



Sosei and Vectura Announce Start of Phase II Studies of QVA149 for the Treatment of COPD

Tokyo, Japan and Chippenham, UK – 15 November 2007: Sosei Group Corporation (“Sosei”; TSE Mothers Index: 4565) and Vectura Group plc (“Vectura”; LSE: VEC) announce the start, by Novartis, of a Phase II safety study of QVA149 for the treatment of chronic obstructive pulmonary disease (COPD). QVA149 is a combination of NVA237, a once-daily long-acting muscarinic antagonist (LAMA) and indacaterol, a once-daily long-acting beta-2 agonist (LABA).

The randomised, double-blind, placebo-controlled, multi-centre study will determine the effect of QVA149 and indacaterol on mean 24-hour heart rate in patients with moderate to severe COPD.

NVA237 was licensed to Novartis by Sosei and Vectura in 2005 in a deal in which the two companies could receive up to US\$ 375 million in milestones as well as royalties on product sales. Indacaterol was discovered by Novartis and is currently in Phase III trials for COPD. NDA submissions have been projected for 2010.

Mr Shinichi Tamura, President & CEO of Sosei, said: “I am delighted that QVA149 has now entered Phase II clinical development. This once-daily LAMA/LABA combination has the potential to be a best in class treatment.”

Dr Chris Blackwell, Chief Executive of Vectura added: “Chronic respiratory diseases like COPD are often sub-optimally treated, and patients don’t always receive effective therapies. The market for COPD therapy is predicted to double in size to \$11 billion by 2011. The progress Novartis is making with both NVA237 and QVA149 is therefore of interest to many.”

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Notes for Editors:

About the NVA237 licence agreement with Novartis

Sosei and its co-development partner Vectura Group plc concluded a global development and commercialisation agreement with Novartis in April 2005 for their collaborative product NVA237. Novartis is responsible for developing and commercializing NVA237 both as a monotherapy and in combination with indacaterol, its once daily, long acting beta 2 agonist, as QVA149.

Under the terms of the agreement, Sosei and Vectura have already received \$15 million each and will receive up to \$172.5 million 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 COPD

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 \$6 billion per annum and is forecast to grow to \$11 billion by 2011 as a result of increasing diagnosis and treatment and the growth of high value new products.

About Sosei

Sosei 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 is a pulmonary drug development company focused principally on the development of a range of inhaled therapies for the treatment of respiratory and neurological diseases. The respiratory market is forecast to achieve sales of \$32 billion by 2011. Vectura develops products to treat respiratory diseases such as asthma, COPD and cystic fibrosis. Vectura also develops products where optimised delivery via the lungs into the blood stream can provide significant benefits, such as a rapid onset of action, improved efficacy and improved tolerability compared with current therapies.

Vectura has eight marketed products and a portfolio of drugs in clinical and pre-clinical development, some of which have been licensed to major pharmaceutical companies. The Company also seeks to develop certain programmes further through development to optimise value at a later licensing stage. Vectura also offers its formulation and inhalation technologies to other pharmaceutical companies on a licensing basis where this complements Vectura's business strategy.

Vectura has development collaborations with a broad range of pharmaceutical companies including Boehringer Ingelheim, Novartis, and Chiesi. The acquisition of Innovata in January 2007 brought established alliances with a number of additional companies, such as Baxter, GSK, Merck Generics (part of Mylan Inc), UCB and Otsuka as well providing revenue streams, complementary products and critical mass.

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