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If you have sold or otherwise transferred all of your registered holding of Ordinary Shares before the Record Date (6.00 p.m. on 27 March 2012), please forward this document and the enclosed form of proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

This document does not constitute an offer of transferable securities to the public within the meaning of section 102B of FSMA. The issue of the Placing Shares, Offer Shares and Subscription Shares will not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this document does not constitute a prospectus for those purposes. This document is not a prospectus for the purposes of the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the Financial Services Authority of the United Kingdom ("FSA"), pursuant to sections 85 and 87 of FSMA, London Stock Exchange plc or any other authority or regulatory body. Copies of this document will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the offices of Reed Smith LLP, The Broadgate Tower, 20 Primrose Street, London EC2A 2RS from the date of this document for a period of one month.

Application will be made to the London Stock Exchange for the Placing Shares, Subscription Shares and Accepted Offer Shares to be admitted to trading on the AIM market of the London Stock Exchange and dealings are expected to commence on 20 April 2012. AIM is a market designed for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks in investing in such companies and should make the decision to invest only after careful consideration, and if appropriate, consultation with a financial adviser. London Stock Exchange plc has not itself examined or approved the contents of this document.

Allergy Therapeutics plc

(incorporated and registered in England and Wales under the Companies Act 1985 with registered number 5141592)

Approval of waiver of Rule 9 of the Takeover Code Proposed Placing of 32,512,369 New Ordinary Shares at 9.7 pence per New Ordinary Share, and Subscription of 61,497,845 New Ordinary Shares at 9.7 pence per New Ordinary Share, issue of Convertible Loan Notes to raise £4.04 million and Offer of up to 5,154,639 New Ordinary Shares to Qualifying Participants and Notice of General Meeting

Nomura Code Securities Limited Nominated Adviser and Broker

This document should be read in its entirety. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part I of this document and which includes a recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below. Attention is also drawn in particular to the risk factors set out at Part V of this document.

The distribution of this document, and/or the Application Form, in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document and/or accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of such jurisdictions. In particular, subject to certain exceptions, the Application Form should not be distributed, forwarded to or transmitted in or into the United States (as defined in Regulation S of the United States Securities Act of 1933, as amended ("Regulation S")) or the Excluded Jurisdictions. None of the Placing Shares, the Offer Shares, nor the Subscription Shares nor the Application Form have been, nor will they be, registered in the United States under the United States Securities Act of 1933 (the "Securities Act"), as amended, or under the securities laws of any of the Excluded Jurisdictions and, subject to certain exceptions, they may not be offered or sold directly or indirectly within or into the Excluded Jurisdictions or to, or for the account or benefit of, any national, citizen or resident of the Excluded Jurisdictions. Subject to certain exceptions, none of the Placing Shares, Offer Shares nor Subscription Shares may be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons (as such terms are defined in Regulation S under the Securities Act). This document does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for Placing Shares, Offer Shares and Subscription Shares in any jurisdiction in which such offer or solicitation is unlawful.

The Offer Shares, Placing Shares and Subscription Shares will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on the Existing Ordinary Shares after Admission.

The Offer closes at 11.00 a.m. on 16 April 2012. If you are a Qualifying Shareholder and wish to apply for Offer Shares under the Offer you should follow the procedure set out in Part IV of this document and complete and return the accompanying Application Form. If Qualifying Shareholders have any queries on the procedure for acceptance and payment, or wish to receive another Application Form, they should contact Capita Registrars on telephone number 0871 664 0321 (calls cost 10p per minute including VAT plus service provider's network extras) (+44 208 639 3399 from outside the UK). This helpline is open from 9.00 a.m. to 5.00 p.m. on business days (i.e. Monday to Friday. Calls to the helpline from outside of the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. Please note that calls to the helpline may be monitored or recorded and that the helpline is not able to advise on the merits of the matters set out in this document or provide any personal legal, financial or taxation advice.

Notice of a General Meeting of Allergy Therapeutics plc, to be held at the offices of Reed Smith LLP, The Broadgate Tower, 20 Primrose Street, London EC2A 2RS at 12 noon on 19 April 2012 is set out at the end of this document. Shareholders will find enclosed a Form of Proxy for use at the General Meeting. The Form of Proxy should be completed and returned to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received no later than 12 noon on 17 April 2012. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

Nomura Code, which is authorised and regulated in the United Kingdom by the FSA, is acting exclusively for Allergy Therapeutics plc in relation to the transaction referred to herein. Nomura Code is not acting for, and will not be responsible to, any person other than Allergy Therapeutics plc for providing the protections afforded to customers of Nomura Code or for advising any other person on the contents of this document or any transaction or arrangement referred to herein.

Nomura Code has not authorised the contents of any part of this document and neither accepts liability whatsoever for the accuracy of any information or opinion contained in this document or for the omission of any material information from this document for which the Company and the Directors are responsible. No representation or warranty, express or implied is made by Nomura Code as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued).

Important Information to Overseas Shareholders

Subject to certain exceptions, neither this document, nor the Application Form constitutes an offer to sell or the solicitation of an offer to buy Offer Shares or any entitlements under the Offer in the United States (as defined in Regulation S). None of the Placing Shares, Offer Shares, nor Subscription Shares or the Application Form have been, or will be, registered under the US Securities Act or under the securities legislation of any state or other jurisdiction of the United States. None of the Offer Shares may be taken up or delivered in, into or within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with state securities laws. The Application Form is not being posted to any person in the United States.

In the opinion of the Directors, there is a significant risk of civil, regulatory or criminal exposure to the Company and its Directors were the Offer, Subscription and Placing to be made into any of the Excluded Jurisdictions. On this basis, none of the Placing Shares, Offer Shares nor Subscription Share, this document or the Application Form, have been or will be, registered under the relevant laws of any state, province or territory of any of the Excluded Jurisdictions. Subject to certain limited exceptions (i) none of the Application Form, the Placing Shares, the Offer Shares nor the Subscription Shares may be taken up or delivered in, into or within any of the Excluded Jurisdictions, and (ii) the Application Form is not being posted to any person in any of the Excluded Jurisdictions. The attention of Overseas Shareholders and other recipients of this document who are residents or citizens of any country other than the United Kingdom or who have a contractual or other legal obligation to forward this document, or, where relevant, the Application Form to a jurisdiction outside the United Kingdom (including without limitation custodians, nominees and trustees) is drawn to paragraph 5 of Part IV of this document.

It is the responsibility of any person receiving a copy of this document, and/or the Application Form outside the United Kingdom to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any other issue, transfer or other taxes due in such other territory. Persons (including, without limitation, nominees and trustees) receiving this document, and/or the Application Form should not, in connection with the Proposals, distribute or send it into any jurisdiction when to do so would, or might contravene local securities laws or regulations. Any person who does forward this document into any such jurisdictions should draw the recipient's attention to the contents of paragraph 5 headed "Overseas shareholders" of Part IV of this document.

Members of the general public are not eligible to take part in the Placing, the Offer or the Subscription. Persons who are not Qualifying Participants are not entitled to participate in the Offer. Only those persons (whether or not they are Shareholders) who are Qualified Participants have been invited to take part in the Offer.

Rule 9 of the UK Takeover Code

In accordance with Rule 9 of the Takeover Code, this document together with a Form of Proxy must be and is being sent to all Shareholders, both in the UK and overseas (irrespective of whether or not the Shareholders can participate in the Offer). All Shareholders are requested to read this document, in particular paragraph pages 17 to 21 of Part 1 of this document which relate to the Whitewash, and to complete and return a Form of Proxy, to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible but in any event no later than 12 noon on 17 April 2012.

Forward-Looking Statements

This document includes statements that are, or may be deemed to be, forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "milestones", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not facts. They appear in a number of places throughout this document and include statements regarding the Directors' intentions, beliefs or current expectations concerning, amongst other things, the Company's results of its operations, financial condition, liquidity, prospects, growth and strategy. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Any forward-looking statements contained in this document based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Subject to any requirement under the AIM Rules or other applicable legislation or regulation, neither the Company nor the Directors nor Nomura Code undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Undue reliance should not be placed on forward-looking statements, which speak only as of the date of this document. There are several factors which could cause actual results to differ materially from those expressed or implied in forward looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in expectations and assumptions used and changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates and changes in tax rates.

CONTENTS

	<i>Page</i>
Definitions	4
Expected Timetable of Principal Events	8
Placing, Subscription and Offer Statistics	9
Directors, Secretary and Advisers	10
Part I Letter from the Chairman of Allergy	11
Part II Financial information on Allergy	22
Part III Information on the Concert Party	23
Part IV Details and terms and conditions of the Offer	26
Part V Risk Factors	33
Part VI Additional Information	38
Notice of General Meeting	49

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

Accepted Offer Shares	the Offer Shares allocated by the Company to Qualifying Participants
Admission	the admission of the Placing Shares, Subscription Shares and Accepted Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules
AIM	the AIM market operated by the London Stock Exchange
AIM Rules	the AIM Rules for Companies published by the London Stock Exchange, as in force at the date of this document
Alejandro Weinstein Jr.	Alejandro Esteban Weinstein Manieu
Alejandro Weinstein Snr.	Alejandro Kostia Nicolás Weinstein Crenovich
Application Form	the application form to be used by the Qualifying Participants in connection with the Offer
Azure	Azure Ventures Limited, incorporated in Malta and whose registered number is C46721 and whose registered office address 6/3 Olten Building, Sir William Reid Street, Gzirca GZR1038, Malta
Capita Registrars	Capita Registrars Limited, registrars and receiving agents to the Company
CFR Group	a group of pharmaceutical companies wholly or partially controlled by the Weinstein Family
CFR International	CFR International SpA, incorporated in Chile and whose registered number is 76116262-4 and whose registered office address is Pedro de Valdivia Av. Number 295, Providencia, city of Santiago, Chile
CFR Pharmaceuticals	CFR Pharmaceuticals S.A. incorporated in Chile and whose registered number is 1067 and whose registered office address is de Valdivia Av. Number 295, Providencia, city of Santiago, Chile
CFR Subscription Agreement	the conditional agreement made between the Company and CFR International, further details of which are set out in Part VI of this document
Company or Allergy	Allergy Therapeutics plc whose registered number is 5141592 and whose registered office address is Dominion Way, Worthing, West Sussex, BN14 8SA
Concert Party	Yissum Holding Limited, Azure, Wild Indigo, CFR Pharmaceuticals, CFR International, Alejandro Weinstein Snr., Nicolás Weinstein, Alejandro Weinstein Jr., Manuel Llobet, Natacha Olarte, Joshua Llobet and Antua Llobet and each respective party's affiliated persons, which together are deemed to be acting in concert for the purposes of the Takeover Code
Convertible Loan	the subscription for Convertible Loan Notes pursuant to the Convertible Loan Note Instrument
Convertible Loan Note Instrument	the convertible loan note instrument executed by the Company, further details of which are set out in Part VI of this document
Convertible Loan Notes	the 4,042,469 convertible loan notes of £1 each to be issued to CFR International pursuant to the Convertible Loan Note Instrument

