

25 September 2000

Interim Results for the six months' to 30 June 2000

ReGen's Interim Figures show the continuing development of the Company in the first half of the year 2000. The successful rights issue in March raised £5million. This is reflected in the balance sheet, which shows an increase in cash in the bank from £0.2 million at the end of 1999 to £4.1million at the end of June 2000. The cash raised enabled ReGen to obtain the services of a key employee from the Pharmaceutical Industry - Mr Michael Harvey as Managing Director. He has further extended the Company's pharmaceutical infrastructure increasing its capability to manage the progress of Colostrinin through its current development stage. These costs, which have been necessitated by the progress made in the current year, mainly account for the increase in administrative spend.

Looking ahead our clinical trials of Colostrinin for the treatment of Alzheimer's are continuing in Poland and we will make available the results as soon as is practicably possible. We continue to explore ways of developing our manufacturing expertise. Our current cash strength enables us to plan for the future with confidence, but we are keeping a very tight control on expenditure as our cash flow statement shows.

Percy Lomax

Executive Chairman

Group Profit and Loss Account

	Unaudited 6 months to 30-Jun-00 £	Unaudited 6 months to 30-Jun-99 £	Audit Year 31-Dec-99 £
Turnover	-	-	-
Administrative expenses	(468,309)	(279,620)	(562,010)
Interest Receivable	49,730	7,071	8,100
Loss on ordinary activities	(418,579)	(272,549)	(553,870)
Tax on ordinary activities	-	-	-
Loss on ordinary activities after taxation	(418,579)	(272,549)	(553,870)
Loss per share	(0.97)p	(0.80)p	(1.71)

Group Balance Sheet

	Unaudited	Unaudited	Audit
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	As at 30-Jun-00 £	As at 30-Jun-99 £	As 31-Dec-99
Fixed Assets			
Intangible assets	2,513,900	1,962,629	2,111,500
Tangible assets	8,718	1,907	2,800
	2,522,618	1,964,536	2,114,400
Current assets			
Debtors	71,461	164,496	78,800
Cash at bank	4,104,864	175,962	157,500
	4,176,325	340,458	236,400
Creditors: amounts falling due within one year	(410,990)	(323,455)	(366,290)
Net current assets/(liabilities)	3,765,335	17,003	(129,890)
Net assets	6,287,953	1,981,539	1,984,500
Capital and reserves			
Called up share capital	2,626,921	1,604,065	1,684,000
Share premium	4,905,713	922,247	1,126,600
Profit and loss account	(1,245,101)	(545,193)	(826,520)
Equity shareholders' funds	6,287,533	1,981,119	1,984,100
Non-equity minority interests	420	420	400
	6,287,953	1,981,539	1,984,500

Group Cash Flow Statement

	Unaudited As at 30-Jun-00 £	Unaudited As at 30-Jun-99 £	Audited As 31-Dec-99
Operating loss	(468,309)	(279,620)	(562,010)
Amortisation	37,245	37,245	74,400
Depreciation	324		400
Decrease/(increase) in debtors	7,408	25,530	2,700
Increase/(decrease) in creditors	44,697	(93,277)	(50,430)
Net cash outflow from operating activities	(378,635)	(310,122)	(534,740)
Returns on investments and servicing of finance			
Interest received	49,730	7,071	8,100
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	(6,164)		(1,410)

Payments to acquire intangible fixed assets	(439,556)	(83,848)	(270,05
Net cash outflow before financing	(774,625)	(386,899)	(534,74
Financing			
Proceeds of shares issued for cash	5,279,995		404,3
Increase in short term borrowings			
Expenses paid on share issue	(558,037)		(11,63
	4,721,958		392,7
Increase/(Decrease) in cash	3,947,333	(386,899)	(405,33

Notes to the Interim Report:

Basis of preparation

The results for the six months ended 30 June 2000 are unaudited and have been prepared on a basis consistent with the statutory accounts for the year ended 31 December 1999. The comparative amount for the year ended 31 December 1999 do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985 but have been extracted from the audited statutory accounts delivered to the Register of Companies on which the auditors issued an unqualified report which did not contain a statement under section 237 of that Act.

Intangible fixed assets

Costs amounting to £353,042 in respect of the development of Colostrinin and £86,513 relating to patent rights have been capitalised for the six months to 30 June 2000 in accordance with the company's stated accounting policy.

Share capital

On 24 March 2000 the company issued 17,857,142 shares of 5p each at a premium of 23p per share following its admission to the Alternative Investment Market.

On 3 May 2000 Hoodless Brennan & Partners exercised options on 1,000,000 shares of 5p at a premium of 23p per share.

The number of ordinary shares in issue at 30 June 2000 was 52,538,441.

Earnings per share

The calculation of earnings per share is based on the weighted average number of shares in issue for the period of 42,943,196 and the loss for the period of £418,579.