

NEUTEC PHARMA PLC

COMMERCIAL DEVELOPMENT APPOINTMENT

13 October 2004 - Manchester, UK: *NeuTec* Pharma plc ("*NeuTec*" or the "Company"), the biopharmaceutical company targeting drug-resistant, life-threatening infections, today announces the appointment of Mr Alan Cooke as Head of Commercial Development with immediate effect.

Alan was, until recently, Vice President of International Marketing at Pharmion (Europe), the NASDAQ listed global pharmaceutical company focused on licensing, developing and commercialising therapeutic products for the treatment of haematology and oncology. Alan joined Pharmion in 2000 to set up Pharmion's Europe subsidiary companies and to develop the sales and marketing departments, and during his time there sales increased from zero to \$ 36.1 million a year.

Prior to joining Pharmion, Alan spent 10 years involved in growing the European sales of a start up company Vestar Ltd through two mergers to become Gilead where he was in charge of the Company's most profitable region. He started sales of the first liposomal amphotericin-B in Europe, competing against previous gold standard conventional amphotericin-B, taking sales from zero to \$ 32.98 million and obtained 82% of the market share. Prior to that, Alan spent over 12 years in pharmaceutical sales and marketing for companies such as Ciba Giegy, Rousell and Schering Plough.

Commenting on the appointment, Professor James Burnie, CEO of NeuTec Pharma, said: "I am delighted to welcome Alan to NeuTec. He has an impressive pharmaceutical sales and marketing track record, and brings with him invaluable knowledge of the world-wide and specifically European anti-fungal markets. He will be a great asset as we move forward with the commercialisation of our lead products Mycograb and Aurograb."

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Notes to Editors:

NeuTec Pharma plc is a biopharmaceutical company formed in 1997 which specialises in the development of human genetically recombinant antibodies (“grabs”) to combat the growing menace of antibiotic-resistant infections. Antibodies are an important, naturally occurring, component of the body’s defence system against infectious diseases. The Company is developing a portfolio of antibody-based therapeutic products to treat these infections with particular emphasis on hospital-acquired infections. In the United States, nearly two million patients a year become infected while in hospital and, of these, approximately 90,000 died in 2002 as a result of their infection compared 13,300 patient deaths in 1992. Over 70 per cent. of the bacteria that cause hospital-acquired infections are resistant to at least one of the drugs most commonly used to treat them. As a result, patients with drug-resistant infections are more likely to have longer hospital stays and require treatment with second line drugs that may be less effective, more toxic and more expensive. Severe sepsis now causes as many deaths annually in the US as heart attacks, is especially common in the elderly and is likely to increase substantially as the elderly population grows.

NeuTec’s two leading products are Mycograb®, which targets invasive fungal infection, specifically invasive candidiasis, and Aurograb®, which targets *Staphylococcus aureus* including methicillin-resistant *Staphylococcus aureus* (“MRSA”). To date, the clinical trials of these products have been based on the products being given as part of combination therapy with existing antibiotics to improve the outcome and reduce the chance of drug-resistance occurring which can lead to clinical failure.

In addition, *NeuTec* has research programmes exploring the use of these products against other diseases together with development programmes for new “grab” based therapeutics.

Mycograb®

Mycograb® is a “grab” against heat shock protein 90 m(“hsp90”) which has been developed for the treatment of invasive candidiasis (also known as systemic or disseminated candidiasis). This is a life-threatening fungal infection, due to species of the yeast *Candida*, which has an overall mortality of around 40 per cent. and a mortality which is a direct result of the *Candida* infection itself (“*Candida*-attributable mortality”) of about 10 per cent. In 1998, the projected average incidence of systemic fungal infection in the US was 306 per million of population with candidiasis accounting for 75 per cent. of cases. The estimated total direct cost of treatment was US\$2.6 billion and the average attributable cost per patient was US\$31,200. Worldwide sales of antifungals were US\$2.2 billion in 2001 increasing to US\$2.9 billion in 2003.

Aurograb®

Since 2002, a consensus view has developed that MRSA is now the most important hospital-acquired infection.

According to the Centers for Disease Control in the US, some 100,000 people are hospitalised with this infection each year. In one year, the rates of blood cultures positive for *S. aureus* in the UK have risen from 17,876 (April 2001 to March 2002) to 18,403 (April 2002 to March 2003) with approximately 40 per cent. being due to MRSA. Over twice the number of patients with positive blood cultures due to MRSA die compared to those with MSSA (methicillin-sensitive *S. aureus*). Patients with MRSA infection had a six-fold higher mortality rate than comparable patients with no such infection. At the same time sales of antibiotics to treat Gram positive infections (*S. aureus* being the most dominant form) have risen from US\$706 million in 2001 to US\$908 million in 2003.

Further information on NeuTec can be found at <http://www.neutecpharma.com/>