CREST	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in those regulations)
Director Subscription Agreements	the conditional agreements made between the Company and each of, Peter Jensen, Stephen Smith, Ignace Goethals and Virinder Nohria further details of which are set out in Part VI of this document
Directors or the Board	the board of directors of the Company as at the date of this document
EMEA	European Medicines Evaluation Agency, the European Union's agency responsible for the evaluation of medicines
Enlarged Issued Share Capital	the issued ordinary share capital of the Company immediately following Admission (which for the avoidance of doubt assumes that the Offer Shares are fully subscribed and there has been no exercise of the Convertible Loan Notes)
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST
EU	the European Union
Excluded Jurisdiction	the United States, Australia, Canada, Japan, the Republic of South Africa, New Zealand and any other jurisdiction where the extension or availability of the Offer would breach any applicable law
Existing Ordinary Shares	the 310,771,614 Ordinary Shares in issue at the date of this document, all of which are admitted to trading on AIM
Financial Promotion Order	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended
FDA	Food and Drug Administration, the US governmental agency responsible for the evaluation of medicines
FSA	the United Kingdom Financial Services Authority or such UK relevant superseding regulatory body
FSMA	Financial Services and Markets Act 2000 (as amended)
Fundraising	the Placing, Subscription, Convertible Loan and Offer
General Meeting	the general meeting of Allergy convened for 12 noon on 19 April 2012 (or any adjournment thereof), notice of which is set out at the end of this document
Group	the Company and its Subsidiaries
Independent Directors	the Directors other than Alejandro Weinstein Jr. and Manuel Llobet
Independent Shareholders	the Shareholders other than Yissum Holding Limited, Azure and Wild Indigo
Issue Price	9.7 pence per New Ordinary Share
London Stock Exchange	London Stock Exchange plc
Llobet LTIPs	The awards granted to Manuel Llobet, the Chief Executive Officer of the Company, pursuant to the LTIP arrangements of the Company, details of which are further set out in paragraph 3.3 of Part VI
member of a Concert Party	any one member of the Concert Party

MPL	3-deacylated monophosphoryl liquid A, a vaccine adjuvant made from a fragment of a cell wall
MRP	Mutual recognition procedure
New Ordinary Shares	the new Ordinary Shares in the capital of the Company to be issued pursuant to the Offer, Placing and Subscription
Nicolás Weinstein	Nicolás Francisco Weinstein Manieu
Nomura Code	Nomura Code Securities Limited
Notice of Meeting	notice of General Meeting
Offer	the offer of the Offer Shares at the Issue Price on the terms and conditions set out in this document and the Application Form accompanying this document
Offer Shares	up to 5,154,639 New Ordinary Shares to be issued to Qualifying Participants under the Offer
Ordinary Shares	ordinary shares of 0.1 pence per share each in the capital of the Company
Panel or Takeover Panel	the Panel on Takeovers and Mergers
PEI	Paul Ehrlich Institut the Regulatory Authority for biological products in Germany
Placees	subscribers for Placing Shares pursuant to the Placing Agreement
Placing	the placing of the Placing Shares at the Issue Price pursuant to the Placing Agreement
Placing Agreement	the conditional agreement dated 30 March 2012 and made between Nomura Code and the Company in relation to the Placing, further details of which are set out in Part VI of this document
Placing Shares	the 32,512,369 New Ordinary Shares to be issued to the Placees pursuant to the Placing
£ and pence	respectively pounds and pence sterling, the lawful currency of the United Kingdom
Proposals	the Fundraising and the approval by Shareholders of the Whitewash with respect to the Subscription, the Convertible Loan and the Llobet LTIPs
Prospectus Rules	the Prospectus Rules published by the FSA
Qualifying Employees	persons employed by any member of the Group on the Record Date who are in any jurisdiction in which an offer to sell or invitation to subscribe for the Offer Shares is not unlawful and does not require the Offer or the Offer Shares to be approved by, or registered with, any regulatory body
Qualifying Participants	Qualifying Employees and Qualifying Shareholders
Qualifying Shareholders	Shareholders on the register of members of the Company on the Record Date who are in any jurisdiction in which an offer to sell or invitation to subscribe for the Offer Shares is not unlawful and does not require the Offer or the Offer Shares to be approved by, or registered with, any regulatory body.

RBS	The Royal Bank of Scotland plc
RBS Facility	the existing banking facilities with RBS
Record Date	the record date in relation to the Offer, being 6.00 p.m. on 27 April 2012
Regulatory Information Service	a Regulatory Information Service that is approved by the FSA as meeting the Primary Information Provider criteria and that is on the list of Regulatory information Services maintained by the FSA
Resolutions	the resolutions set out in the Notice of Meeting at the end of this document
Shareholder	a holder of Ordinary Shares
SIT	Specific immunotherapy products
Subscribers	Subscribers for the Subscription Shares pursuant to the Subscription Agreements, being CFR International, Peter Jensen, Virinder Nohria, Ignace Goethals and Stephen Smith
Subscription	the subscription for the Subscription Shares at the Issue Price pursuant to the Subscription Agreements
Subscription Agreements	the CFR Subscription Agreement and the Director Subscription Agreements
Subscription Shares	the 61,497,845 New Ordinary Shares to be issued to the Subscribers pursuant to the Subscription Agreements
Subsidiaries	the subsidiaries of the Company
Takeover Code	the City Code on Takeovers and Mergers
TAV	Therapeutic Allergen Regulation
United Kingdom	the United Kingdom of Great Britain and Northern Ireland
US or United States	the United States of America, each state thereof, its territories and possessions, and all areas subject to its jurisdiction
Weinstein Family	Alejandro Weinstein Snr., Alejandro Weinstein Jr., Nicolás Weinstein and any other member of such persons' family
Whitewash	waiver of the obligations under Rule 9 of the Takeover Code of the Concert Party to make a general offer to all Shareholders
Whitewash Resolutions	the Ordinary Resolutions concerning the Whitewash to be proposed on a poll at the General Meeting and set out in the Notice of General Meeting as Resolutions 1 and 2
Wild Indigo	Wild Indigo S.A., incorporated in the Republic of Panama, recorded at Microjacket 660977, Document 1572561 and whose registered office is Aleman, Cordero, Galindo & Lee, East 53rd Street, Marbella, MMG Building, 2nd Floor, Panama, Republic of Panama
Yissum Holding Limited	Yissum Holding Limited, incorporated in Malta, whose registered address is 17b Zampt Clapp Street, St Julains, STJ 1440, Malta
Yissum Holding Limited Subscription Agreement	the subscription agreement dated 4 August 2011 between Yissum Holding Limited, the Company and Nomura Code, further details of which are set out in paragraph 6.1(e) of Part VI

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2012

Record Date for the Offer	6.00 p.m. on 27 March
Date of this document and posting of the Application Form and Form of Proxy	30 March
Latest time and date for receipt of completed Application Form and payment and return of Form of Proxy	12 noon on 17 April
General Meeting	12 noon on 19 April
The results of the Placing, Subscription and Offer announced by way of a Regulatory Information Service	18 April
Admission and commencement of dealings on AIM of the Placing Shares, Subscription Shares and Offer Shares	20 April
CREST accounts to be credited for the Placing Shares, Subscription Shares and Offer Shares	20 April
Where applicable, despatch of definitive share certificates for the Placing Shares, Subscription Shares and Offer Shares by	4 May

Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement on a Regulatory Information Service. References to time in this document are to London time.

If you have any questions on how to complete the Form of Proxy, please contact Capita Registrars on telephone number 0871 664 0321 (calls cost 10p per minute including VAT plus service provider's network extras) (+44 208 639 3399 from outside the UK). This helpline is open from 9.00 a.m. to 5.00 p.m. on business days (i.e. Monday to Friday). Calls to the helpline from outside of the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. Please note that calls to the helpline may be monitored or recorded and that the helpline is not able to advise on the merits of the matters set out in this document or provide any personal legal, financial or taxation advice.

The Company's SEDOL code is B02LCQ0 and ISIN code is GB00B02LCQ05.

FUNDRAISING STATISTICS

Issue Price	9.7p
Number of Ordinary Shares in issue at the date of this document	310,771,614
Number of Placing Shares	32,512,369
Number of Offer Shares	up to 5,154,639
Number of Subscription Shares	61,497,845
Value of Convertible Loan Notes subscribed for under the Convertible Loan	£4,042,469
Number of Ordinary Shares to be issued on conversion of the Convertible Loan Note ¹	41,674,938
Gross proceeds of the Fundraising ³	£13,661,460
Net proceeds of the Fundraising ³	13,196,460
Maximum dilution on Admission ³	24%
Concert Party's maximum interest in the Company at Admission ²	50.7%
Concert Party's maximum interest in the Company following Admission and assuming conversion of the Convertible Loan Notes ²	55.49%

1 assuming maximum exercise of the Convertible Loan

2 assuming no take-up under the Offer

3 assuming full take-up under the Offer

DIRECTORS, SECRETARY AND ADVISERS

Directors	Peter Jensen (<i>Non-Executive Chairman</i>) Alejandro Weinstein Jr. (<i>Non-Executive Director</i>) Ignace Goethals (<i>Non-Executive Director</i>) Virinder Nohria (<i>Non-Executive Director</i>) Stephen Smith (<i>Non-Executive Director</i>) Manuel Llobet (<i>Chief Executive Officer</i>) Ian Postlethwaite (<i>Finance Director</i>)
Company secretary and registered office	Ian Postlethwaite Dominion Way Worthing West Sussex BN14 8SA
Nominated adviser and broker	Nomura Code Securities Limited 1 Carey Lane London EC2V 8AE
Legal advisers to the Company	Reed Smith LLP The Broadgate Tower 20 Primrose Street London EC2A 2RS
Legal advisers to the nominated adviser and broker	Dorsey & Whitney (Europe) LLP 21 Wilson Street London EC2M 2TD
Auditors	Grant Thornton UK LLP The Explorer Building Fleming Way Manor Royal Gatwick RH10 9GT
Registrars	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Receiving agents	Capita Registrars, Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

PART I

LETTER FROM THE CHAIRMAN

Allergy Therapeutics plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 5141592)

Directors:

Peter Jensen (*Non-Executive Chairman*)
Alejandro Weinstein Jr. (*Non-Executive Director*)
Ignace Goethals (*Non-Executive Director*)
Virinder Nohria (*Non-Executive Director*)
Stephen Smith (*Non-Executive Director*)
Manuel Llobet (*Chief Executive Officer*)
Ian Postlethwaite (*Finance Director*)

Registered Office:

