision surgery

- Two different scar revision surgical procedures (30 patients per group)
 - Group 1: scar excised in one stage (most common procedure) – reported positive
 - Group 2: scar excised in two stages – reports H2 2008

- Group 1: 30 patients with linear scars ranging from 5-16cm in length and suitable for revision by excision and direct closure
 - one end segment allocated to receive Juvista
 - the opposite segment allocated to receive placebo
 - middle segment left untreated

- Primary assessment based on a photographic evaluation by a lay panel over a time period from week 6 to month 7 post surgery using a visual analogue scale (VAS)

1009: Scar Revision Group 1 Conclusions



- Primary endpoint was met with statistical significance ($p=0.028$)
- Efficacy was demonstrated in poorer scars than previously studied
- Efficacy was demonstrated in larger scars than previously studied
- Favourable safety profile – AEs and tolerability

Trial 1009 Results – Month 1



Placebo



Juvista

Trial 1009 Results – Month 2



Placebo

Juvista

Trial 1009 Results – Month 3



Placebo



Juvista

Trial 1009 Results – Month 4



Placebo



Juvista

Trial 1009 Results – Month 5



A



Placebo

B



Juvista

Trial 1009 Results – Month 6



Placebo



Juvista

Trial 1009 Results – Month 7



Placebo

Juvista

1008 Mole Removal, 1010 Breast Augmentation Outcomes Understood



- Both trials did not meet their primary endpoints
- Both were dosed once only (wound closure)

1008 Mole Removal (20, 50, 100, 200ng) on head and neck

- Confounding Factors:
 - Scar severity varies on forehead, cheek, neck etc
 - Different lengths of scar alter the perceived severity
 - Variation in skin texture/appearance
- Fundamental tenet of trial design, that sites selected for comparison must heal with very similar scars, was not met and therefore not a good clinical trial model for Phase 3

1010 Breast Augmentation (50, 200ng)

- Juvista efficacy inadequate with once only dosing of 50 or 200ng

12 Month Analysis of Clinical Trials 0050 & 0036



-
- Phase 2 studies to investigate four doses of Juvista (5, 50, 200 and 500ng/100 μ L/linear cm) across 3 dosing regimes:
 - given once at the time of surgery (0050);
 - given twice, once before and once after surgery, approx 1hr apart (0036);
 - given twice, once at the time of surgery and once 24hrs later (0036).

 - As reported last year both trials met their primary endpoints at 7 months

 - Announced (April 2008) results from a planned 12 month follow-up analysis as assessed by lay and clinical panels

 - Results were statistically significant with an efficacious dosage window of 50-500ng /100 μ L/linear cm

 - Consistent with previous findings, the greatest magnitude of scar reduction efficacy of Juvista compared to placebo was seen at 500ng/100 μ L/linear cm dosed twice, 24 hours apart

Juvista Future Plans



-
- Renovo plans to commence the first European Phase 3 efficacy trial in scar revision surgery in H2 2008

 - Likely Phase 3 trial design:
 - evaluation of two doses of Juvista (200ng and 500ng)
 - given twice, once at the time of surgery following wound closure and once 24 hours later
 - will use appropriately powered sample size calculated from 1009

 - Renovo will provide further guidance on the design of this trial and the remainder of the Phase 3 programme following receipt of scientific advice from the EMEA (H2 2008)

 - Juvista's use in scar revision surgery, a procedure carried out by plastic surgeons and cosmetic dermatologists, is an example of the prophylactic use of the drug to reduce subsequent scarring following lesion excision and closure of the skin

Juvista Positioning and Addressable Market Dynamics (EU)



- **Juvista Positioning: Prophylactic reduction of scars and improved scar appearance**

- **Launch Access to Target Surgeons** – Cosmetic & Reconstructive Plastic Surgeons and Aesthetic Dermatologists
 - Small specialist target audience
 - Easy reach
 - High interest in products and techniques to reduce scarring

- **Patients**
 - High dissatisfaction with scars following surgery (28%-34%)
 - Cosmetic patients particularly demanding
 - Scarring featured in press & magazines

