

## Press Release

24 July 2007

### Clinical Development Update

On 11 July 2007 Allergy Therapeutics announced that activity on its clinical studies had been placed on hold by the United States Food and Drug Administration ('FDA') whilst the agency fully assesses the report of a rare adverse event classified at that time by the physician involved as 'possibly related' to the study drug (the 'Adverse Event').

Allergy Therapeutics continues urgently to investigate the detail of the Adverse Event, and can notify that the treating physician has stated that, pending further tests, in her opinion the patient's symptoms resulted from an alternative diagnosis, of a condition which would be unrelated to the study vaccine. The Company also continues to collaborate fully with the FDA, to provide new data as it is accumulated and remains confident that following its ongoing reviews the FDA will accept the alternative diagnosis.

Owing to the approaching pollen season, Allergy Therapeutics' ongoing Phase III Ragweed trial (R301) has had to be definitively moved to the observation phase. Prior to the clinical hold, 992 patients had been recruited onto this study, 92% of the target of 1074. Of these, approximately 300 have received all four injections and can therefore be considered to be participating in the study 'per protocol'. Of the balance, about 300 had received 3 injections, 165 two and 227 one injection. Although the Company anticipates that useful data will be collected from this study, it is sufficiently compromised that it is highly unlikely to reach its primary endpoint. Therefore, completion of the Ragweed programme will require a further study to complete the patient numbers, probably to be conducted next year. As a consequence the date for launch of Ragweed in North America will be 12 months later than previously anticipated.

The Grass efficacy study G301 was already fully recruited and all treatment had been completed when the FDA clinical hold was applied and will complete its course as planned; however, the associated safety study cannot be commenced until the hold is lifted. As a result, the grass programme may also suffer some delay in the USA, although this would not necessarily be a full year depending upon when the clinical hold is lifted.

The Company will continue to give updates as and when new information becomes available.

#### For further information

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