*Dominion Way
Worthing
BN14 8SA*

30 March 2012

To Shareholders, Qualifying Participants and, for information purposes only, to the holders of options over Ordinary Shares

Dear Shareholders, Qualifying Participants and option holders,

Approval of waiver of Rule 9 of the Takeover Code, Proposed Placing of 32,512,369 New Ordinary Shares at 9.7 pence per New Ordinary Share, and Subscription of 61,497,845 New Ordinary Shares at 9.7 pence per New Ordinary Share, issue of Convertible Loan Notes to raise £4.04 million and Offer of up to 5,154,639 New Ordinary Shares to Qualifying Participants and Notice of General Meeting

Introduction

Your Board announced today that we are proposing to raise up to £13.66 million before expenses by means of a placing, Offer and a subscription of New Ordinary Shares, and through the issuance of Convertible Loan Notes. The Fundraising will be made up of:

- (a) a Placing of 32,512,369 New Ordinary Shares to institutional investors to raise £3.15 million. The Placing has been underwritten by Nomura Code.
- (b) a Subscription of in aggregate 61,497,845 New Ordinary Shares by CFR International and the following Directors: Peter Jensen, Ignace Goethals, Virinder Nohria and Stephen Smith, to raise £5.97 million.
- (c) the issue of Convertible Loan Notes to CFR International to raise £4.04 million. On redemption the Convertible Loan Notes shall be redeemed into 41,674,938 fully paid Ordinary Shares. Redemption shall occur on 20 April 2014 or such earlier date as CFR International may nominate to the Company. The conversion price is 9.7 pence and the interest payable is 3 per cent. per annum annually in arrears; and.
- (d) an Offer to Qualifying Shareholders and Qualifying Employees that may raise up to a further £0.5 million through the issue of New Ordinary Shares.

CFR International, to whom New Ordinary Shares and Convertible Loan Notes will be issued in the Fundraising, is a member of the Concert Party. As at the date of this document, the Concert Party held in aggregate 46.24 per cent. of the Existing Ordinary Shares. More information on the Concert Party is set out below. CFR International has conditionally agreed to subscribe for 61,417,845 Subscription Shares and £4,042,469 Convertible Loan Notes. On the issue of such Subscription Shares the Concert Party will together hold 50.67 per cent. of the Enlarged Issued Share Capital with a maximum potential interest in the Company of 55.49 per cent., assuming the Convertible Loan Notes were exercised in full on Admission. Since the issue of the 61,417,845 Subscription Shares would result in the Concert Party increasing their interest in the Company, the Concert Party would, in the absence

of a waiver from the provisions of Rule 9 of the Takeover Code being granted by the Panel, be obliged to make a general offer for the Company. The Panel has agreed, subject to Resolutions 1 and 2 being passed on a poll of Independent Shareholders, to waive this obligation.

Further details of the Placing, Subscription and Convertible Loan Notes can be found in Part VI of this document. Further details of the Offer can be found in Part IV of this document.

The Placing, the Subscription, the issue of Convertible Loan Notes and the Offer are all conditional upon *inter alia* the approval of the Resolutions by the Shareholders at the General Meeting. The main purpose of this document is to explain the reasons for, and details of, the Proposals and to explain why your Board considers that they are in the best interests of the Company and, if you are a Shareholder, to seek your approval of the Proposals which includes approval of the Whitewash. The Notice of General Meeting is set out at the end of this document.

Business Update

The Company today also issued its unaudited half yearly results for the six month period ending 31 December 2011. Please refer to the Company's announcement as notified through the Regulatory Information Service or on the Company's website at www.allergytherapeutics.com/investor-relations.aspx.

Highlights

- Revenue 4 per cent. higher at £28.5 million (prior period H1 2011: £27.4 million)
- At constant currency Pollinex Quattro grew by 4 per cent. to £16.9 million (H1 2011: £16.3 million)
- At constant currency 17 per cent. growth of gross sales in non German markets
- Operating profit higher at £8.0 million (H1 2011: £7.3 million)
- Profit after tax higher at £8.6 million (H1 2011: £5.9 million)
- Net debt improved to £7.4 million (H1 2011: £8.4m)
- Extension of licensing deal signed with Lincoln Medical for Anapen in the UK and Ireland
- Submitted complete response to the PEI for marketing authorisation application for Pollinex® Quattro Complete Grass in Germany
- Submitted detailed study protocol to the FDA which, once agreed, will enable the formal lifting of the clinical hold, allowing the MATA MPL development programmes in the US to progress
- HMRC tax rebate of £0.7 million received March 2012

Allergy is a specialist pharmaceutical company with growing sales of allergy vaccines in many of the EU markets, Canada, South Korea, and, more recently, a number of emerging markets with the initial focus in Latin America.

European Sales

A number of the Company's vaccine products are registered in several European countries. Germany, the world's largest immunotherapy market, is the Company's main market generating approximately 69 per cent. of the Company's net sales in the six months ending 31 December 2011, followed by Italy (8.2 per cent.), Austria (4.6 per cent.), Czech Republic and Slovakia (4 per cent. combined), Switzerland (4 per cent.), Spain (3.1 per cent.), the Netherlands (3.1 per cent.), and the UK (2.5 per cent.).

Through its direct sales strategy in the Netherlands and Switzerland, the Company has achieved double digit growth in allergy vaccines in Q4 2011 when compared to the previous period. For the same period, the Company has achieved a growing market share in the UK, Austria, Italy and the Netherlands becoming the fastest growing company when compared to its direct competitors in all but Italy. The Company has also improved its competitive position in Germany.

Generally, it is expected by the Company that the growth outlook across the Company's European markets is likely to be no more than 5 per cent. per annum in the medium term due to various austerity measures being implemented by Euro zone governments and the continuing Euro zone economic difficulties.

Emerging Markets Sales

The Company continues to work towards expanding its revenue base outside Europe. In Latin America the first supplies to the market were shipped to Columbia in August 2011. Operations in emerging markets are expected to generate an increasing contribution to the Company's revenues over the next five years.

Sales by Products

Pollinex Quattro continued to be the largest generator of product sales for the Group equating to approximately 61 per cent. of products sales by value for the six months ending 31 December 2011, followed by, Pollinex (12.2 per cent.), Oralvac (10.5 per cent.), Tyrosune S/TU (9 per cent.), Venomil and Anapen (3 per cent. each) and TA Mix Top (0.8 per cent.)

European Regulatory Update

Pollinex® Quattro, currently sold as a named patient product, is the Company's best-selling product and the registration of Pollinex® Quattro in Europe remains a key priority. The marketing authorisation application for the Pollinex® Quattro Complete Grass formulation was submitted to the PEI in Germany in March 2009. The PEI review took longer than expected and further information and analysis was required from the Company. A complete response was submitted to the PEI by the Company in November 2011. The Company addressed all the questions raised by the PEI in their report but the final outcome of the registration application is, as per normal practice, a matter of regulatory review and consequently the outcome of such review is difficult to predict. The Company expects a decision on this new presentation of Pollinex® Quattro during the first half of 2012. The new presentation differs from the existing marketed version of Pollinex® Quattro due to its lower injection volume of 0.5ml; compared to a 1.0ml injection volume for Pollinex® Quattro. If the Company receives approval for Pollinex® Quattro Complete it will pursue further registrations through the mutual recognition procedure (MRP) in other European countries.

At the end of November 2010 the Group submitted 10 marketing authorisation applications to the PEI. These marketing authorisation applications have been made in response to the introduction of the Therapeutic Allergen Regulation (TAV), which has changed the regulatory landscape in Germany. To date many products have been available in Germany on a 'named patient' basis. However, as a result of the TAV, all immunotherapy products containing common allergens (grass, trees, house dust mites and insect venoms) will require marketing authorisations by 2017. Since 2008, Allergy has reviewed its product portfolio and has submitted marketing authorisation applications for its top 10 products in the Pollinex® Quattro, Tyrosin TU t.o.p. and Oralvac Compact ranges.

The PEI has given the Company timelines for a transition period ending in 2017 by which time approval of these applications must have been obtained. The Company currently intends to meet the requirements associated with those applications which are likely to result in the group incurring R&D spend of up to £5 million per annum.

There have also been changes in the reimbursement regime in Germany. As announced in the Company's preliminary annual results for the year ended 30 June 2011, which was notified to RNS on 16 September 2011, there has been a price freeze in Germany on reimbursed products from the prices in the market on 1 August 2009. The rebate paid to sick-funds increased from August 2010 from the previous level of 6 per cent. to 16 per cent. and although the Company has received an exemption from this rebate rise until mid 2011 and preliminary exemption extension until the end of 2011, it is currently uncertain as to whether the Company will continue to receive such an exemption.

FDA Update

The Company continues to work towards commercialising Pollinex® Quattro in the US market. As announced on 26 April 2011, following the Company's meeting with the FDA on March 17, 2011, it has received official communication from the FDA stating that the clinical hold on the Investigational New Drug applications for the three MATA-MPL® products will be lifted once certain protocols have been agreed. The Company submitted a detailed study protocol to the FDA in November 2011. The Company is currently in discussions with the FDA to agree the protocol that will allow the Company to resume its clinical activity.

Burrill & Co (San Francisco) has been appointed to run the partnering process to commercialise Pollinex® Quattro in the US.

Outlook

The growth for the Company in the medium term is limited in Europe, where growth is expected to be not more than 5 per cent. per annum. However, the Company expects to strengthen its revenue from growth in the emerging markets and from product in-licensing opportunities so that it can leverage its sales force infrastructure.

The Company initiated a review of its cost base in 2009 and undertook a number of cost saving actions including streamlining a number of products in Germany. Given the economic environment in Europe and the awaited outcome over the exemption from the increase in rebates in Germany, the management will continue to focus on increasing efficiencies with the aim of protecting net margins.

Business Development Activities

The Company has been actively seeking new products from in-licensing opportunities to complement the portfolio offered to its prescribers to continue to drive growth in European sales. In addition, the Company aims to diversify its product portfolio through pursuing acquisition opportunities in the specialty pharmaceuticals field.

Board Composition

The Company has today announced that Ignace Goethals, non-executive director, is retiring and has therefore decided to resign from the Board, such resignation to be effective on 30 June 2012. Mr. Goethals was chairman of the Group's previous holding company from 1999 and then of the Company from flotation until handing over to Peter Jensen on 1 January 2011.

The Company has today announced that Dr. Virinder Nohria, non-executive director, a UK and US trained physician and global drug developer who has provided oversight of research and development and human safety activities of the Company for more than 6 years, has resigned from the Board such resignation to be effective on 30 June 2012 in order to pursue other business interests. Dr. Nohria will continue to make himself available to the Company to advise as and when necessary.

The search for a non-executive director with European regulatory experience has commenced.

