

ASTERAND PLC
(‘Asterand’ or ‘the Company’)

**Asterand Issues Interim Management Statement and
Announces Agreement to Acquire BioSeek**

***Next step in consolidating Asterand’s leadership position
in the global human tissue market***

Asterand plc (LSE: ATD), a leading provider of human tissue and human tissue-based services to pharmaceutical and biotechnology companies engaged in drug discovery research, today issues its Interim Management Statement for the nine-month period ending 30 September 2009. The Company also announces it has signed an agreement to acquire BioSeek Inc. (BioSeek), a pioneer in the application of predictive human biology to drug discovery through its unique human primary cell based disease models, subject to Asterand shareholders’ approval. A circular will be sent to shareholders once it has been approved by the UK Listing Authority and a further announcement will be made in regard to this in due course.

Financial Results for the 9 months to 30 September 2009

During the nine months to 30th September 2009, Asterand achieved revenue of £9.1 million. The corresponding revenue for 2008 (excluding the licensing payments from Allergan) was £8.0 million. Revenues for the same period last year also contained £1.1 million relating to a one year contract that ended in December 2008. The Company continues to control its expenditures while maintaining strong cash resources of £5.2 million as at 30 September 2009 (30 June 2009: £5.8 million). During the time period, Asterand made additional strategic investments in areas in which it will involve cost in Q3 and Q4 2009 and realise benefits in future years. These include investments in:

- Expanding the Group’s global supply network – it now has 86 supplier collaborations
- Defending in the US courts, the Group’s freedom to operate with collaborators in Southeast Asia
- Preparation for anticipated acquisitions

Martyn Coombs, Chief Executive Officer of Asterand commented:

“These results, when many CROs are reporting retraction, are encouraging. However, we are seeing some changes in the buying behaviour of some of our largest customers – whilst demand for human tissue is increasing, some customers appear to be delaying larger purchases, or breaking larger purchases into smaller units bought over time. This may restrain Asterand’s growth over the coming quarter.”

BioSeek Acquisition

Asterand has previously stated its strategy of consolidating its leadership position in the global human tissue and human tissue based services market, both organically and through strategically placed acquisitions. The proposed acquisition of BioSeek will be Asterand's first step in this "buy and build" strategy. The Board believes that BioSeek is highly complementary to Asterand's business in terms of both products and services offered.

The initial consideration will be US \$1.0 million payable by the issuance of Asterand shares. A further payment of up to US \$13 million will be payable in 2011 depending on the level of sales growth achieved by BioSeek in the twelve months ended 31 December 2010. If any such further payment is made, the first \$3.0 million of such payment will be paid in Asterand shares, and any additional payment will be paid in either cash or shares, at Asterand's discretion.

BioSeek is a privately held drug discovery services company that has developed unique, proprietary human primary cell based, high throughput assay systems (BioMAP®) designed to replicate the intricate cell and pathway interactions present in inflammatory, autoimmune and cardiovascular diseases. The system predicts clinical activities of a potential drug candidate through comparison of assay results to a proprietary database of data profiles for known compounds. The BioMAP® platform provides pharmaceutical companies with actionable data to guide their lead selection and optimization programmes.

BioSeek is located in South San Francisco, California and has 14 employees. The company was founded in 2000 by Dr. Eugene Butcher, Professor of Pathology, Stanford University, and Dr. Ellen Berg, who is currently BioSeek's Chief Scientific Officer and a former Senior Scientist at Protein Design Lab and a Post-Doctoral Fellow at Stanford. In addition to service revenue, BioSeek's growth has been financed by lead venture investors Bay City Capital and Fremont Ventures and a research collaboration and strategic investment by Amylin Pharmaceuticals, Inc. In addition to Amylin, BioSeek has had collaborations with numerous pharmaceutical and biotechnology companies including Merck-Serono, UCB, and Dainippon Sumitomo. BioSeek is also a Phase I & II funded contractor with the United States Environmental Protection Agency's ToxCast® Program.

Asterand intends to maintain the South San Francisco site and staff. BioSeek's key managers, including Dr. Ellen Berg, BioSeek's Chief Scientific Officer, and Dr. Ivan Plavec, Vice President of Business Development, will be joining Asterand's senior management team. In addition, BioSeek's CEO Dr. Mike Venuti has agreed to act as a consultant to Asterand for a transition period following completion.

