

Regulatory Announcement

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Company	FuturaGene PLC
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FuturaGene PLC

FuturaGene licence for Osmotin offers possible breakthrough treatments for obesity, heart disease and diabetes.

Marks the first step to creation of human health division

FuturaGene Plc has signed an exclusive, worldwide, licence agreement to commercialise a plant protein which may lead to the development of treatments for obesity, heart disease and diabetes and which additionally may be used to develop novel drug screening technologies.

Approximately one-third of the US population and over 20% of the UK population are estimated to be obese. In both countries the prevalence of obesity is growing rapidly and has been recognized as one of the fastest growing global health concerns. Diabetes, a condition linked to obesity, currently affects over 6% of the US population and 3% of the UK population. Heart disease is a major killer in both the US and UK.

Osmotin is a naturally occurring plant protein which mimics the activity of a human hormone, adiponectin, which is linked to the three conditions. Both increase the extent to which muscle cells use sugar and fat. Osmotin is a stable protein that can circulate through the body without being broken down by digestion.

The licensing deal follows the publication of a major research study into the protein led by Dr ray Bressan of Purdue University, Indiana. Dr Bressan is a United states national Science Foundation, and the Organization for Pharmaceutical Safety and Research of Japan.

Osmotin has already been extensively tested in laboratory conditions, and FuturaGene plans to sponsor the next research steps, with its university partners. Futuragene is also planning to enter into research and out licensing agreements with several commercial and non-profit institutions to perform the human trials and to obtain the biologics license.

FuturaGene sponsors research at a consortium of universities to develop and commercialise intellectual property. Its existing focus has been to develop drought, cold and in soil contaminated by salt. The licensing agreement for Osmotin marks the company's first steps in developing a human health division designed to commercialise biopharmaceutical products from its research relationships.

Bruno Ruggiero, Chief Executive of FuturaGene said: 'The development of a human health division will mirror the structure of our existing agricultural business. We will identify, license and commercialise intellectual property from research undertaken by our university partners. We are very excited about Osmotin and following the excellent test results obtained so far, we will now be pushing ahead with additional research and, with the input from our partners, follow through with human trials'

FuturaGene develops environmentally friendly solutions which allow crops to grow successfully in challenging environmental conditions. Founded in 2001, FuturaGene was admitted to AIM in June 2004.

For further information, please contact:

FuturaGene Plc Mark Pritchard, Chairman	+44 (0) 7802 827 846
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Cubitt Consulting Michael Henman/John Beresford-Peirse	+44 (0) 20 7367 5100
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Notes to Editors

1. FuturaGene Plc

FuturaGene is committed to the research and development of environmentally friendly solutions to solve crop production problems.

FuturaGene Plc. Is a British company, that sponsors research at a consortium of universities to develop knowledge and create intellectual property that is essential to the development of crop species with enhanced agronomic characteristics including tolerance to a variety of environmental stress such as salt, drought and cold conditions. FuturaGene has established contracts with several universities for the exclusive global commercial rights on a suite of utility and provisional patents.

The Group's technology comprises of a licensed patented portfolio of genes which enhance the function of genes already present in the plant through over expression of these genes. FuturaGene has identified genes which confer enhanced tolerance and enable plants to withstand extreme environmental stresses such as cold, drought, fungal pathogens and high salt concentrations.

Futuragene already has laboratory prototypes of rice and tomato plants with resistance to salt, drought and cold. Selected field tests are planned shortly.

The total seed agricultural biotechnology market is estimated to have a value in the region of \$3bn. The demand for transgenic seeds, such as FuturaGene's, is estimated to grow at some 12% through to 2006, while the total seeds market is estimated to be worth between \$12 and \$15 bn

Futuragene was admitted to AIM (London's Alternative Investment Market) in May 2004.