CFR Group has a right, for so long as it holds not less than 25 per cent of the issued share capital of the Company, to nominate the chief executive officer and one non-executive director to the Board. CFR Group's current appointments having exercised this right are Manuel Llobet and Alejandro Weinstein Jr., respectively. Where the CFR Group's interest in the share capital of the Company falls below 25 per cent., its right to nominate the chief executive officer falls away, and where its interest falls below 15 per cent, its right to nominate any director falls away. At present, the contractual basis of these rights are contained in the Yisum Holding Limited Subscription Agreement (further details of which are set out in paragraph 6.1(e) of Part VI). Following completion of the Fundraising, the Yisum Holding Limited Subscription Agreement will be terminated and these rights will be contained in the CFR Subscription Agreement (further details of which are set out in paragraph 6.1(b) of Part VI).

Financing and Financial position of the Company

RBS Facility

The Fundraising will permit the repayment of the RBS Facility. This has enabled the Company to negotiate the terms of a new facility from RBS. Under the new terms, which will replace the existing RBS facility, the Company will have access to a tiered overdraft facility of up to £7 million, which will vary in size in accordance with the seasonal nature of the Group's balance sheet (further details of which are set out in paragraphs 6.1(1) of part VI).

The revised facility reflecting these new terms is conditional on the Fundraising being approved at the General Meeting.

Working capital

The Company is of the opinion that, taking into account existing cash balances and the net proceeds of the Fundraising (assuming no take-up under the Offer), the Group has sufficient working capital for its present requirements, that is for at least 12 months following Admission.

Rationale for the Fundraising

The Company is intending to raise up to £13.66 million to repay existing debt facilities which will deleverage further the Company's balance sheet and will use any balance to meet the continuing working capital requirements of the Group. The Directors have also agreed to put in place, conditional upon passing of the Resolutions, a new overdraft facility to finance the seasonal fluctuation in working capital. The deleveraging will allow for greater flexibility and speed of execution of the Company's strategy (explained below).

The Company's strategy is based on the principles of growth, diversification and careful cost management. Specifically, it is the Directors' intention to focus on the following strategies:

- accelerating organic growth by leveraging the current infrastructure to to:
 - accelerate penetration of products in current markets;
 - enter into new emerging markets; and
 - strengthen the Company's existing product portfolio by acquiring new products and/or entering into further licensing agreements;
- maximising the Company's opportunities in the US market by strengthening the Company's negotiation position with potential US partners; and
- diversifying through acquisition opportunities in the speciality pharmaceuticals field.

Offer to Qualifying Shareholders and Qualifying Employees

The Company considers it important that Qualifying Shareholders and Qualifying Employees have an opportunity to participate in the Fundraising at the same Issue Price as the Placing. Qualifying Participants can subscribe for up to 5,154,639 New Ordinary Shares under the Offer. In the event that Qualifying Participants apply for an aggregate amount that is greater in aggregate than 5,154,639 New Ordinary Shares, the Directors will use their discretion to scale back such applications by such amounts as the Directors shall decide on an application by application basis such that this maximum number of New Ordinary Shares is not exceeded. If the Offer is fully subscribed for, the proceeds raised under the Offer by the Company will be £0.5 million. Given the size of the Offer, the Company has been advised that it does not have to produce a prospectus which would be time consuming and costly. For further information on the Offer see Part IV of this document. Qualifying Participants' attention is drawn to the risk factors detailed in Part V of this document. Members of the Concert Party are not permitted to apply for Offer Shares under the Offer.

In order to apply for Offer Shares, Qualifying Participants should complete the Application Form in accordance with the instructions set out on the Application Form and return it and the appropriate remittance, by post, to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by hand (during normal business hours only) to Capita Registrars at that address together, in each case, with payment in full, so as to be received no later than 11.00 a.m. on 17 April 2012.

The Offer is not being underwritten and it is not possible to participate under the Offer through CREST.

Placing

Nomura Code has, pursuant to the Placing Agreement, undertaken to use its reasonable endeavours to place up to 32,512,369 Placing Shares at the Issue Price, failing which it will subscribe for the Placing Shares as principal upon the terms and subject to the conditions of the Placing Agreement. The obligations of Nomura Code under the Placing Agreement are conditional upon, *inter alia*, the Resolutions being passed, the

Subscription Agreements remaining in full force and effect and having become unconditional, the Company having complied with its obligations under the Placing Agreement and Admission having occurred by not later than 8.00 a.m. on 27 April 2012. Further details of the Placing are set out in Part VI of this document.

Investment by CFR International pursuant to the Subscription and Convertible Loan

Pursuant to the CFR Subscription Agreement, CFR International has agreed to subscribe for 61,417,845 New Ordinary Shares at the Issue Price and £4,042,469 Convertible Loan Notes, conditional upon, *inter alia*, the Placing Agreement having become unconditional (save for any condition relating to the CFR Subscription Agreement becoming unconditional and Admission) and the Resolutions being passed by not later than 8.00 a.m. on 27 April 2012. Pursuant to the terms of the CFR Subscription Agreement, CFR International has the right to nominate the chief executive officer and one non-executive director to the board of the Company for so long as it holds a certain percentage of Ordinary Shares. Further details of these rights are set out in Part VI of this document.

The CFR Subscription Agreement also requires the CFR Group, for a period of 12 months following Admission, to effect any proposed on market disposal of Ordinary Shares through the Company's broker. The CFR Subscription Agreement also contains undertakings that the CFR Group will exercise its voting rights to procure, so far as it is able, independence between the CFR Group and the Company (for so long as its Ordinary Shares remain admitted to trading on AIM or a regulated market in the European Economic Area).

The Convertible Loan Notes are being subscribed for pursuant to the terms of the Convertible Loan Note Instrument and will be redeemed for fully paid Ordinary Shares on 20 April 2014 or such earlier date as nominated by CFR International. The price for which the Convertible Loan Notes will be redeemed into Ordinary Shares under the instrument is 9.7 pence per Ordinary Share and the Convertible Loan Notes attract interest at a rate of 3 per cent. per annum until such time as they are redeemed.

In the event that between issuing the Convertible Loan Notes and their redemption for Ordinary Shares, the Company issues securities in the Company for the purpose of raising cash, repaying debt or acquiring assets, CFR International shall also have the right, only upon and simultaneously with conversion of the Convertible Loan Notes, to subscribe for such number of additional Ordinary Shares so as to result in CFR International receiving the same percentage of the issued share capital of the Company as would have been the case had no such transaction occurred. The subscription price with respect to such Ordinary Shares shall equal the price for which each Ordinary Share was issued under the relevant transaction.

Subscription by the Directors

As part of the Subscription, Peter Jensen, Virinder Nohria, Stephen Smith and Ignace Goethals have agreed to subscribe for 80,000 New Ordinary Shares at the Issue Price. Each Director's obligation to subscribe is conditional upon certain matters and events including, *inter alia*, the Resolutions being passed, the Placing Agreement having become unconditional and Admission of the Subscription Shares becoming effective on or before 27 April 2012.

Related Party Transaction

Where a company enters into a related party transaction, under the AIM Rules the independent directors of the company are required, after consulting with the company's nominated adviser, to state whether, in their opinion, the transaction is fair and reasonable in so far as its shareholders are concerned.

As at the date of this document, Yisum Holding Limited holds 137,491,788 Existing Ordinary Shares representing approximately 44.24 per cent. of the Existing Ordinary Shares. As stated above, CFR International which is an associated entity of Yisum Holding Limited has agreed to subscribe for 61,417,845 Subscription Shares and £4,042,469 Convertible Loan Notes. Under the AIM Rules, as an associated entity to a Shareholder holding more than 10 per cent. of the Existing Ordinary Shares, CFR International is a related party of the Company and the subscriptions by CFR International for each of Subscription Shares and Convertible Loan Notes constitute a related party transaction.

Having consulted with Nomura Code, the Company's nominated adviser, the Independent Directors believe that the participation by CFR International in the Fundraising is fair and reasonable in so far as Shareholders are concerned. In providing its advice, Nomura Code has taken into consideration the commercial assessments of the Independent Directors.

Implications of the Proposals under the Takeover Code

The Concert Party

Alejandro Weinstein Jr. and Manuel Llobet are deemed to be acting in concert with CFR International, CFR Pharmaceuticals, Yissum Holding Limited, Azure, Wild Indigo, Alejandro Weinstein Snr., Nicolás Weinstein, Natacha Olarte, Joshua Llobet and Antua Llobet in relation to the Proposals. These parties are referred to as the Concert Party throughout this document for the purposes of the Takeover Code. Further details of the Concert Party are set out in Part III of this document.

As at the date of the document, the members of the Concert Party together are interested in 143,693,287 Existing Ordinary Shares. In aggregate, the Concert Party will be interested in 248,976,071 New Ordinary Shares, representing 55.49 per cent. of the potential enlarged issued share capital of the Company on Admission assuming: (a) the exercise in full of the Convertible Loan Notes; (b) the subscription of New Ordinary Shares pursuant to the Subscription; (c) assuming no take up under the Offer; and (d) vesting in full of the Llobet LTIPs.

The subscription by CFR International for the Subscription Shares and the Convertible Loan Notes would ordinarily incur an obligation under Rule 9 of the Takeover Code for the Concert Party to make a general offer for the remainder of the entire issued share capital of the Company. Similarly, any award to Manuel Llobet pursuant to his entitlements under the Allergy Therapeutics plc 2005 Long Term Incentive Plan would trigger the same general offer requirement on the Concert Party. However, the Panel has agreed to waive these obligations subject to the approval of the Independent Shareholders voting on a poll at the General Meeting.

Further details regarding the provisions of the Takeover Code, the Whitewash Resolutions and the interests of the Concert party in the Company are set out below in the section headed "Waiver of Rule 9 of the Takeover Code" of this Part I and in Part III of this document.

Intentions of the Concert Party

The Concert Party has confirmed that following completion of the Proposals its intention is that the business of the Company be continued in the same manner as at present and that CFR International intends to help to expand the Company's sales in other markets using its experience and global network. The Concert Party also supports the Company's strategy of growth, diversification and efficiencies which is described in detail on page 15 of Part I of this document.

In addition, the Concert Party has confirmed its intention that the locations of the Company's places of business and the continued employment of its employees and management (and those of its subsidiaries) would not be altered, nor would there be any material changes in the conditions of employment, nor any redeployment of the fixed assets of the Company.

The Concert Party has also confirmed its intention to maintain the Company's admission to trading on AIM.

Waiver of Rule 9 of the Takeover Code

The Takeover Code is issued and administered by the Panel. The Company is a company to which the Takeover Code applies and its Shareholders are entitled to the protections afforded by the Takeover Code.

Under Rule 9 of the Takeover Code, any person who acquires an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he is already interested and in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

Rule 9 of the Takeover Code further provides that where any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any such person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, such person or persons acting in concert with him will normally be required to make a general offer to all remaining shareholders to acquire their shares.