Strategy to Access Juvista Market (EU)



-
- Medical Education prior to launch
 - Clinical trials in volunteers and patients (multiple body sites)
 - Publications
 - Congresses - presentations and symposia

 - Launch for Prophylactic Scar reduction
 - Scar revision at multiple body sites; eg caesarean, appendectomy, laparotomy, abdominoplasty

 - Patient education and press

 - Build and expand the large potential scar revision market

Building the Scar Revision Market



-
- Only a minority of presenting patients undergo scar revision surgery (200,000 pa in the EU) as the doctor is uncertain of improving the scar with surgery alone
 - Juvista could increase significantly the number of patients having surgery who currently request scar revision
 - Increased awareness could lead a larger number of patients to present for scar revision surgery
 - Renovo market research indicates that c.28% of patients are highly dissatisfied with their scars

Prevascar (IL10)

Reduction of Scarring in Skin & Nerves



- First in man dose ranging efficacy trial for reduction of scarring in the skin met its primary endpoint with statistical significance (p=0.04)
- Statistical significance also reported in multiple secondary endpoints illustrating that Prevascar-treated wounds resulted in scars that were scored improved by subjects and clinicians
- Safe and well tolerated
- Mechanism of action scientifically distinct compared to Renovo's lead anti-scarring drug, Juvista
- Diversifying our product portfolio further in the reduction of scarring following peripheral nerve injury

