ReGen Therapeutics PLC
28 September 2001

REGEN THERAPEUTICS PLC

Interim Results Announcement
For the six months ended 30 June 2001

ReGen Therapeutics Plc ('ReGen'), the biotech company currently focussing on the development of a treatment for Alzheimer's disease, announces its interim results for the six months ended 30 June 2001.

HIGHLIGHTS:

* ColostrininTM clinical trials in Poland: Progress reported
* First UK patents granted for ColostrininTM
* Progress towards developing a scaleable manufacturing process
* Financials:

  - Loss of £0.655 million for the six months ended 30 June 2001 (2000 £0.418 million).

  - Cash balances of £1.154m. Additional development capital is currently being arranged.

Commenting on the results, Percy Lomax, Chairman, said:

' We are encouraged by the progress ReGen has made in the first six months of the year and look forward to reporting further progress over the next six months'.

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CHAIRMAN'S STATEMENT

I am pleased to report within this six month interim period continuing progress on ReGen's development of ColostrininTM (a proline rich polypeptide complex derived from ovine colostrum) as a potential treatment for Alzheimer' disease.

Financial results

The loss of £0.655m for the six months reflects the company's planned expenditure on its development programme. Losses per share were 1.25p (2000: 0.97p). Cash balances were £1.154m. Additional development capital is currently being arranged.

Clinical development

In April ReGen announced that the International Steering Committee for the multi-centre clinical trial being conducted in Poland had undertaken an interim review of the data and reported that there were no ColostrininTM related safety issues of concern and that the data showed an encouraging tren towards efficacy when comparing the active and placebo group of patients.

The Committee however also found that the differentiation between the ColostrininTM treated group and the placebo group did not meet the statistica significance test included in the trial protocol and as such, recommended the recruitment of additional patients to increase the probability that the full trial will generate a statistically significant result. In accordance with the recommendation of the Committee, we have almost completed the enrolment o the additional patients into this trial and expect to be able to update the status of the trial based on access to unblinded clinical information early next year.

Manufacturing Progress

We have continued to work on the development of a commercial scale manufacturing process in accordance with current Good Manufacturing Practice (cGMP) through our agreement with Accentus Plc and with the collaboration of scientific colleagues in Poland. Good progress has been made, in that we hav identified a number of methods allowing us to produce materials with physical characteristics similar to that produced in Poland at the laboratory scale by the original process, but using processes which are capable of being run at a industrial scale and in compliance with cGMP. However, data comparing the biological activity of these materials is currently being generated and additional work is required to select the best process, providing greater yield and purity.

Shareholders should note that we will have to conduct additional clinical trials as well as further toxicity and bio-equivalence studies.

Intellectual Property

The first UK patents on ColostrininTM were granted in June this year. These are based upon the original 1997 filing made by ReGen's subsidiary, Georgiade Biotech Limited and the Ludwik Hirzfeld Institute of Immunology and Experimental Therapy (Poland). These patents cover the application for ColostrininTM in the treatment of Alzheimer's disease and other neurological applications.

Summary

We are encouraged by the progress ReGen has made in the first six months of the year and look forward to reporting further progress over the next six months. As already mentioned, we are now reviewing the funding required to enable us to complete the current clinical trials in Poland and as always are prudent in how we spend our shareholders money. We are seeking to raise additional capital to enable the trials to be completed and to continue the work required to complete the development of a suitable manufacturing process Further details will be given to shareholders in due course.

We endeavour to keep shareholders up to date of any developments within ReGen as they are announced to the market. I am pleased therefore to inform you tha our investor relations web page has now gone 'live'. I trust that you will find the information within this forum a valuable addition to investor material which you receive from the Company.

Finally, I would like to thank everyone associated with ReGen together with shareholders for their continued assistance and support.