An offer under Rule 9 of the Takeover Code must be made in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Under the Takeover Code a Concert Party arises when persons acting together pursuant to an agreement or understanding (whether formal or informal), actively co-operate to obtain or consolidate control of, or frustrate the successful outcome of an offer for, the Company. Control means an interest or interests in shares carrying an aggregate of 30 per cent. or more of the voting rights of the Company irrespective of whether the holding or holdings give de facto control. The members of the Concert Party are deemed to be acting in concert for the purpose of the Takeover Code.

Subject to the approval of Independent Shareholders, the Panel has agreed to waive the obligation to make a general offer for the entire issued share capital of the Company that would otherwise arise as a result of the Fundraising and the issue of the Llobet LTIPs. Accordingly, the Whitewash Resolutions are being proposed at the General Meeting and will be taken by means of a poll of Independent Shareholders attending and voting at the General Meeting. None of the members of the Concert Party are permitted to exercise their voting rights in respect of the Whitewash Resolutions but may exercise their voting rights in respect of the remainder of the Resolutions.

The waiver to which the Panel has agreed under the Takeover Code will be invalidated if any purchases are made by any member of the Concert Party, or any person acting in concert with it in the period between the date of this document and the General Meeting. Furthermore, no member of the Concert Party, nor any person acting in concert with it, has purchased Ordinary Shares in the 12 months preceding the date of this document.

The changes in the interests of the Concert Party following approval of the Proposals are as follows, in each case assuming the Offer, Subscription and Placing is taken up in full, no other person has converted any convertible securities or exercised any option or any other right to subscribe for shares in the Company following the date of this document.

1. Immediately following Admission:
 - a. the Concert Party would be interested in 205,111,132 Ordinary Shares, representing 50.03 per cent. of the Company's Enlarged Issued Share Capital; and
 - b. CFR Pharmaceuticals, through its wholly owned subsidiaries CFR International and Yissum Holding Limited, would be interested in 201,986,132 Ordinary Shares, representing 49.9 per cent. of the Company's Enlarged Issued Share Capital.
2. Assuming full vesting of the Llobet LTIPs and assuming further that between the date of Admission and the date of exercise of the Llobet LTIPs there has been no change to the issued Ordinary Share Capital of the Company, Wild Indigo would be interested in 5,315,000 Ordinary Shares, representing 1.31 per cent. of the Company's enlarged issued share capital, as enlarged by such number of shares issued pursuant to the Llobet LTIPs.
3. On conversion of the Convertible Loan Notes, assuming no take up under the Offer, and assuming there has been no change to the issued Ordinary Share Capital of the Company between the date of Admission and the date of conversion of the Convertible Loan Notes:
 - a. the Concert Party would be interested in 248,976,071 Ordinary Shares, representing 55.77 per cent. of the Company's enlarged issued share capital immediately following conversion; and

- b. CFR Pharmaceuticals, through its wholly owned subsidiaries CFR International and Yissum Holding Limited would be interested in 243,661,071 Ordinary Shares, representing 54.31 per cent. of the Company's enlarged issued share capital immediately following conversion.

A table setting out each member of the Concert Party's individual interests as at the date of this document, immediately following Admission and on conversion of the Convertible Notes is set out in paragraph 3.4 of Part VI. Details of Manuel Llobet's interests under the Allergy Therapeutics plc Long Term Incentive Plan are set out in paragraph 3.3 of Part VI.

Shareholders should note that:

1. **On Admission the Concert Party will be interested in Ordinary Shares carrying more than 50 per cent. of the voting rights of the Company and (for so long as they continue to be treated as acting in concert) the Concert Party (and any person acting in concert with them) will be able to acquire further Ordinary Shares without incurring an obligation to make a general offer to Shareholders under Rule 9 of the Takeover Code. However, any individual members of the Concert Party (for example, Yissum Holding Limited) will not be able to increase their percentage interest in the voting rights of the Company to 30 per cent. or more or increase their interest between 30 and 50 per cent. of the voting rights of the Company without Panel consent. If they did so they would incur an obligation to make a general offer for the Company under Rule 9 of the Takeover Code.**
2. **Following Admission and the conversion of the Convertible Loan Notes, the CFR Group will hold over 50 per cent. of the voting rights of the Company and will therefore be entitled to increase its interest in the voting rights of the Company without incurring a further obligation under Rule 9 of the Code to make a general offer to Shareholders.**
3. **Following Admission and conversion of the Convertible Loan Notes, the members of the Concert Party will together control a maximum of 55.49 per cent. of the voting rights of the Company. This may in turn have the effect of reducing the liquidity of trading in the Ordinary Shares on AIM. The voting rights of the Company held by the members of the Concert Party will also mean that the members of the Concert Party will be able, if they so wish, to exert significant influence over resolutions proposed at future general meetings of the Company.**
4. **Following Admission, Manuel Llobet and Wild Indigo will be free to acquire shares in the Company without being required to make a Rule 9 offer providing their collective holdings remain less than 30 per cent. of the voting rights of the Company.**

General Meeting

The General Meeting is being convened at which Independent Shareholders will be asked to consider and, if thought fit, pass the Whitewash Resolutions required to provide the requisite waiver of Rule 9 of the Takeover Code. Furthermore, the Shareholders will be asked to provide the Directors with the relevant authorities, *inter alia*, to allot and issue the Placing Shares, the Subscription Shares, the Offer Shares and Ordinary Shares on conversion of the Convertible Loan Notes and to disapply pre-emption rights. The Notice of Meeting is set out at the end of this document.

Set out at the end of this document is a notice convening the General Meeting to be held at Reed Smith LLP's offices at the Broadgate Tower, 20 Primrose Street, London EC2A 2RS. 19 April 2012, commencing at 12 noon.

The Resolutions to be proposed at the General Meeting are as follows:

Resolution 1

An ordinary resolution, to be taken on a poll of Independent Shareholders, to approve the waiver of the obligation on CFR International to make a general offer to the shareholders of the Company on the subscription by CFR International for the Subscription Shares and on the subscription for Ordinary Shares on redemption of the Convertible Loan Notes.

Resolution 2

An ordinary resolution, subject to and conditional on the passing of Resolution 1, to be taken on a poll of Independent Shareholders, to approve the waiver of the obligation on Wild Indigo to make a general offer to the shareholders of the Company on vesting of the Llobet LTIPs.

Resolution 3

An ordinary resolution, subject to and conditional on the passing of Resolution 1 and 2, to grant the Directors authority to allot the New Ordinary Shares

Resolution 4

A special resolution, subject to and conditional on the passing of Resolution 1, 2 and 3 to disapply pre-emption rights

Action to be taken

You will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not you propose to attend the General Meeting in person, it is important that you complete and sign the enclosed Form of Proxy in accordance with the instructions printed thereon and return it to the Company's Registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible and, in any event, so as to be received not later than 12 noon on 17 April 2012.

The completion and return of a Form of Proxy will enable you to vote at the General Meeting without having to be present in person but will not preclude you from attending the General Meeting and voting in person if you so wish. If a Shareholder has appointed a proxy and attends the General Meeting in person, his proxy appointment will automatically be terminated and his votes in person will stand in its place.

Importance of vote and Recommendation by the Directors and the Independent Directors

The Placing, Subscription, Convertible Loan, Offer and the Whitewash are conditional, *inter alia*, upon the passing by Shareholders of the Resolutions at the General Meeting.

Neither of Manuel Llobet nor Alejandro Weinstein Jr., as members of the Concert Party, have taken part in any decision of the Board relating to the Whitewash, since they are interested in the Ordinary Shares which are the subject of the Whitewash Resolutions.

The Independent Directors, who have been so advised by Nomura Code, consider the Whitewash to be fair and reasonable and in the best interests of the Company and the Independent Shareholders as a whole. In providing advice to the Independent Directors Nomura Code has taken into account the Independent Directors' commercial assessments.

The members of the Concert Party are prohibited under the Takeover Code from (and will not be) voting its interest in 143,693,287 Ordinary Shares, representing 46.24 per cent. of issued share capital, in relation to the Whitewash Resolutions (Resolutions 1 and 2).

Ian Postlethwaite, Manuel Llobet and Alejandro Weinstein Jr, being the Directors not subscribing for New Ordinary Shares under a Director Subscription Agreement consider that the terms on which Mr. Jensen, Mr. Smith, Mr. Goethals and Dr. Nohria are participating in the Fundraising are fair and reasonable in so far as the Company's Shareholders are concerned.

The Directors, who have been so advised by Nomura Code, consider the terms of the Fundraising to be fair and reasonable and in the best interest of the Company and its existing Shareholders as a whole. In providing advice to the Directors, Nomura Code has taken into account the Board's commercial assessments.

Accordingly: (1) the Independent Directors unanimously recommend that Shareholders vote in favour of the Resolutions 1 and 2 as they intend to do so in respect of their entire beneficial holdings amounting, in aggregate, to 6,874,782 Ordinary Shares, representing approximately 2.21 per cent. of the Existing Share Capital; and (2) the Directors recommend that Shareholders vote in favour of Resolutions 3 and 4, as they intend to do in respect of their entire beneficial holdings amounting, in aggregate, to 150,568,069 Ordinary Shares, representing approximately 48.45 per cent. of the Existing Share Capital.

Yours faithfully,

Peter Jensen

Non-Executive Chairman

PART II

FINANCIAL INFORMATION ON ALLERGY THERAPEUTICS plc

The unaudited preliminary results for the Company for the financial period ended 31 December 2011 were announced on the date of this document and have been incorporated in this document by reference. This document can be found on the Company's website at:

www.allergytherapeutics.com

The published annual report and accounts of the Company for the financial periods ended 30 June 2011, 2010, and 2009 have been incorporated in this document by reference.

Please refer to pages 1 to 103 (inclusive) of the Company's Report and Accounts for the year ended 30 June 2011.

Please refer to pages 1 to 98 (inclusive) of the Company's Report and Accounts for the year ended 30 June 2010.

Please refer to pages 1 to 60 (inclusive) of the Company's Report and Accounts for the year ended 30 June 2009.

The above documents are available on the Company's website at www.allergytherapeutics.com in the Investor Relations section under Reports and Presentations. Alternatively, a Shareholder, person with information rights or other person to whom this document is sent may request a copy of any such document in hard copy form. A hard copy may be obtained by contacting the Company at Dominion Way, Worthing, West Sussex, BN14 8SA or by telephoning +44 (0)1903 844 700.

PART III

INFORMATION ON THE MEMBERS OF THE CONCERT PARTY

1 The CFR Group

CFR Pharmaceuticals, CFR International and Yissum Holding Limited are each a member of the CFR Group, a group of pharmaceutical companies controlled by the Weinstein Family.

