

Futura Medical plc announces intention to float on AIM

Submitted by: Lothbury Financial

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Futura Medical plc ("Futura Medical", "Futura" or "the Company"), the pharmaceutical and medical device group that develops innovative products for the sexual healthcare market, is planning to seek admission ("Admission") to the Alternative Investment Market (AIM) of the London Stock Exchange. Dealings are expected to commence this month.

The Company has commitments for an additional £1.7 million of funding to be injected at the time of Admission by the issue of 2,428,571 new ordinary shares of 0.2 pence each at a price of 70 pence per share, valuing the Company at approximately £30 million.

The additional funding is subject to the agreement of shareholders being given at the Company's Annual General Meeting due to be held on 14th July 2003, and Admission taking place by no later than 15th August 2003.

Based at the Surrey Research Park in Guildford, Futura Medical is developing a number of innovative products in the field of sexual healthcare. A key part of the Company's strategy is identifying international sales, distribution and marketing partners for the products. The Company will initially focus on exploiting its current portfolio.

The first product, MED2001, is a rub-on vasodilator cream for the treatment of male erectile dysfunction. It may also satisfy a currently unmet clinical need among angina sufferers, since currently available erectile dysfunction treatments taken orally cannot be used with nitrate-based angina drugs. A Phase II study of MED2001 has been completed and early indications suggest a high level of safety and efficacy. A conditional distribution agreement has been entered into with Goldshield plc.

Futura is also developing CSD500, a condom that incorporates an erection-enhancing compound aimed at reducing the likelihood of potential slippage. A robust development programme has been undertaken to address the requirements of EU regulators. The dossier is scheduled for submission in early 2004. A conditional licence distribution agreement has been signed. Futura believes CSD500 will encourage greater condom use by healthy men.

Several other products are in various stages of development to enhance male and female sexual health and well-being.

Following Admission, Andrew Slater and Jonathan Freeman will join the Board as additional Non-executive Directors.

Andrew Slater has more than 20 years' experience in the international marketing of pharmaceutical and healthcare products, with SSL International plc and previously London International Group plc. As a main board director of SSL International plc, he has held positions as Managing Director, Americas and then Managing Director, Europe. He recently resigned from SSL International plc following the announcement of the proposed divestment of its medical business.

Jonathan Freeman, a partner of Gambit Corporate Finance, was previously a corporate finance director of the investment bank Beeson Gregory, where he specialised in listing and advising European small and medium sized companies.

Dr Bill Potter, Non-executive Chairman of Futura Medical, said: “The Company is led by a strong management team with extensive experience in commercial and pharmaceutical development, supported by a Medical Advisory Board comprising recognised experts. The Company’s product-portfolio and partnership approach makes it ideally placed to exploit the enormous potential within the sexual health and well-being market.”

James Barder, Chief Executive of Futura Medical, said: “We have great confidence in the future of our product portfolio, which the Futura team continues to develop for global markets. We are at an exciting stage of our development, and continue to identify opportunities to complement our expanding portfolio.”

Williams de Broë plc is acting as both Nominated Adviser and Broker to the Company. The solicitors to the Company are Memery Crystal; the Accountants are BDO Stoy Hayward.

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Photography

Photography is available on request from Bankside. Please call Russell Elliott on 020 7444 4142 or email russell.elliott@bankside.com

Notes to Editors:

Futura Medical plc

Futura Medical (“Futura” or “the Company”) is a pharmaceutical and medical device group developing innovative products for sexual health. The Company has a portfolio of products in various stages of development.

The products are expected to be a combination of prescription-only and over-the-counter (OTC). However, Futura’s primary focus is on OTC products with particular appeal to men and women who are reluctant to discuss potentially embarrassing sexual matters with their doctors.

In June 2003, the Company’s first product, MED2001, a rub-on cream for erectile dysfunction (ED), completed its Phase II study, which demonstrated a good safety profile and efficacy. MED2001 is likely to enter Phase III trials later in 2003, prior to a regulatory submission for licensing in 2004.

Futura intends shortly to begin a trial to assess the safety of MED2001 in angina patients. Normal medications taken by angina patients prevent the use of most current ED treatments.

Futura is developing a portfolio of products with the intention of licensing their manufacture and distribution to major pharmaceutical groups. Several agreements have already been signed. However, details of some of these remain confidential.

The British Journal of Urology estimates that sexual dysfunction will affect more than 300 million people worldwide by 2025.