

Asterand plc - Strategy Announcement

June 6, 2007

Following the appointment of Martyn Coombs as Chief Executive Officer on 26 March 2007 the management has completed a detailed review of the Company's business and strategy and is today setting out details of the further actions it intends to take.

These actions are intended to:

- Achieve positive cashflow as soon as possible
- Drive sales growth, and help to secure the Company's position as a market leader in the provision of products and services based on the use of human tissue.

Specifically the Company intends to:

1. Restructure the Company's UK operations. Management has identified a number of cost reductions that can be made without impacting the service provided to the Company's key customers. Also, all UK operations are intended to be consolidated in one office/laboratory block at the Company's site in Royston. Annualised savings from these actions are estimated to be approximately £700,000, subject to one off exceptional costs being incurred of approximately £325,000 in the year ending 31 December 2007.
2. Enhance the Company's selling model. One year after the merger, we have an opportunity to improve the cross-selling of tissue supply and drug discovery activities, better integrate the US and European sales teams, and strengthen the participation of our scientists in the selling process.
3. Improve the logistics of the Company's tissue supply operations in Detroit, USA. Our US operation has seen significant revenue growth from 2005 to 2006. In order to position the Company for future growth, action will be taken to standardise and systemise our key processes and biobank operations, via a six sigma review.
4. Strengthen the Management Team – particularly in Marketing.

Once these actions have been implemented, the Company will be better placed to scale up the business in the following year.

These planned actions follow on from the announcement made by the Company on 4 June 2007 regarding the restrictions introduced by the Russian Federal Customs Service to the export of human biological materials. The impact of these restrictions on Asterand's business is currently being assessed, however, as noted in the announcement management has already started to take actions to mitigate the impact that any export restrictions may have on the business.

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David Lee, Chairman of Asterand plc, commented:

“The Board was delighted to secure the services of Martyn Coombs as Chief Executive Officer. Martyn has previously worked for Amersham plc for nine years in various senior roles and has a track record in business transformation and delivery of improved operating results.”

Note to Editors

Asterand 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 clinic.

Forward-looking statement

This Announcement contains forward-looking statements concerning the Company's business, plans, objectives, financial condition, results of operations and expected performance. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Readers should not place undue reliance on forward-looking statements. Neither the Company nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this Announcement. Furthermore, historical results may not be indicative of the Company's future performance

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