

## **ASTERAND PLC**

### **Asterand to settle final payment for BioSeek acquisition with cash**

#### ***Asterand secures \$3 million loan agreement***

Asterand plc (LSE: ATD), a leading provider of human tissue and human tissue-based services to pharmaceutical and biotechnology companies engaged in drug discovery research, today announces its plans to settle its final payment for the acquisition of BioSeek under the earn-out agreements.

Following the acquisition in February 2010, the integration of BioSeek has proceeded well. BioSeek's revenues have increased by more than 50%, which is in line with our expectations. We are further encouraged by the potential for this exciting technology paired with Asterand's focused distribution channels.

The total purchase price for BioSeek is based on BioSeek's 2010 revenues via a formula communicated in the circular issued to shareholders on 3 February 2010. The first US \$1 million of consideration was paid earlier this year. A further payment will be payable in 2011 depending on the level of sales growth achieved by BioSeek in the twelve months ended 31 December 2010.

Based on BioSeek's expected revenue for the year ended 31 December 2010, the Directors of Asterand estimate that a further US \$8 million of consideration will be payable in March/April 2011 to complete the acquisition. As per the agreement and as previously announced, the first US \$3 million of such payment will be satisfied through the issue of 8.1 million Asterand shares (the "Consideration Shares") at 22 pence per share, (calculated on the average share price during the 30 consecutive trading day period ended 17 November 2009, converted into US dollars at the exchange rate for the same period (being 22p/\$0.37)). A further announcement will be made at the time of issue of the Consideration Shares.

Asterand may settle any remaining consideration payable in any combination of cash and/or shares. Assuming the remaining consideration payable will be approximately US \$5 million (subject to the actual revenue for the year to 31 December 2010), given the current share price, the Board has decided it would be in Asterand's shareholders' interests to pay this amount in cash, rather than diluting existing shareholders. To fund a cash settlement for the remaining contingent acquisition payment, Asterand has secured a firm letter of commitment for a new US \$3 million 3-year term loan from Silicon Valley Bank ("SVB"). In addition, the Company's existing revolving line of credit remains intact with availability of US \$3 million (previously US \$5 million).

The Company currently has no long term debt outstanding.

**Martyn Coombs, Chief Executive Officer of Asterand commented:**

“We are pleased that our first acquisition has been a success. BioSeek’s performance has met our original expectations.”

“We believe that electing to make the final payment for the BioSeek acquisition in cash is in the best interest of Asterand shareholders. Our new facility will allow us to meet our obligations for the acquisition without dilution to our shareholders or a reduction in our cash reserves. SVB has once again proven to be a strong, long term partner by providing us with a very attractive loan package in a tough banking environment.”

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**About ASTERAND**

Asterand plc is a leading supplier of high quality human tissue and tissue-based services. Our comprehensive approach to human tissue and research services offers pharmaceutical, biotech and diagnostic companies the unique opportunity to have one company meet all of their human biomaterial needs along the continuum of drug discovery and development. Our mission is to accelerate target discovery and compound validation and enable pharmaceutical and biotechnology companies to take safer and more effective drugs into the market.

*For more information, go to [www.Asterand.com](http://www.Asterand.com).*