Vectura and Sosei Announce NVA237 Dose Ranging Study in New Device

Chippenham, UK and Tokyo, Japan – July 18 2007: Vectura Group plc ("Vectura"; LSE: VEC) and Sosei Group Corporation ("Sosei"; TSE Mothers Index: 4565), announce the publication by Novartis on the ClinicalTrials.gov website of a second dose ranging study of NVA237; a once daily long acting muscarinic antagonist for the treatment of chronic obstructive pulmonary disease (COPD), against an active comparator. NVA237 was licensed to Novartis by Vectura and Sosei in 2005 in a deal in which the two Companies could receive up to USD 375 million in milestones as well as royalties on product sales.

The trial, a randomised, double-blind, placebo-controlled, multiple dose, 4 period cross-over study is being undertaken to assess the efficacy and safety of 4 doses of NVA237 in patients with stable COPD, compared to an active control, tiotropium, using Novartis' proprietary Single Dose Dry Powder Inhaler (SDDPI). The study will define, in this new device, the optimal dose range of NVA237 to be used in the Phase III clinical trials.

Mr Shinichi Tamura, President & CEO of Sosei, said: "I am delighted that development of NVA237 continues to progress on schedule and that NDA submissions are expected to be filed for both NVA237 and QVA149 in 2010."

Dr Chris Blackwell, Chief Executive of Vectura added: "The dose-ranging study in this new device is necessary to support the Phase III clinical trials. Good progress therefore continues to be made on the development of NVA237."

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Notes for Editors:

About the NVA237 licence agreement with Novartis
Sosei and its co-development partner Vectura Group plc concluded a global development and commercialisation agreement with Novartis in April 2005 for their collaborative product NVA237. Novartis is responsible for developing and commercializing NVA237 both as a monotherapy and in combination with indacaterol, its once daily, long acting beta 2 agonist as QVA149.

Under the terms of the agreement, Sosei and Vectura have already received $15 million each and will receive up to $172.5 million each for achieving pre-agreed clinical, regulatory and commercialisation targets for both the monotherapy and combination product. These potential milestones thus total up to $375 million. In addition, royalties on product sales will be paid for the monotherapy and the combination product. If a third combination product is developed by Novartis, using NVA237, further milestones and royalties may be payable.

About COPD
COPD is a chronic obstruction of the airways which in the developed world is caused primarily by smoking. Symptoms include chronic bronchitis and/or emphysema which slowly progress and eventually lead to a largely irreversible loss of lung function. COPD is currently the fourth most common cause of death and by 2020 is predicted to become the third most common cause of death and the fourth most important disability causing illness. The total financial burden of lung disease in Europe amounts to nearly €102 billion with COPD contributing almost one half of this figure. Around three-quarters of patients with advanced COPD are unable to perform normal everyday activities. The current market for COPD drug therapy is estimated to be worth around $5.5 billion per annum and is predicted to double to over $11 billion by 2011 as a result of increasing diagnosis and treatment and the growth of high value new products.

About Sosei
Sosei is a leading international biopharmaceutical company with significant expertise in product discovery and development. It has established a reduced risk business model primarily upon identifying new uses for established drugs and exploiting its unique position within Japanese, European and North American pharmaceutical markets by acquiring compounds from, and bringing compounds into, Japan.
For further information about Sosei, please visit www.sosei.com

About Vectura
Vectura is a pulmonary drug development company focused principally on the development of a range of inhaled therapies for the treatment of respiratory and neurological diseases. The respiratory market is forecast to achieve sales of $32 billion by 2011. Vectura develops products to treat respiratory diseases such asthma, COPD and cystic fibrosis. Vectura also develops products where optimised delivery via the lungs into the blood stream can provide significant benefits, such as a rapid onset of action, improved efficacy and improved tolerability compared with current therapies.

Vectura has eight marketed products and a portfolio of drugs in clinical and pre-clinical development, some of which have been licensed to major pharmaceutical companies. The Company also seeks to develop certain programmes further through development to optimise value at a later licensing stage. Vectura also offers its formulation and inhalation technologies to other pharmaceutical companies on a licensing basis where this complements Vectura's business strategy.

Vectura has development collaborations with a broad range of pharmaceutical companies including Boehringer Ingelheim, Novartis, and Chiesi. The acquisition of Innovata in January 2007 brought established alliances with a number of additional companies, such as Baxter, GSK, Merck KGaA, UCB and Otsuka as well providing revenue streams, complementary products and critical mass.

For further information, please visit Vectura's website at www.vectura.com

Vectura Forward Looking Statement
This press release contains "forward-looking statements," including statements about the discovery, development and commercialisation of products. Various risks may cause Vectura's actual results to differ materially from those expressed or implied by the forward-looking statements, including adverse results in clinical development programs; failure to obtain patent protection for discoveries; commercial limitations imposed by patents owned or controlled by third parties; dependence upon strategic alliance partners to develop and commercialise products and services; difficulties or delays in obtaining regulatory approvals to market products and services resulting from development efforts; the requirement for substantial funding to conduct research and development and to expand commercialisation activities; and product initiatives by competitors. As a result of these factors, prospective investors are cautioned not to rely on any forward-looking statement. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.