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17 November 2011

Asterand Plc

("Asterand" or the "Company")

Update on Formal Sale Process

On 24 October 2011, the Company announced the commencement of a formal sale process with the intention of targeting the second half of November for determining a potential offer for the Company. The deadline was predicated on the estimates at that time of the Company's short term cash flows and the need to deal with the creditors with whom the Company is currently in default.

As announced in the Company's Interim Management Statement released this morning, the Board has reviewed the cash flow projections and, after discussions with the main secured creditors, the Board now believes that there will be sufficient cash to last the Company into the early part of 2012. The original deadline had provided only a short time frame for due diligence and, given the several credible approaches received by the Company since 24 October and revised cash position, the Board, has decided to extend the timeframe to allow potential offerors more time to carry out due diligence prior to considering whether to make an offer.

The revised intended timeframe is as follows:

28 November – 16 December 2011	Site visits by Potential Offerors
5 January 2012	Submission of possible offer terms by potential offerors
9 January – 19 January 2012	Negotiations with preferred potential offerors
6 February 2012	Announcement of result of formal sales process

Shareholders should note that whilst the Board is working to secure a recommended offer by the middle of January 2012, there is no guarantee that an offer will be made, or even proposed, or as to the level of any proposal or offer that may be made. If a recommended offer is secured by the targeted date, the Board anticipates that an offer document would then be posted in the following 28 days.

The Board is also pleased to announce that it has appointed Covington Associates LLC (www.covllc.com), a US based investment bank which specialises in the healthcare sector, to assist the Company and Daniel Stewart in negotiations with potential offerors.

The Board reserves the right to alter any aspect of the sale process as outlined above or to terminate it at any time and in such cases will make an announcement as appropriate. As highlighted in today's Interim Management Statement by the Company, the improvement in trading is overshadowed by

the issues with the Company's balance sheet and whilst the Board is encouraged by the interest that it has received following the announcement of the formal sale process, it continues to evaluate the potential for refinancing discussions in parallel with the formal sale process.

The Board reserves the right to reject any approach or terminate discussions with any interested party or participant at any time.

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A copy of this announcement will be available at www.asterand.co.uk. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

Daniel Stewart & Company Plc ("Daniel Stewart") (which is authorised and regulated in the United Kingdom by the Financial Services Authority) is acting exclusively for the Company and for no one else in connection with any possible offer and will not be responsible to anyone other than the Company for providing the protections afforded to Daniel Stewart's clients nor for providing advice in relation to any possible offer or any other matters referred to in this announcement.

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities whether pursuant to this announcement or otherwise. The distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm

(London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.