Nerve Surgery- an Attractive Market for Renovo



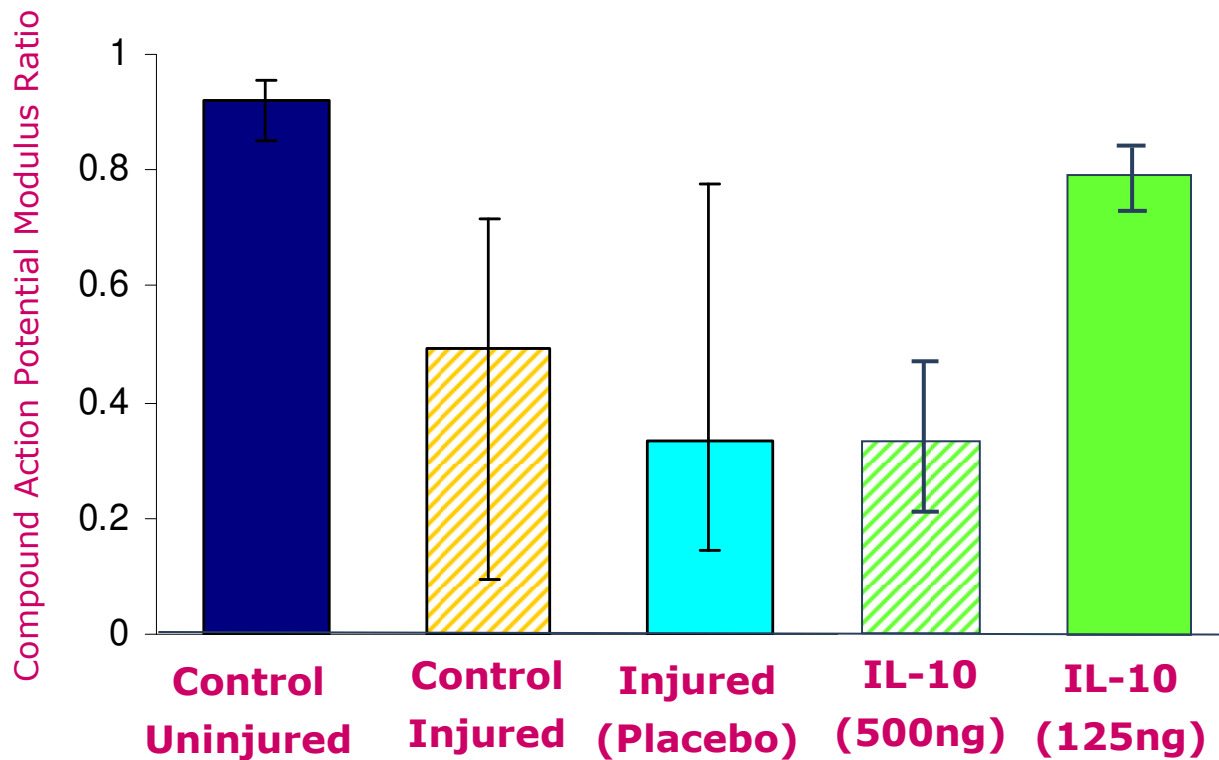
High Value Market

- Peripheral nerve surgical procedures – 278,000 per annum in US
- High medical need – restoration of sensory and motor function
- High price anticipated
- Positive reaction to profile in Market research*

Same Target Surgeons as Juvista and Zesteem

- Plastic surgeons;
Reconstructive surgeons;
Hand surgeons
- Can be promoted by the same field force
- No near term competition

Single Application of 125ng Prevascar Restores Neuronal Function Following Sciatic Nerve Injury and Repair



Publication - Interleukin-10 reduces scarring and enhances regeneration at a site of sciatic nerve repair. Atkins et al, 2007 J Periph Nervous System Vol 12:pages 269-276

Prevascar Trial 0080: Digital Nerve Repair



- Double-blind, placebo-controlled rising dose group comparative study
- 100 male and female patients with severed digital nerves on 1 or 2 fingers undergoing repair in 4 dose groups (20 active, 5 placebo)
- Injection containing 25, 50, 125 or 500 ng/100ul Prevascar
- One injection into each end of the severed nerve interfascicular epineurium prior to suturing
- Efficacy outcome measures
 - 2 point discrimination test
 - Semmes Weinstein monofilaments
 - Assessments made pre-operatively then 6 weeks, 3, 6, 9, and 12 months
 - Compare injured nerve with contralateral (uninjured) control

Trial starts H2 2008



Re-epithelialisation

Zesteem: Skin Graft Donor Sites
Juvidex: Laser Resurfacing & Peels

Re-epithelialisation Market Opportunities



Skin Graft Donor Sites Injectable formulation

- 1st Product to enter and shape market
- High Medical Need
- Established FDA endpoints
 - Low regulatory risk
- Establish field force with key target Surgeons
 - Plastic surgeons & burns units
 - Dermatologists

Topical Formulation for facial Peels and Resurfacing

- Large potential sales
 - Cosmetic market
- Patient driven need due to downtime
- High degree of willingness to Rx by surgeons and self pay by patients
- Significant follow on markets
- Plastic surgeons and Aesthetic Dermatologists

Zesteem: Mechanism of Action



- A number of published studies have demonstrated that estradiol accelerates cutaneous wound healing by^{1,2,3,4,5}:
 - increasing the rate of wound re-epithelialisation (including keratinocyte growth and heparin-binding epidermal growth factor-like growth factor production)
 - increasing extracellular matrix deposition
 - increasing strength
 - decreasing excessive inflammation (including downregulation of macrophage migration inhibitory factor)
 - increasing angiogenesis

- Pre-clinical and clinical studies have demonstrated a bell-shaped dose response with a narrow therapeutic range

- Studies in transgenic animals (estrogen receptor α and estrogen receptor β knockouts) have identified that ER β is the major driver of re-epithelialisation and ER α primarily effects granulation tissue

- Meta analysis of pathogenesis of venous stasis and pressure wounds indicates low Estrogen levels as a major causative factor⁶

References: ¹Nature Medicine 1997; ²Am J Pathol 1999; ³J. Clin Invest 2003; ⁴J Invest Dermatol 2004; ⁵ Am J Physiol Cell Physiol 2005; ⁶ Lancet, 2002

Zesteem: Development Strategy



-
- Zesteem is a pharmaceutical (17 β -estradiol) for the acceleration of acute healing in the skin