The origins of the CFR Group can be traced back to 1922, when Mr. Nicolás Weinstein Rudoy (the father of Mr. Alejandro Weinstein Snr.), opened a drug store in Santiago, Chile called Botica Italiana. Mr. Weinstein Rudoy focused first on marketing imported products and then on manufacturing products. In the 1940's, they introduced sulfa and penicillin to Chile and became Chile's main supplier of penicillin. The CFR Group currently has a presence in 17 countries, concentrated in South America where it has a significant presence in the pharmaceutical sector.

In September 2010, the controlling shareholders consolidated and reorganised the CFR Group under two holding companies, CFR Chile S.A. and CFR International, structured to hold Chilean and foreign operations respectively. The interests in such holding companies are held by a single entity, CFR Pharmaceuticals, a company listed on the Chilean Stock Exchange. Yissum Holding Limited is wholly owned by CFR International. Further details of these entities are set out below.

1.1 CFR Pharmaceuticals

CFR Pharmaceuticals was incorporated on 8 September 2010 in Chile and is listed on the Santiago Stock Exchange. Its operation as a listed company is governed by the “*Superintendencia de Valores y Seguros or SVS*” (Superintendence of Securities and Insurance). CFR Pharmaceuticals is indirectly controlled by Alejandro Weinstein Snr., and his sons Alejandro Weinstein Jr. and Nicolás Weinstein.

The rights of shareholders of CFR Pharmaceuticals are governed by its bylaws and by the provisions of both the Chilean Corporations Law and Securities Market Law applicable to such corporations. A copy of the bylaws of CFR Pharmaceuticals are available to be reviewed by the means set out in paragraph 13 of Part VI. Further details of CFR Pharmaceuticals are as follows:

SVS Registration number: 1067

Registered address: Pedro de Valdivia Av. Number 295, Providencia, city of Santiago, Chile

Date of incorporation: 8 September 2010

Place of incorporation: Chile

Directors:	Alejandro Weinstein Sr.	<i>Chairman</i>
	Nicolás Weinstein	<i>Director</i>
	Eliahu Shohet	<i>Director</i>
	Guillermo Tagle Quiroz	<i>Director</i>
	Juan Antonio Guzmán*	<i>Director</i>
	Alberto Euiguren Correa	<i>Director</i>
	Juan Cruz Bilbao Hormaeche*	<i>Director</i>

* Independent director in accordance with Chilean laws

The audited consolidated annual report and accounts of CFR Pharmaceuticals and its subsidiaries (including CFR International and Yissum Holding Limited) for the financial periods ended 31 December 2010 and 2011 have been incorporated in this document by reference. Details of where to access these documents are set out in Paragraph 12 of Part VI.

Further information about the CFR Pharmaceuticals can be found at www.cfr-corp.com.

1.2 *CFR International*

CFR International was incorporated on 24 September 2010 in Chile and is wholly owned by CFR Pharmaceuticals. Further details of CFR International are as follows:

Chilean tax number:	76116262-4
Business address:	Pedro de Valdivia Av. Number 295, Providencia, city of Santiago, Chile
Place of incorporation:	Chile
Date of incorporation:	24 September 2010
Directors:	Mr. Alejandro Weinstein Snr. Mr. Alejandro Weinstein Jr. Mr. Nicolás Weinstein

1.3 *Yissum Holding Limited*

As at the date of this document, Yissum Holding Limited is the registered holder of 137,491,788 Ordinary Shares, representing 44.24 per cent. of the Company's total voting rights. Yissum Holding Limited was incorporated on 15 September 2010 in Malta and is wholly owned by CFR International. Further details of Yissum Holding Limited are as follows:

Registration number:	C50641
Registered address:	17b Zampt Clapp Street, St Julains, STJ 1440, Malta
Place of incorporation:	Malta
Date of incorporation:	15 September 2010
Directors:	Mr. Alejandro Weinstein Jr. Mr. Patricio Vargas Munoz Mr. Agustin Eguiguren Correa Mr. Victor Julio Chunco Mr. Alexis Camhi Levy

2 *Azure*

As at the date of this document, Azure is the registered holder of 3,076,499 Ordinary Shares, representing 0.99 per cent. of the Company's total voting rights. Azure was incorporated on 28 April 2009 in Malta and is wholly owned by The Karjiang Pharma Trust, a trust incorporated under the laws of Belize on 6 December 2007. The beneficiaries of the trust are Alejandro Weinstein Snr., Alejandro Weinstein Jr. and Nicolás Weinstein. Further details of Azure are as follows:

Registration number:	C46721
Registered address:	6/3 O'Hea Building, Sir William Reid Street, Gzirea GZR1038, Malta
Place of incorporation:	Malta
Date of incorporation:	28 April 2009
Sole director:	Mr. Jason Tabone

3 The Weinstein Family

As set out above, members of the Weinstein Family are the ultimate indirect controllers of CFR Pharmaceuticals, CFR International, Yissum Holding Limited and Azure. Further information regarding Alejandro Weinstein Sr., Nicolás Weinstein and Alejandro Weinstein Jnr. are set out below.

3.1 *Alejandro Weinstein Sr.*

Alejandro Weinstein Sr. has been a member of the board of directors of CFR Pharmaceuticals since December 2010 and is currently appointed as chairman. Mr. Weinstein joined the CFR Group in 1956 and has held various positions within the CFR Group, including general manager between 1963 and 2000.

3.2 *Nicolás Weinstein*

Nicolás Weinstein has been a member of the board of directors of CFR Pharmaceuticals since December 2010 and has been employed by the CFR Group for 26 years, including as manager of administration, finance, operations and production. Mr. Weinstein received his industrial engineer degree from Universidad Católica de Chile.

3.3 *Alejandro Weinstein Jnr.*

Alejandro Weinstein Jnr. is a non-executive director of the Company. Mr. Weinstein is also the Chief Executive Officer of CFR Pharmaceuticals. In addition, Mr. Weinstein is currently a member of the board of directors of several Latin American pharmaceutical companies within the CFR Group, a director of the Biomedical Research Consortium and a member of the board of the Company. Mr. Weinstein is also chairman of Fundación Genómika, an organisation founded by the Group in association with the School of Medicine of Universidad Católica de Chile to support scientific research. Mr. Weinstein received auditor and business administration degrees from the Universidad Católica de Chile. He also completed postgraduate studies in business administration at Harvard University.

4 Manuel Llobet and Wild Indigo

4.1 *Manuel Llobet*

Manuel Llobet is the Chief Executive Office of the Company. Mr. Llobet was formerly the CEO of International Operations of the Weinstein Family's group of companies however stepped down on his appointment as CEO of Allergy.

4.2 *Wild Indigo*

Wild Indigo is associated with Manuel Llobet and was incorporated on 6 May 2009 in the Republic of Panama. Wild Indigo is wholly owned by The Zeus Trust, a family trust incorporated under the laws of New Zealand on 3 June 2009. The trustee of The Zeus Trust is FI&PA Corporate Trustee New Zealand Limited of 60 Tinakori Road, Thorndon, Wellington, New Zealand. The beneficiaries of the trust are Natacha Olarte, Joshua Llobet and Autua Llobet who are the wife and two minor children of Manuel Llobet, respectively. Further details of Wild Indigo are as follows:

Registration number:	Microjacket 660977, Document 1572561
Registered address:	Aleman, Cordero, Galindo & Lee, East 53rd Street, Marbella, MMG Building, 2nd Floor, Panama, Republic of Panama
Place of incorporation:	Republic of Panama
Date of incorporation:	6 May 2009
Directors:	Edgardo Eloy Diaz Maira Itzel Guevara Myrna de Navarro Manuel Llobet

PART IV

DETAILS AND TERMS AND CONDITIONS OF THE OFFER

1 The Offer

The Offer comprises an offer to subscribe at the Issue Price for up to approximately £5,154 nominal value of Offer Shares up to (5,154,639 New Ordinary Shares) with the aggregate consideration to be received by the Company limited to £500,000. The Directors reserve the right to exercise their discretion in the allocation of successful applications, including, without limitation, to ensure that no more than 5,154,639 New Ordinary Shares are issued under the Offer. The Offer is not being underwritten and is not being made to Shareholders on a pre-emptive basis.

The Offer is only open to Qualifying Participants and there is no minimum subscription per applicant. No Qualifying Participant may subscribe under the Offer for more than 5,154,639 New Ordinary Shares. Multiple applications may be submitted. Qualifying Shareholders who are joint Shareholders may only apply for Offer Shares as joint applicants. Members of the Concert Party are not permitted to apply for Offer Shares under the Offer.

The Offer will close at 11.00 a.m. on 17 April 2012 unless previously closed or extended.

The Placing Shares, the Accepted Offer Shares and the Subscription Shares will, when issued and fully paid, rank *pari passu* in all respects with and will carry the same voting and dividend rights as, the Existing Ordinary Shares. The Offer is conditional, *inter alia*, on Shareholders' approval of the Resolutions, the Placing Agreement becoming or being declared unconditional in all respects (save in respect of Admission) and not being terminated before Admission and on Admission. It is expected that Admission will take place on 20 April 2012. One of the conditions to the Placing Agreement is Admission occurring no later than 8.00 a.m. on 20 April 2012 or such later time and/or date as the Company and Nomura Code may agree, being not later than 8.00 a.m. on 20 April 2012. If such conditions are not fulfilled, application monies are expected to be returned without interest by cheque in favour of the applicant(s) (at the applicant's risk) by post as soon as practicable after that date.

The Offer is not a rights issue nor an open offer, Qualifying Participants should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Participants should also be aware that any Offer Shares not subscribed for under the Offer will not be allotted, nor will they be sold in the market or placed for the benefit of Qualifying Participants who do not apply under the Offer.

Completed Application Forms, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by hand so as to arrive as soon as possible and in any event so as to be received no later than 11 a.m. on 17 April 2012.

The Offer cannot be accepted in CREST.

Further terms of the Offer are set out in this Part IV and, where relevant, in the Application Form.

2 Procedure for Application

2.1 General

Subject to the provisions set out in this Part IV in relation to the Overseas Shareholders, Qualifying Participants will have received an Application Form enclosed with this document. There is no minimum subscription per applicant. No Qualifying Participant may subscribe under the Offer for more than 5,154,639 New Ordinary Shares. The instructions and other terms set out in the Application Form constitute part of the terms of the Offer.

The Directors reserve the right to exercise their discretion in the allocation of successful applications. The right is also reserved to reject in whole or in part any application or any part thereof for any reason whatsoever, including (without limitation) a breach of any of the terms,

conditions, representations and/or warranties set out in this document and/or the Application Form and to treat as valid any application not in all respects completed in accordance with the instructions relating to the Application Form. Where an application is rejected either in whole or in part, application monies received in excess of the accepted allocation will be returned to the applicant (at the applicant's risk) without interest within 14 days by way of cheque.

Save where the context otherwise requires, words and expressions defined in this document have the same meaning when used in the Application Form and any explanatory notes in relation thereto.