In the year ended 31 December 2008, BioSeek reported audited net revenues of \$3.2 million and a pre tax loss of \$4.1 million. The audited value of the gross assets being acquired is \$10.1 million.

The BioSeek acquisition constitutes a Class 1 transaction for Asterand for the purposes of the UK Listing Rules and accordingly completion of the acquisition is subject to, amongst other things, Asterand shareholder approval. A circular will be sent to shareholders once it has been approved by the UK Listing Authority and a further announcement will be made in regard to this in due course.

Rationale and Benefits of the BioSeek Acquisition:

- *Highly complementary:* BioSeek's BioMAP® platform and human cell based assays are highly complementary to the human tissue-based products and services offered by Asterand.
- *Unique proprietary platform:* High throughput and high content screening using human primary cells is a growing and important technique impacting drug development. The BioMAP® validated disease model platform is well positioned to exploit this trend. Furthermore, BioSeek's patents and proprietary know-how create a significant barrier to entry for competitive systems.
- *Selling Proposition:* BioSeek's sales to date have been achieved with limited resource – Asterand brings scale to the selling process. Asterand has strong connections with many pharmaceutical companies where BioSeek has historically had little or no exposure or penetration. This expanded global sales coverage should increase awareness and adoption of BioMAP®.
- *Scalable platform:* The BioMAP® platform is automated and easily expanded, and investment has been made in equipment and facilities so that additional demand can be met with relatively smaller additional costs.
- *Operational and R&D synergy:* Asterand's ability to procure a wide range of tissue types will provide a source of material for the development of new BioMAP® assays.
- *Licensing model:* BioSeek maintains an IP portfolio in relation to the BioMAP® system as well as a proprietary database of known compound activities. BioSeek has initiated a successful approach of licensing its platform to pharmaceutical partners. Asterand plans to build on this approach.

Martyn Coombs, Chief Executive Officer of Asterand commented:

“We are delighted to welcome BioSeek as an Asterand company. BioSeek has significant technology that is difficult to replicate, and can offer real added-value services to customers. The combination of this platform with Asterand's exceptional sales and marketing team will propel performance for the product line to a new level. We anticipate that the proposed acquisition will be marginally loss-making or break-even in the first year of our ownership and will increasingly contribute to earnings thereafter.”

“This acquisition is all about growth and value and offering the supply of more services to our customers – to be seen by Pharma R&D as the human-based solutions company. In addition to investments in sales and marketing, in the future we will look carefully at potential investments in R&D to expand the BioSeek platform to a broader range of diseases. I look forward to working closely with the BioSeek team to expand and grow our combined business.”

Dr. Michael Venuti Ph.D., Chief Executive Officer of BioSeek noted:

“We are pleased to join Asterand in its mission to provide value added human based solutions to pharmaceutical and biotechnology companies worldwide. This is an exciting milestone for our shareholders and staff. With the increasing use of cell based technologies in drug candidate evaluation, we believe the BioMAP® platform is poised for growth. In addition, there are significant synergies to be realised in the complementary combination of the two companies' scientific expertise, commercial operations, product platforms and customer base. We look forward to working with Asterand's management team to ensure a rapid and seamless integration.”

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About ASTERAND

Asterand plc is a leading supplier of high quality human tissue and tissue-based services. Our comprehensive approach to human tissue and research services offers pharmaceutical, biotech and diagnostic companies the unique opportunity to have one Company meet all of their human biomaterial needs along the continuum of drug discovery and development. Our mission is to accelerate target discovery and compound validation and enable pharmaceutical and biotechnology companies to take safer and more effective drugs into the market.

For more information, go to www.Asterand.com.

About BioSeek

BioSeek is improving the success rate of pharmaceutical research and development by integrating human biology from the earliest stages of drug discovery onward. The company's BioMAP® Systems incorporate predictive primary human cell-based disease models that generate uniquely informative activity profiles of each potential drug, assisting in the selection and development of new drug candidates. BioSeek is leveraging BioMAP® Systems technology in collaborations to enhance the productivity of its pharmaceutical partners' pipelines.

For more information, go to www.bioseekinc.com.