

FOR IMMEDIATE RELEASE

31st October 2011

REGEN THERAPEUTICS LIMITED

TRADING UPDATE FOR THE SIX MONTHS TO 30 JUNE 2011

COMMENTARY

ReGen Therapeutics Limited ("RGTL" or "the Company") announces that its revenues from sales of ColostrininTM for the first half of 2011 were £90,000. This is the first accounting period for RGTL since its de-merger from its former parent, Alexander David Investments Plc ("ADI") and its first financial statements as a stand-alone entity. The financial information therefore contains no comparative figures but for comparison purposes sales for the full years were £56,055 in 2009 and £187,741 for 2010.

Sales for the first half of 2011 were at similar levels to those in the first half of 2010 while overheads have reduced significantly now that the Company is run from a virtual office without the burden of costs associated with a public company. It should also be noted that prior to the de-merger the running costs of the ReGen business were borne by ADI so the costs incurred in this financial period are only those from the effective date of de-merger on 18 February 2011. Under UK GAAP the Company was also obliged to amortise goodwill, which it has done over 20 years and this has created an additional charge of £9,000. As a result of these factors the loss for the period amounted to £43,000.

To date the Company has drawn down £150,000 of the £240,000 loan facility available from ADI. The principal use of those funds has been the acquisition of a filtration rig for £133,000, giving the Company the security of being able to produce active ingredient as and when it needs to.

Although actual sales have remained relatively flat over the first half of the year much has been achieved during this period. Of key importance has been the purchase of the new filtration rig to produce new liquid concentrate, which in turn has been successfully freeze-dried by a new contractor to produce saleable material. The significance of this should not be underestimated as any change to an established process can often be problematic and lead to inherent difficulties.

Some of this new material is now being used to produce the first large scale batch of ReGen tablets which can then be offered to current and future potential licensees to afford them greater strategic flexibility. This of course will also increase revenues to ReGen.

Based on the number of active negotiations ongoing with new potential distribution partners and the number of existing licensees moving closer to the point of regulatory approval and first sale, we remain optimistic that sales will be more consistent and should show a significant improvement in the future. It should however be noted that the experience of partners in many territories (eg Argentina, Brazil, Middle East, South Korea) has been that the regulatory process for nutraceuticals is less clear and more demanding than they had first thought. This means that the period between signing an agreement and

first revenues can be significant. That having been said, we would hope to announce several new agreements and progress with existing ones before the end of the year.

Discussions continue with several parties with regard to their production of formulations containing other proprietary ingredients in combination with ColostrininTM. Indeed, a Material Transfer Agreement has been signed with an emerging UK company this week which allows them to begin the development of such a combination product. For commercial reasons this company has requested that it remain anonymous. Such products are seen as another way to broaden the consumer appeal of ColostrininTM and augment its sales.

Further information:

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Tim Shilton, Chief Executive Officer
Norman Lott, Finance Director

ReGen Therapeutics Limited

Interim Results for the Six Months to 30 June 2011

Consolidated income statement

For the six months ended 30 June 2011

**Unaudited
6 months to
30-Jun-11
(£000)**

Continuing operations

Revenue 90

Cost of sales (20)

Gross profit 70

Research and development costs	12
Amortisation of goodwill	9
Other administrative costs	87

Administrative costs 108

Operating loss (38)

Finance income -

Finance costs (5)

Loss before taxation (43)

Taxation -

Loss after taxation for continuing activities (43)

Attributable to:

Equity holders of the parent (43)

Basic and diluted loss per share

Note 3

(0.05)p

ReGen Therapeutics Limited

Consolidated statement of financial position

Unaudited
As at
30-Jun-11
(£000)

Assets

Non current assets

Goodwill	333
Other intangible assets	414
Property, plant and equipment	126

Total non current assets

873

Current assets

Inventories	28
Trade and other receivables	57
Tax receivable	-
Cash and cash equivalents	108

Total current assets

193

Total assets

1,066

Liabilities

Current liabilities

Trade and other payables	95
Loans and borrowings	184

Total current liabilities

279

Total liabilities

279

Total net assets

787

Equity

Capital and reserves

Share capital - Issued and fully paid	Note 4	92
Share premium		738
Other reserves		-
Retained earnings		(43)

Total equity

787

ReGen Therapeutics Limited

Consolidated statement of cash flows

Unaudited
6 months to
30-Jun-11
(£000)

Loss after tax for the period	(43)
Amortisation of goodwill	9
Amortisation of intangible assets	28
Depreciation of property, plant and equipment	7
Interest charged	5
Interest credited	-
Taxation received	-
Operating cash flows before movements in working capital and provisions	6
Decrease/(Increase) in inventories	(18)
Decrease in receivables	16
(Decrease)/increase in payables	56
Net cash outflow from operating activities	60
Cash flows from investing activities	-
Interest received	-
Purchase of tangible assets	(105)
Purchase of intangible assets	(21)
Net cash used in investing activities	(126)
Cash flows from financing activities	-
Net proceeds from issue of share capital	14
Proceeds from convertible loan	150
Interest paid	(5)
Net cash from financing activities	159
Net increase/(decrease) in cash and cash equivalents	93
Opening cash and cash equivalents	(19)
Closing cash and cash equivalents	74

Note 5

ReGen Therapeutics Limited
Notes to the financial information
Six Months Ended 30 June 2011

1. General information

On 30 December ReGen Therapeutics Limited (under its previous name ReGen Newco Limited) acquired the business assets of (excluding liabilities) of the old ReGen business from ReGen Therapeutics Plc (now renamed Alexander David Investments Plc).

Until 18 February 2011 ReGen Therapeutics Plc carried on the development of nutraceutical healthcare products and ethical pharmaceuticals. On 18 February ReGen Therapeutics Plc changed its name to Alexander David Investments Plc and demerged the ReGen business carried on by ReGen Therapeutics Limited by way of transfer of the issued shares of ReGen Therapeutics Limited to the shareholders of ReGen Therapeutics Plc who were on the the Plc as at 15 February 2011. The running costs of the ReGen business were borne by its former parent up to the effective date of the de-merger on 18 February 2011.

2. Basis of preparation

The consolidated financial information, which includes the results of the Company and its subsidiary undertakings, has been prepared under the historical cost convention and in accordance with United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice). This financial information does not represent statutory financial information for the Company.

3. Loss per share

**6 months to
30-Jun-11**

Numerator

Loss for the period (£)

43,000

Denominator

Weighted average number of shares of 0.1p

92,236,547

ReGen Therapeutics Limited
Notes to the financial information
Six Months Ended 30 June 2011

4. Share Capital

**6 months to
30-Jun-11
(£000)**

Called up share capital issued and fully paid
92,326,547 ordinary shares of 0.1p each

92

On 18 February 89,446,547 shares in ReGen Therapeutics Limited were transferred to the existing shareholders of ReGen Therapeutics Plc.

On 18 February 2011, the Company issued 2,880,000 ordinary shares of 0.1p each at a premium of 0.4p per share to Alexander David Investments Plc as a facility fee for granting a convertible loan of up to £240,000 for an equivalent consideration of £14,400.

5. Note supporting cash flow statement

Cash and cash equivalents comprises:

**Unaudited
As at
30-Jun-11
(£000)**

Cash available on demand
Short-term deposits

**107
1**

Cash and cash equivalents
Overdraft

**108
(34)**

74