Applications may only be made on the Application Form which is personal to the Qualifying Participant(s) named thereon and may not be assigned, transferred or split except in the circumstances described below. The Application Form represents the right to apply for Offer Shares and is not a document of title and cannot be separately traded. Any Qualifying Shareholder who has sold or transferred all of his holding of Existing Ordinary Shares prior to the Record Date should forward this document and the enclosed form of proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

The Application Form should not, however, be forwarded to or transmitted in or into any of the Excluded Jurisdictions.

2.2 Application Procedures

Qualifying Participants wishing to apply for Offer Shares should complete the Application Form in accordance with the instructions printed thereon and post it in the accompanying reply paid envelope and return it, together with payment in full for the number of Offer Shares applied for, to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive not later than 11 a.m. on 17 April 2012. If Qualifying Participants have any queries on the procedure for acceptance and payment, or wish to receive another Application Form, they should contact Capita Registrars on telephone number 0871 664 0321 (calls cost 10p per minute including VAT plus service provider's network extras) (+44 208 639 3399 from outside the UK). This helpline is open from 9.00 a.m. to 5.00 p.m. on business days (i.e. Monday to Friday). Calls to the helpline from outside of the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. Please note that calls to the helpline may be monitored or recorded and that the helpline is not able to advise on the merits of the matters set out in this document or provide any personal legal, financial or taxation advice.

If any Application Form is sent by first class post within the United Kingdom, Qualifying Participants are recommended to allow at least four business days for delivery. The Company may elect in its absolute discretion to accept Application Forms and remittances received after 11 a.m. on 17 April 2012. The Company may also in its sole discretion elect to treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if it is not completed in accordance with the relevant instructions, or if it does not strictly comply with the terms and conditions of application. Applications will not be acknowledged.

The Company also reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 11 a.m. on 17 April 2012 from an authorised person (as defined in FSMA) specifying the number of Offer Shares concerned and undertaking to lodge the relevant Application Form in due course.

2.3 Payments

Payments must be made by cheque or bankers' draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society and must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to Capita Registrars Limited a/c: "Allergy Therapeutics offer for Subscription" and crossed "A/C Payee Only". Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts

where the building society or bank has endorsed the back of the draft by adding the Shareholder's details and the branch stamp. The account name should be the same as that shown on the Application Form. Cheques or bankers' drafts will be presented for payment upon receipt.

The Company reserves the right to instruct Capita Registrars to seek special clearance of cheques and bankers' drafts to allow the Company to obtain value for remittances at the earliest opportunity. All funds shall be held in a non-interest bearing account.

It is a term of the Offer that cheques will be honoured on first presentation, and the Company may elect in its absolute discretion to treat as invalid, acceptances in respect of which cheques are not so honoured. If cheques or bankers' drafts are presented for payment before the conditions of the Offer are fulfilled, the application monies will be kept in a separate bank account pending fulfilment of such conditions.

If all the conditions of the Offer have not been fulfilled or (where appropriate) waived by 8.00 a.m. on 20 April 2012 (or such later date as the Company may, in its absolute discretion, elect, but in any event not later than 8.00 a.m. on 27 April 2012), the Offer will lapse and application monies will be returned to applicants (at the applicants' risk), without interest, by cheque in favour of the applicant(s) within 14 days after that date.

2.4 ***Incorrect sums***

If an Application Form encloses a payment for an incorrect sum, the Company, through Capita Registrars, reserves the right:

- (a) to reject the application in full and return the cheque or banker's draft or refund the payment to the Qualifying Participant in question; or
- (b) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the Qualifying Participant in question, save that any sums of less than £1 will be retained for the benefit of the Company; or
- (c) in the case that an excess sum is paid, to treat the application as a valid application for all of the Offer Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying Participant in question, save that any sums of less than £1 will be retained for the benefit of the Company.

2.5 ***Effect of Application***

All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk. By completing and delivering an Application Form, applicant(s):

- (a) offer to subscribe for the number of Offer Shares specified in such applicant's Application Form (or such fewer number for which such applicant's application is accepted) on the terms of, and subject to, this document, including (without limitation) these terms and conditions, and the Memorandum and Articles of Association of the Company and the terms and conditions set out in the Application Form;
- (b) represent and warrant that they are not applying with a view to reoffering, reselling, transferring or delivering any of the Offer Shares which are the subject of their application to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any of, the Excluded Jurisdictions except where proof satisfactory to the Company has been provided to the Company and that they are able to accept the invitation by the Company free of any requirement which the Company (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Offer Shares under the Offer;

- (c) represent and warrant that they are not and nor are they applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986;
- (d) agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer shall be governed by and construed in accordance with English law, and that such applicant submits to the jurisdiction of the English Courts and agrees that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (e) confirm that in making the application they are not relying on any information or representation other than that contained in or referred to in this document, and they accordingly agree that no person responsible solely or jointly for this document or any part thereof shall have any liability for any such information or representation not so contained and further agrees that having had the opportunity to read this document, they will be deemed to have had notice of all information contained or referred to in this document;
- (f) agree that, having had the opportunity to read this document, such applicant shall be deemed to have had notice of all information and representations concerning the Company contained herein;
- (g) represent and warrant that they are the Qualifying Participant originally entitled to participate under the Offer or they have become so entitled by virtue of a *bona fide* market claim;
- (h) represent and warrant that, if such applicant signs an Application Form on behalf of somebody else, such applicant has due authority to do so on behalf of that other person and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained herein and undertake to enclose such applicant's power of attorney or a copy thereof duly certified by a solicitor with the Application Form;
- (i) in the case of any Qualifying Shareholder who is a joint Shareholder, agree that such joint Shareholder applicants may only apply for Offer Shares as joint applicants;
- (j) represent and warrant that such applicant is not under the age of 18; and
- (k) represent and warrant that such applicant is a person of the kind described in Article 43 or Article 60 of the Financial Promotion Order, being a Shareholder or employee of the Group at the Record Date.

The instructions, notes and other terms set out in the Application Form, form part of the terms of the Offer.

If you do not wish to apply for any of the Offer Shares under the Offer, you should not complete and return the Application Form.

If you are in any doubt whether or not you should apply for any of the Offer Shares under the Offer, and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the FSMA who specialises in advising on the acquisition of shares and other securities if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser. All enquiries in relation to the procedure for application for Qualifying Participants under the Offer should be addressed to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, telephone number 0871 664 0321 (calls cost 10p per minute including VAT plus service provider's network extras) (+44 208 639 3399 from outside the UK). This helpline is open from 9.00 a.m. to 5.00 p.m. on business days (i.e. Monday to Friday). Calls to the helpline from outside of the UK will be charged at applicable international rates. Different

charges may apply to calls from mobile telephones. Please note that calls to the helpline may be monitored or recorded and that the helpline is not able to advise on the merits of the matters set out in this document or provide any personal legal, financial or taxation advice.

3 Money Laundering Regulations

It is a term of the Offer that, to ensure compliance with the Money Laundering Regulations 2007, the money laundering provisions of the Criminal Justice Act 1993, Part VIII of the Financial Services and Markets Act 2000 and the Proceeds of Crime Act 2002 (together with the provisions of the Money Laundering Sourcebook of the Financial Services Authority and the manual of guidance produced by the Joint Money Laundering Steering Group in relation to financial sector firms) (together, the “Regulations”), that Capita Registrars may, in its absolute discretion, require verification of your identity to the extent that you have not already provided the same. Pending the provision to Capita Registrars of evidence of your identity, definitive certificates in respect of Offer Shares may be retained at its absolute discretion. If within a reasonable time after a request for verification of identity, Capita Registrars has not received evidence satisfactory to it, the Company may, in its absolute discretion, terminate your Offer participation in which event the monies payable on acceptance of the Offer participation will, if paid, be returned without interest by cheque to the applicant(s). To comply with the money laundering requirements, payment in respect of your Offer participation should be drawn from an account in your own name on a branch of a building society or bank in the United Kingdom and must bear the appropriate sort code in the top right hand corner. If this is not practicable and you must use a cheque or bankers’ draft drawn on a building society or bank then you should request the building society or bank to print or write on the back of the cheque the full name and account number of the person whose building society or bank account is being debited and add their branch stamp.

For applications over Euros 15,000 (the equivalent of £12,506 as at the close of business on 29 March 2012), Qualifying Participants are also requested to submit with the Application Form as documentary evidence of identity and address one certified copy document from each of the following lists (as appropriate). The items below may be used to evidence either address or identity – but not both:

Personal identity documents (UK resident individuals):

1. current full signed passport;
2. current full UK/EU driving licence;
3. most recent Inland Revenue notification

and:

- HM Revenue & Customs tax notifications e.g. tax assessment, statement of account or notice of coding;
- evidence of address (UK resident individuals) current full/EU driving licence;
- recent utility bill or utility statement (not more than 3 months old) (mobile telephone bills are not acceptable);
- local authority tax bill (current year);
- current UK driving licence (if not used for evidence of name); or
- HM Revenue & Customs correspondence addressed to you at stated address (provided HM Revenue & Customs notifications have not been used as evidence of personal identity).

If you are not a UK resident individual such proof of identity may include:

- a certified copy of an official identity card; or
- a certified copy of a driving licence; or
- a certified extract from a full passport (i.e. a copy of the front cover and pages showing photograph, personal details and signature, date and place of issue and serial number); and

- a certified copy of satisfactory evidence of an address (e.g. utility bill or bank statement).

If you are a corporation, please supply:

- evidence of Company name; and
- a certified copy of your articles of association or statutes or published latest accounts or certificate of incorporation or trade register entry or certificate of trade; and
- evidence of Company address; and
- current gas/electric utility bill (no more than 3 months old); and
- local authority business rates bill; or
- customs & excise VAT notification no more than 6 months old.

All certified documents must be certified by a professional person such as a lawyer or attorney, notary or an official entity such as an embassy, consulate or high commission of the country of issue.

4 Taxation and Stamp Duty

If you are in any doubt as to your tax position, or if you are subject to tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser without delay.

5 Overseas Shareholders

In the opinion of the Directors, there is a significant risk of civil, regulatory or criminal exposure to the Company and its Directors were the Offer, Subscription and Placing to be made into any of the Excluded Jurisdictions. On this basis, none of the Placing Shares, Offer Shares, Subscription Shares, this document nor the Application Form, have been or will be, registered under the relevant laws of any state, province or territory of any of the Excluded Jurisdictions.

In respect of persons not resident in the United Kingdom, or who are citizens of countries other than the United Kingdom, the Offer may be affected by the laws or regulatory requirements of jurisdictions outside the United Kingdom. It is the responsibility of each overseas shareholder to satisfy himself as to the full observance of the laws of any relevant jurisdiction in connection with the Offer. No person receiving a copy of this document and/or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him/her nor should he/she in any event use such Application Form unless in the relevant territory such an invitation could lawfully be made to him/her or such Application Form could be lawfully used without compliance with any registration or other legal or regulatory requirements other than any which may have been fulfilled.

