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FOR IMMEDIATE RELEASE

UPSHER-SMITH ANNOUNCES TRANSACTION TO ACQUIRE UK-BASED PROXIMAGEN

Receives Unanimous Recommendation from the Board of Proximagen

Maple Grove, MN – June 13, 2012 – [Upsher-Smith Laboratories, Inc.](#) today announced that it has agreed to acquire [Proximagen Group plc](#) (AIM: PRX), a European biotechnology company focused on the development and commercialization of novel therapeutics for diseases of the central nervous system and inflammation. Upsher-Smith intends to retain operations in Cambridge and London, England and integrate them to form a robust research and development platform for future growth.

“Upsher-Smith is delighted to announce today’s transaction, together with the unanimous recommendation of the Board of Proximagen. We have been very impressed with the quality and breadth of Proximagen’s portfolio of programs, and the commitment and expertise of Proximagen’s employees,” stated Mark Evenstad, President and Chief Executive Officer of Upsher-Smith. “Having worked closely with Proximagen as both a commercial partner and a strategic shareholder since 2008, we believe that Proximagen has significant potential and we are excited about the opportunity of bringing new therapies to market that will benefit patients.”

The acquisition provides Upsher-Smith with expanded research and development capabilities and a platform for future growth in product development. Proximagen’s pipeline contains a number of programs in various stages of development across a number of therapeutic classes including central nervous system, inflammation, oncology and ophthalmology.

The transaction is subject to approval by Proximagen shareholders and other terms and conditions set out in the joint offer announcement released by Upsher-Smith and Proximagen earlier today. This announcement should be read in conjunction with that announcement, which is available at www.upsher-smith.com. The transaction is also subject to the approval of the High Court of Justice in England and Wales.

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In addition to the unanimous recommendation from the Board of Proximagen, Upsher-Smith has obtained irrevocable undertakings from Proximagen shareholders to accept the deal in respect of 72.01 percent of the share capital, including from Proximagen's largest shareholder, Invesco Asset Management Limited.

Upsher-Smith's Expanding CNS Pipeline

Upsher-Smith's central nervous system pipeline in clinical development includes USL255, an investigational extended-release topiramate for the management of epilepsy in adults, which is being studied in an ongoing international Phase III clinical trial. Upsher-Smith is also developing USL261, an investigational intranasal midazolam for the rescue treatment of seizures in patients on stable anti-epileptic drug regimens who require control of intermittent bouts of increased seizure activity, frequently referred to as seizure clusters. USL261 has been granted orphan drug designation for this use by the U.S. Food and Drug Administration and is currently in Phase III of development. Another Upsher-Smith development program involves USL260 (tonabersat), an investigational drug in Phase I of development that is a potential first-in-class neuronal gap junction modulator that is also being explored as a potential treatment for epilepsy.

About Upsher-Smith

Upsher-Smith, founded in 1919, is an independent and privately-owned specialty pharmaceutical company headquartered in Maple Grove, Minnesota that focuses on product growth and innovation for branded, branded-generic and generic pharmaceuticals. Upsher-Smith has a particular focus on providing therapies to assist people suffering from central nervous system diseases (including epilepsy, Parkinson's disease and Alzheimer's disease) and also produces products relating to cardiology, dermatology and women's health. In addition to products currently marketed, Upsher-Smith has an emerging neurology pipeline with three products in clinical development, two of which are in Phase III clinical trials. For more information, visit www.upsher-smith.com.

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This release does not constitute the making of an offer to acquire any securities of Proximagen Group Plc. In addition, this release does not constitute an offer of any securities for sale in the United States or to U.S. persons. Securities may not be offered or sold in the United States or to U.S. persons absent registration or an exemption from registration. The company does not intend to register or offer its securities in the United States or to U.S. persons.

Forward-Looking Statements

This announcement contains certain forward-looking statements with respect to Upsher-Smith and Proximagen. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, aim, will, may, would, could or should or other words of similar meaning or the negative thereof. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, economic performance, financial conditions, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the operations of the Upsher-Smith Group or the Proximagen Group; and (iii) the effects of government regulation on the business of the Upsher-Smith Group or the Proximagen Group.

These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. All subsequent oral or written forward-looking statements attributable to Upsher-Smith or Proximagen or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above.

Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of Upsher-Smith, Proximagen or the combined business following completion of the Offer, unless otherwise stated.

UK TAKEOVER CODE DEALING AND OPENING POSITION DISCLOSURE REQUIREMENTS

Under Rule 8.3(a) of the U.K. City Code on Takeovers and Mergers (the "Code"), any person who is interested in one per cent. or more of any class of relevant securities of an offeree company must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified.

Disclosures are therefore required to be made in respect of the stock of Proximagen.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure. Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must

contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4). Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.