 - Given the well-established safety profile of estradiol Renovo is targeting an abridged route to market for Zesteem
 - in the EU using Article 10(3) of the EU Directive 2001/83 and
 - in the US using Section 505(b)2 of the Federal Food, Drug and Cosmetic Act

 - Phase 2 efficacy trial met its primary endpoint and established dose response in accelerating healing (0.1 μ g/100 μ l/cm²)

 - Two Phase 3 efficacy trials and a US bio-bridging study planned for approval

Zesteem – Low regulatory risk



-
- Major unmet medical need (burns, trauma, chronic ulceration)
 - Bridge to safety data
 - Regulatory defined endpoints
 - FDA Guidance for Industry Chronic Cutaneous Ulcer and Burn Wounds
 - Endpoint: Time to complete healing
 - 1-2 days acceleration clinically meaningful
 - Re-Epithelialisation mechanism similar to that in healing of punch biopsies

Zesteem

Phase 3 Sample Size Estimation



- Estimated from time to healing data from
 - RN1001-319-1007
 - Fatah & Ward
 - (*British Journal of Plastic Surgery*, 37, p184-194, 1984)

- Based on
 - Log-rank test for equality of survival curves
 - Two sided significance level of 0.05
 - 90% power
 - 7 periods (Assessment days 7, 9, 11, 13, 14, 17, 19, 22)
 - 7000 simulations

- 148 subjects per group

Zesteem in Phase 3: Progress on Track



- First Phase 3 trial in split thickness skin graft donor sites
 - recruiting 296 patients across 30 European Centres
 - endpoint: time to complete wound closure (re-epithelialisation) as assessed by the clinician
 - scheduled to report H2 2008

- Target prescribers will be Plastic Surgeons/Dermatologists

- Anticipated launch ahead of Juvista

Accelerated Healing of Skin Graft Donor Sites



High Medical Need

- FDA guidelines on healing specifically mention donor sites
- Elderly patients have blistering and pain
- Target surgeons are plastic surgeons and Dermatologists

Uses of skin grafts from Skin Graft Donor Sites

1. Burns patients
2. Ulcer sites
3. Trauma patients
4. Lesion removals

Skin Graft Donor Sites – Volume Market



No pharmaceutical products for the acceleration of acute wound healing

■ Burns patients:

- 500,000 burns patients treated each year in US
- 122,000 US hospital admissions burns patients
- 40,000 hospitalised patients will require large grafts and some will require multiple grafts and reharvesting (multiple grafts from the same donor sites).

■ Chronic Ulcers:

- 5.2 million patients in the USA with chronic ulcers of whom a small percentage will require a skin graft for their ulcer each year

■ Trauma:

- Research required to quantify

■ Lesion removal:

- There are 3.9 million lesion removals eg BCC each year in the USA of which grafts and flaps are required for a small percentage of patients. Lesion removal grafts tend to be smaller and for older patients

Laser Resurfacing and Peels: An Attractive Cosmetic Market



Chemical Peels:

- Number of US procedures (2007): 1m
 - Market value \$762m
 - National Average Physician Fee:
 - Price \$744
 - Price range (medium & full depth peel) \$500 - \$4,000

Laser Resurfacing:

- Number of US procedures (2007): 347k
 - 32% growth in procedural volume 2007 vs 2006
 - Estimated market value approx \$772m
 - National Average Physician Fee:
 - Price \$2,222
 - Price range (medium & deep) \$1,000 - \$7,000

Why do Patients Need a Re-ep Product?



