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3 May 2012

Retroscreen Virology Group plc ("Retroscreen" or the "Company")

First day of Dealings and Admission to AIM

The Board of Directors of Retroscreen, the viral challenge and "Virometrics" specialist, is pleased to announce the Company's admission to the AIM market of the London Stock Exchange and the commencement of dealings in its Ordinary Shares on AIM at 8.00am today. The Company's ticker symbol is "RVG" and the ISIN number of the Ordinary Shares is GB00B6ZM0X53.

The Company has raised gross proceeds of GBP15.0 million in a placing of 18,750,000 Ordinary Shares at 80 pence per share. On the basis of 40,976,920 Ordinary Shares being admitted to trading on AIM, and the Placing Price, the market capitalisation of the Company at Admission will be approximately GBP32.8 million.

Highlights

- Retroscreen is a virology healthcare business that provides clinical services, focused on the Viral Challenge Model ("VCM"), and pre-clinical analytical services primarily to large, global pharmaceutical companies and biotechnology organisations.
- The Group has grown and developed the VCM for evidencing the efficacy of antiviral and viral therapeutics in RSV, flu and cold. As the business develops, it intends to expand into adjacent clinical areas, such as asthma. It also intends to leverage "Virometrics", harvesting the potential of its research for the discovery and creation of proprietary intellectual property.
- Admission to AIM with a market capitalisation of approximately GBP32.8 million.
- The Company has raised gross proceeds of GBP15.0 million, including GBP2.4 million from existing shareholders, Directors and employees, via the placing of 18,750,000 Ordinary Shares at 80 pence per share; net proceeds raised of GBP14.0m.
- A further GBP2.4 million, before expenses, has been raised for selling shareholders via a placing of existing shares at the Placing Price.
- Proceeds are to be used to invest in infrastructure, facilities and personnel, to allow the Group to pursue its development strategy and as general working capital to fund the Group's 2012 and 2013 pipeline.

Commenting today, Kym Denny, CEO of Retroscreen, said: "I am delighted that Retroscreen has today joined AIM and I would like to welcome all our new shareholders to the Company. It is a very exciting day for Retroscreen, and one which we believe will be transformational for the development of the business. We are all looking forward to developing the unique Retroscreen model and growing the business as a public company alongside our existing and new shareholders."

Numis Securities Limited is acting as nominated adviser and broker in relation to the Admission.

Placing Statistics

Placing Price per share	80.0p
Number of Existing Ordinary Shares	22,039,420
Number of Placing Shares being issued pursuant to the Placing	18,750,000
Number of Ordinary Shares in issue at Admission*	40,976,920
Percentage of Enlarged Share Capital represented by Placing Shares	45.8%
Gross proceeds of the Placing	GBP15.0 million
Estimated net proceeds of the Placing receivable by the Company	GBP14.0 million
Market capitalisation of the Company at the Placing Price	GBP32.8 million
TIDM Code/AIM Symbol	RVG
ISIN	GB00B6ZM0X53

* This includes 187,500 Ordinary Shares issued to Numis in respect of a corporate finance fee.

Further details including the Admission Document are available on the Company's website at www.retroscreen.com.

Terms defined in the Admission Document have the same meaning in this announcement unless otherwise stated.

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Numis Securities Limited, which is authorised and regulated by the Financial Services Authority, is acting for Retroscreen and for no-one else in connection with the Placing and Admission and will not be responsible to anyone other than

Retroscreen for providing the protections afforded to clients of Numis Securities Limited, or for providing advice in relation to the Placing and Admission or any matters referred to this announcement.

Certain statements in this announcement are “Forward Looking statements”. These Forward Looking statements are not based on historical facts but rather on management’s expectations regarding the Group’s future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), planned expansion and business prospects and opportunities. Such Forward Looking statements reflect management’s current beliefs and assumptions and are based on information currently available to management. Forward Looking statements involve significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the Forward Looking statements including risks associated with vulnerability to general economic market and business conditions, competition, environmental and other regulatory changes or actions by governmental authorities, the availability of capital, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond control of the Group. Although the Forward Looking statements contained in this announcement are based upon what management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these Forward Looking statements.

Background Information

Retroscreen has pioneered the commercialisation of the Viral Challenge Model (or the VCM) that enables research into viral infection and also enables pharmaceutical companies to accelerate and reduce the cost of bringing antiviral therapeutics and vaccines to market. In the VCM, healthy volunteers are isolated in a specialist facility and are exposed to a characterised respiratory virus and then observed for ten to fifteen days. During this time and through the use of Retroscreen’s VCM, they may either be treated with an experimental drug candidate, or may participate in a virus only research programme. Volunteers are closely monitored in all cases with Retroscreen collecting samples and recording data including, for example, as to the effectiveness of the drug.

The VCM has, to date, been used primarily in the growing market for flu and cold testing, estimated to be sized at £612 million per annum, in relation to which Retroscreen has a strong pipeline. The Group intends to expand the use of the VCM into a range of other adjacent markets, such as testing drugs to treat virus-exacerbated asthma, estimated to be a market sized at £357 million per annum. The Directors believe that the VCM provides a vehicle to harvest unique human samples that gives extensive insight into the human immune system and its response to viruses which will also allow the Group to exploit its own proprietary “Virometric” data and biological materials. This in turn, could enable Retroscreen to collaborate with leading research groups to provide direction for the next generation of therapeutics and diagnostics, changing the way in which vaccines and anti-virals are developed.

Strategy & Use of Proceeds

Retroscreen’s forward looking strategy involves three key components:

- to dominate the respiratory viral clinical testing market, particularly Phase Ib to IIb trials, including scaling up its existing operations with an additional bespoke quarantine unit;
- to expand the VCM into adjacent and sizeable markets, for example asthma and COPD, targeting the development of its AD-VCM for roll-out to clients by the end of 2013; and
- to continue to leverage “Virometrics”, harvesting the potential of the VCM for discovery and the creation of proprietary intellectual property. The Group will prioritise its focus initially on both conducting further experiments around its T cell Epitope discovery and the further development of its Virobase and Biorepository.

The Directors believe there is increasing demand for the VCM and that Retroscreen is the only commercial organisation that has this extensive clinical testing know-how applying this model and, accordingly, intend to use the proceeds of the Placing to provide working capital to both extend and expand the Group’s operations and to ensure that the Group has capital to enable it to exploit discoveries.

More specifically, the Directors intend to apply the proceeds of the Placing as follows:

- to invest in infrastructure and expand facilities and office locations, including an additional bespoke VCM unit as well as information technology systems in order to provide capacity for and to efficiently manage an increased level of viral challenge quarantines and/or to run viral challenge quarantines concurrently. As the number of subjects required for Retroscreen’s pipeline increases, the Group intends to establish satellite offices and clinics in various locations around the UK in order to more easily access potential volunteers and employable staff;
- to expand and broaden the scientific team and testing capability, including the addition of expertise in new target areas for the VCM, such as asthma, and the further development of its internal Virometrics capabilities as outlined above;
- to acquire additional stocks of virus and to characterise and develop further inventory from existing proprietary stocks to the required GMP standards;
- towards harvesting the results and experiences of the VCM studies, including the establishment of its proprietary Virobase and the Biorepository;
- towards the continued protection of its proprietary intellectual property resulting from its VCM experiences and to develop and optimise opportunities to a point where partnership or further funding can be best evaluated on a risk return; and
- as general working capital to fund the Group’s 2012 and 2013 pipeline.