Percy Lomax, Chairman
28 September 2001

The information contained in this press release includes forward-looking statements that involve risks and uncertainties. Any statements that are not statements of historical fact (including without limitation statements to the effect that the Company or its management 'believes', 'expects', 'intends', 'anticipates', 'plans' and similar expressions) should be considered forward-looking statements. Important factors that could cause actual result to differ from those indicated by such forward-looking statement include uncertainties relating to the results of the current clinical trial, the necessity to conduct further clinical trials and related studies (such as toxicity and bio-equivalence), the ability to develop a scaleable manufacturing process for ColostrininTM, product testing and regulatory approval, efficacy and safety of ColostrininTM in the treatment of any diseas or condition.

ColostrininTM is a trade mark of ReGen Therapeutics Plc.

Consolidated Profit and Loss Account
For the six months ended 30 June 2001

	Unaudited 6 months to 30-Jun-01 (£000)	Unaudited 6 months to 30-Jun-00 (£000)	Audite Year t 31-Dec-0 (£000
Administrative expenses	714	468	1,22
Operating loss	(714)	(468)	(1,227
Interest Receivable	59	50	15
Loss on ordinary activities before taxation	(655)	(418)	(1,071
Tax on ordinary activities	-	-	(84
Loss on ordinary activities after taxation	(655)	(418)	(987
Loss per share (basic and diluted)	(1.25)p	(0.97)p	(2.05)

Consolidated Balance Sheet
As at 30 June 2001

	Unaudited As at 30-Jun-01 (£000)	Unaudited As at 30-Jun-00 (£000)	Audited As at 31-Dec-00 (£000)
Fixed Assets			
Intangible assets	4,055	2,514	3,537

Tangible assets	65	9	73
	4,120	2,523	3,610
Current assets			
Investments			200
Debtors	188	71	230
Cash at bank	1,154	4,105	2,178
	1,342	4,176	2,608
Creditors: amounts falling due within one year	(393)	(411)	(494)
Net current assets	949	3,765	2,114
Net assets	5,069	6,288	5,724
Capital and reserves			
Called up share capital	2,627	2,627	2,627
Share premium	4,910	4,905	4,910
Profit and loss account	(2,469)	(1,245)	(1,814)
Equity shareholders' funds	5,068	6,287	5,723
Non-equity minority interests	1	1	1
	5,069	6,288	5,724

Consolidated Cash Flow Statement
For the six months ended 30 June 2001

	Unaudited As at 30-Jun-01 (£000)	Unaudited As at 30-Jun-00 (£000)	Audit As 31-Dec- (£00
Operating loss	(714)	(468)	(1,22
Amortisation	40	37	
Depreciation	13	-	
Decrease/(increase) in debtors	42	7	(6
Increase/(decrease) in creditors	(100)	45	1
Net cash outflow from operating activities	(719)	(379)	(1,06
Returns on investments and servicing of finance			
Interest received			
Taxation	59	50	1
Capital expenditure and financial investment	-	-	(
Payments to acquire tangible fixed assets	(6)	(6)	(9
Payments to acquire intangible fixed assets	(558)	(440)	(1,49
Net cash outflow before management of liquid resources and financing	(1,224)	(775)	(2,50
Management of liquid resources			
Decrease/(Increase) in short term deposits	1,000	-	(2,05
Financing			
Proceeds of shares issued for cash	-	5,280	5,2
Increase in short term borrowings	-	-	

Expenses paid on share issue	-	(558)	(55
	-	4,722	4,7
Increase/(Decrease) in cash	(224)	3,947	1

Notes to the Interim Report:

Basis of preparation

The results for the six months ended 30 June 2001 are unaudited and have been prepared on a basis consistent with the statutory accounts for the year ended 31 December 2000. The comparative amounts for the year ended 31 December 200 do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985 but have been extracted from the audited statutory account delivered to the Registrar of Companies on which the auditors issued an unqualified report which did not contain a statement under section 237 of tha Act.

Intangible fixed assets

Costs amounting to £520,247 in respect of the development of Colostrinin and 37,466 relating to patent rights have been capitalised for the six months to 30 June 2001 in accordance with the company's stated accounting policy.

Earnings per share

The calculation of earnings per share is based on the weighted average number of shares in issue for the period of 52,538,441 and the loss for the period o £655,401.