-
- Downtime is the issue:
 - Away from work, social activities, unable to leave the house
 - Red unsightly faces, oozing and uncomfortable
 - Peeling from Day 3 and initial swelling around the eyes and lips

 - Recovery period 7-14 days (medium – deep peel)

 - Infection a major concern

 - KOL view - 1-2 days improvement valuable, all surgeons interested in tested profile

Juvidex and Acceleration of Re-epithelialisation: Mechanism of Action



- Prevention of binding of inactive TGF- β 1/TGF- β 2 at the M-6-P receptor leading to reduced levels of active TGF- β 1/TGF- β 2

- Reduced levels of TGF- β 1/TGF- β 2 and reduced TGF β pathway signal transduction are associated with:
 - Altered recruitment of inflammatory cells into the wound site
 - Decreased extracellular matrix production (fibrinogen and collagen)
 - Increased breakdown of excessive extracellular matrix through stimulation of proteolytic enzymes
 - More gradual and organised deposition of extracellular matrix which enhances cell migration and re-epithelialisation
 - Accelerated re-epithelialisation

References: Shah et al, (1992) Lancet; 339 (8787):213-4; Shah et al (1994) J Cell Sci; 107 (Pt5):1137-57; Shah et al (1995) J Cell Sci; 108 (Pt3):985-1002; Ashcroft et al (1999) Nature Cell Biology 1: 260-266 41

Juvidex Trial 0082: Split Thickness Skin Graft Donor Sites



- Double-blind, placebo-controlled plus open standard care arm in 195 healthy male and female volunteers
 - Matched lower back partial thickness graft sites (1.5 x 2cm)

- Five dose groups
 - Two dose levels (300 mM and 600 mM Juvidex)
 - Two routes of administration (topical and intradermal)
 - One standard care alone (moist wound dressing)

- Timing of dosing
 - Intradermal – single dose 20 mins before harvest
 - Topical – 2 doses, after harvest and at 24 hours

- Efficacy – Re-epithelialisation
 - Photography assessed by independent clinical panel
 - Clinical assessment by attendant physician
 - Trans-epidermal water loss (3 recordings per day)
 - All assessments made daily for 14 days, then out to 28 days

Trial commenced on schedule H1 2008



Financial Review

Robin Cridland
Executive Director, Finance and
Business Development

Financial Highlights



-
- Financial performance broadly in line with management expectations
 - Cash consumed in operations during the six months to 31 March 2008 was £12m (2007: £10.4m)
 - Net cash position at 31 March 2008 of £90.0m (2007:£50.4m)
 - Expect to receive £2.5m in R&D tax credits before the end of the current financial year

Income statement



<i>£m</i>	2008 H1	2007 H1	2007 FY
Revenue	3.9	-	0.5
Cost of sales	(1.7)	-	(0.2)
Gross profit	2.1	-	0.3
Operating expenses:			
Research & Development	(9.3)	(11.4)	(20.4)
Administrative	(2.9)	(2.4)	(6.1)
Operating loss	(10.1)	(13.8)	(26.2)
Finance income	2.7	1.4	3.0
Tax	2.0	1.4	2.6
Loss for the period	(5.4)	(11.0)	(20.6)

Summary & Outlook



-
- Continuation of robust product development and diversification across portfolio
 - Learnings from Juvista Phase 1 & 2 trial data used to design Phase 3 for best chance of success
 - Juvista planned to enter first Phase 3 trial in EU in scar revision surgery before end of 2008
 - EMEA guidance expected H2 2008
 - Zesteem, Juvidex and Prevascar clinical studies on track
 - Deep preclinical discovery and development programme progressing
 - Strong cash position
 - Rich pipeline of upcoming newsflow & milestones

Forthcoming Milestones



H2 2008

- Juvista European Phase 3 Programme – guidance following EMEA advice
- 0041 Juvista Breast Reduction trial – further guidance
- 1009 Juvista Phase 2 Scar Revision (Group 2) trial – efficacy data in scar reduction
- 0042 Juvista Phase 2 Varicose Vein trial – efficacy data in scar reduction
- 0064 Juvista Phase 2 Keloid pilot trial – safety data
- 0066 Zesteem Phase 3 Skin Graft Donor Site trial – efficacy data in acceleration of healing
- Juvista European Phase 3 Programme planned to commence – first efficacy trial in scar revision surgery

H1 2009

- 0064 Juvista Phase 2 Keloid pilot trial – efficacy data
- 0082 Juvidex Phase 2 Skin Graft Donor Sites – efficacy data in acceleration of healing