



SOSEI AND VECTURA ANNOUNCE SUCCESSFUL COMPLETION OF PHASE IIb TRIAL OF NVA237 FOR COPD

Tokyo, Japan & Chippenham, UK – 28 June 2006: Sosei Co. Ltd (“Sosei”; TSE Mothers Index: 4565), and Vectura Group plc (“Vectura”; LSE: VEC) announced today that their collaborative product, NVA237, a novel inhaled once daily treatment for chronic obstructive pulmonary disease (COPD), had successfully completed a Phase IIb multiple dose-ranging clinical trial. NVA237 is being developed and commercialised by Novartis both as a monotherapy and in combination with their once daily bronchodilator indacaterol, under the terms of a global licence agreement signed in April 2005.

The outcome of the study supports the progression of NVA237 and Novartis are proceeding as planned with the development programme.

The trial randomised 335 subjects in 35 European sites into a multi-centre double-blind, parallel group, placebo controlled study, including an additional open label tiotropium group, to assess the efficacy, safety and tolerability of four doses of NVA237 inhaled once daily for 28 days in subjects with COPD.

NVA237 demonstrated bronchodilatory efficacy, as determined by a range of pulmonary function measures. NVA237 achieved statistical significance over placebo in terms of the primary efficacy variable, trough FEV1 and was comparable to tiotropium. These data support the use of NVA237 as a once daily bronchodilator.

Preliminary data indicate that the majority of adverse events were mild and there were no marked differences in incidence or severity compared to placebo or tiotropium.

COPD is a chronic obstruction of the airways which in the developed world is caused primarily by smoking. Symptoms include chronic bronchitis and/or emphysema which slowly progress and eventually lead to a largely irreversible loss of lung function. COPD is currently the fourth most common cause of death and by 2020 is predicted to become the third most common cause of death and the fourth most important disability causing illness. The total financial burden of lung disease in Europe amounts to nearly €102 billion with COPD contributing almost one half of this figure. Around three-quarters of patients with advanced COPD are unable to perform normal everyday activities. The current market for COPD drug therapy is estimated to be worth around \$5.5 billion per annum and is predicted to double to over \$11 billion by 2011 as a result of increasing diagnosis and treatment and the growth of high value new products.

Mr Shinichi Tamura, President & CEO of Sosei, said: "These results further validate the clinical profile of NVA237 and support the potential of the product to provide an important addition to the available therapeutic options to treat COPD, a common and costly disease with high unmet patient need."

Dr Chris Blackwell, Chief Executive of Vectura, added: "We are proud to have delivered pharmaceutical and clinical data to Novartis in a timely manner allowing the development of NVA237 to continue on track. This positive efficacy data, taken

together with the human pharmacokinetic data published at the recent ATS congress, show great promise for NVA237.”

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Notes for Editors:

About the NVA237 licence agreement with Novartis

Sosei and Vectura concluded a global development and commercialisation agreement with Novartis in April 2005 for their collaborative product NVA237. Novartis are responsible for developing and commercializing NVA237 both as a monotherapy and in combination with indacaterol, its once daily, long acting beta 2 agonist.

Under the terms of the agreement Sosei and Vectura have already received \$15 million each and will receive up to \$172.5million each for achieving pre-agreed clinical, regulatory and commercialisation targets for both the monotherapy and combination product. These potential milestones thus total up to \$375 million. In addition, royalties on product sales will be paid for the monotherapy and the combination product. If a third combination product is developed by Novartis, using NVA237, further milestones and royalties may be payable.

About Sosei

Sosei Co. Ltd. is a leading international biopharmaceutical company with significant expertise in product discovery and development. It has established a reduced risk business model primarily upon identifying new uses for established drugs and exploiting its unique position within Japanese, European and North American pharmaceutical markets by acquiring compounds from, and bringing compounds into, Japan.

For further information about Sosei, please visit www.sosei.com

About Vectura

Vectura's principal focus is the development of a range of inhaled drugs for the treatment of both lung diseases and other conditions where optimised delivery via

the lungs can provide significant benefits, such as a rapid onset of action, improved efficacy and improved tolerability compared with current therapies.

Vectura's products combine its proprietary, innovative, pulmonary formulation and device technologies (Aspirair® , GyroHaler® and PowderHale®,) with existing, off-patent drugs either for use in new indications or to provide inhalation as an improved route of administration. Using drugs that have already been approved in some form in at least one major pharmaceutical market lowers the risk of product development failure compared to new chemical entities, Vectura is able to secure patent protection for its portfolio by identifying new indications for off-patent compounds and applying the Company's proprietary delivery technologies to create new methods of administration. The Company has development collaborations with a number of companies, including Boehringer Ingelheim, Novartis, GSK and Chiesi and an unnamed leading international pharmaceutical company.

For further information, please visit Vectura's website at www.vectura.com