The Offer Shares have not been and will not be approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorised passed upon or endorsed the merit of the Offer or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States. The Offer Shares have not been and will not be registered under the United States Securities Act of 1993 (as amended) (the "Securities Act") or under the securities laws of any state or other jurisdiction in the United States, neither do they qualify for distribution under any of the relevant securities laws of the Excluded Jurisdictions, nor has any prospectus in relation to the Offer Shares been lodged with or registered by the Australian Securities and Investments Commission. Persons subscribing for Offer Shares shall be deemed, and (unless the Company is satisfied that Offer Shares can be issued without breach of security laws, including (without limitation) those of the Excluded Jurisdictions) shall be required, to represent and warrant to the Company that they are not a person in a Excluded Jurisdiction and that they are not subscribing for such Offer Shares for the account of any such person and will not offer, sell, renounce, take up, transfer or deliver, directly or indirectly, such Offer Shares in a Excluded Jurisdiction.

It is the responsibility of any person receiving a copy of this document or an Application Form and wishing to make an application to subscribe for Offer Shares to satisfy himself/herself as to the full observance of the laws and regulatory requirements of any relevant territory, including the obtaining of all necessary governmental or other consents which may be required or observing any other formalities needing to be observed in such territory and the payment of any taxes due in such jurisdiction.

The Company reserves the right to treat as invalid any application, or purported application, to subscribe for Offer Shares pursuant to the Offer which appears to the Company or its agent to have been executed, effected or in a manner which may involve a breach of the securities legislation of any jurisdiction or which does not include the warranties set out in the Application Form. Completion of an Application Form shall constitute a warranty that the Shareholder is eligible to apply.

6 Dealing and Settlement

The New Ordinary Shares to be allotted and issued pursuant to the Placing, Subscription and Offer will be allotted and issued fully paid and will, on issue, rank *pari passu* with the Existing Ordinary Shares, including the right to receive, in full, all dividends and other distributions thereafter declared, made or paid after the date of issue together with all rights attaching to them and free from all liens, charges and encumbrances of any kind. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM.

No temporary documents of title will be issued. Pending the despatch of definitive share certificates, instruments of transfer will be certified against the register of members of the Company.

7 Prospectus Rules and Financial Promotion Order

Since the Offer is limited to £500,000, by virtue of Schedule 11A of FSMA, the Offer does not constitute an offer within the meaning of the Prospectus Rules. The Company is not, therefore required to publish a prospectus in respect of the Offer or any other aspect of Fundraising and as such this document does not constitute a prospectus.

Furthermore, this document is exempt from the general restriction contained in section 21 of the FSMA relating to the communication of invitations or inducements to engage in investment activity on the grounds that it is being made available by the Company only to Qualifying Participants. Accordingly, the Offer is only capable of being accepted by Qualifying Participants. As this document relies on the exemption set out in paragraph 43 of the Financial Promotion Order (non-real time communications by or on behalf of a body corporate to members of that body corporate) and paragraph 60 of the Financial Promotion Order (participation in employee share schemes), it has not been drawn up in accordance with the FSA's Handbook or its Conduct of Business Sourcebook.

8 Further Information

The attention of Qualifying Participants is drawn to Part I of this document and to the further information set out in Part II, V and VI of this document and also, where relevant, to the terms, conditions and other information printed on the accompanying Application Form.

PART V

RISK FACTORS

An investment in the Company involves significant risks and is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may be equal to the whole amount invested) which may result from such an investment.

Prospective investors should carefully review and evaluate the risks and the other information contained in this document before making a decision to invest in the Company. If in any doubt, prospective investors should immediately seek their own personal financial advice from their independent professional adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities or other advisers such as legal advisers and accountants. If any of the following risks actually occur, the Company's business, financial condition, capital resources, results and/or future operations could be materially and adversely affected. In such circumstances, the trading price of Ordinary Shares could decline and investors may lose all or part of their investment. Additional risks and uncertainties not currently known to the Board may also have an adverse effect on the Company's business and the information set out below does not purport to be an exhaustive summary of the risks affecting the Company or the Group. There can also be no guarantee that the Company's investment objectives will be achieved.

Prospective investors should be aware that the value of Ordinary Shares, including New Ordinary Shares and the income from them may go down as well as up and that they may not be able to realise their investment. In addition, it is possible that the market price of Ordinary Shares in the Company may be less than the underlying net asset value per Ordinary Share. References to the Company are also deemed to include, where appropriate, each member of the Group.

Product liability risk

The Group's products may produce unanticipated adverse side effects that may hinder their marketability. The Group may be insufficiently covered for any potential litigation which in some cases can potentially be open-ended.

Regulatory Compliance

The Group's manufacturing facilities and those of some of its suppliers are subject to regulatory requirements and there is a risk that such facilities may not comply with such requirements.

Dependence on retention and recruitment of key personnel

The success of Allergy and its business strategy are dependent on its ability to retain and attract key management with the relevant expertise and experience. As Allergy expands the commercialisation of its products, the Group will need to recruit and integrate additional personnel. In a period of high growth, the loss of the services of one or more members of the management group or the inability to recruit and effectively integrate additional personnel as needed could have an adverse effect on the Group's product development programmes and on its business, financial condition and results.

Changes in the regulatory environment

The pharmaceuticals field in which the Company operates is very highly regulated. Marketing authorisations granted by regulatory bodies such as the EMEA and national equivalents such as Germany's PEI and the Medicines and Healthcare products Regulatory Agency (MHRA) in the UK are required before any product can be commercialised. Achieving and maintaining such Marketing authorisations is therefore necessary to the continued success of the Company.

In some markets SIT products such as many of the Company's marketed vaccines were treated as a special case owing to their allergen-specific nature. Under the terms of EU Directive 2001/83/EC manufactured human pharmaceutical products require Marketing authorisations and steps are being taken to bring SIT products into line with this EU Directive. In particular, Germany has passed into law the TAV, prepared by the PEI. The TAV allows for an extended transition period for compliance with the EU Directive, and the Company has a detailed plan to adhere to the requirements of the TAV. Were the Company to fail to meet the needs of the TAV it could result in a reduction in the number of the Company's products able to be commercialised in Germany, resulting in a reduction in revenues. Spain and Italy are two of the Group's other key markets. In Italy, the authority has requested formulation and manufacturing information for products on the market but both the Italian and Spanish authorities have yet to determine how to implement the EU Directive; the Group's sales in these markets could therefore be adversely impacted by new regulation.

There have been recent changes to the reimbursement regime in Germany to which the Company's German Subsidiary benefits. It is possible due to such changes, when combined with the continuing development of the Group, that the Group may not receive the benefit of this reimbursement regime in the future. It is also possible that the change in majority control triggered by the conversion of the Convertible Loan Notes may negatively impact on the Group's future and past entitlements under the German reimbursement regime. Loss of the reimbursement by the Group would materially reduce the Group's operating profit.

It is a term of the Placing Agreement that in the event that the Company's regulators issue a communication in respect of the Group's products and Nomura Code considers it would be likely to prejudice materially the success of the Placing or would make it impractical or inadvisable to proceed with the Placing or Admission, then the Placing Agreement will be terminated.

Competition and technical advances

The market in which the Group is operating is characterised by rapidly evolving technology and industry standards and several of the companies competing in this sector have substantially greater financial, technical and marketing resources, greater name recognition, larger customer bases and more established co-operative relationships. As the market grows, new alliances between competitors may emerge which could reduce the Group's sales, margins and market shares. Competitors could develop superior or more cost-effective techniques which could render the Group's products uncompetitive or develop products that achieve greater market acceptance than the Group's products. In the future, the Group may experience pricing pressures from the authorities, competitors and customers which may adversely affect sales levels and/or gross margins. The future success of the Group and the maintenance of its margins will therefore depend to a large extent upon the Group's ability to develop and introduce new products and enhancements to existing products to meet and broaden customer needs and to anticipate developments in the market and changes in industry standards. No assurance can be given that new products or product enhancements will satisfy customer requirements or can be developed in time to meet market opportunities, will achieve a sufficient level of acceptance in new and existing markets, or will successfully anticipate rapid technological changes or new industry standards.

Intellectual property and proprietary technology

The Group's success will depend in part on its ability to secure and maintain patent protection and copyright for its products and processes, to preserve its trade secrets and to operate without infringing the proprietary rights of third parties. No assurance can be given that any pending patent applications or any future patent applications will result in granted patents, that the scope of any copyright or patent protection will exclude competitors or provide competitive advantages to the Group, that any of the Group's patents will be held valid if challenged or that third parties will not claim rights in or ownership of the copyright, patents and other proprietary rights held by the Group. As product sales increase, the Group may be subject to claims in relation to infringement of patents, trademarks or other proprietary rights. Adverse judgments against the Group may give rise to significant liability in monetary damages, legal fees and an inability to manufacture, market or sell products either at all or in particular territories using existing trademarks and/or particular technology. Where the Group has given assurances to customers that its products do not

infringe proprietary rights of third parties, any such infringement might also expose the Group to liabilities to those customers. Even claims without merit could deter customers and have a detrimental effect on the Group's business as well as being costly and time consuming to defend and diverting Group resources. Further there can be no assurance that others have not developed or will not develop similar products, duplicate any of the Group's products or design around any patents held by the Group. Others may hold or receive patents which contain claims having a scope that covers products developed by the Group (whether or not patents are issued to the Group). The Group relies on patents to protect, amongst other things, its products. These rights act only to prevent a competitor from copying and not to prevent a competitor from independently developing products that perform the same functions. No assurance can be given that others will not independently develop or otherwise acquire substantially equivalent techniques or otherwise gain access to the Group's un-patented proprietary technology or disclose such technology or that the Group can ultimately protect meaningful rights to such un-patented proprietary technology.

Dependence on collaborative arrangements

The Group is assisted by third parties in its research and development and in the production, marketing and commercialisation of its products. Disagreements between the Group and any of its collaborators could lead to delays in the Group's research and development programme and/or commercialisation plans. If any of those third parties were to terminate its relationship with the Group, the Group would be required to obtain development services from other parties or develop these functions internally. The process of entering into such similar relationships or developing these functions internally could require significant expenditure and time. While the Directors believe that the Group would be able to enter into arrangements with other companies within a reasonable period of time, upon commercially reasonable terms, and in compliance with applicable regulatory requirements, no assurance can be given that it would be able to do so, and failure to do so, or in a timely manner, could materially and adversely affect the Group's business, operating results and financial condition.

Exchange rate fluctuations

The majority of the Group's revenues are in Euros whilst a substantial part of its operating costs are in Sterling. The Group is therefore exposed to foreign currency risk due to fluctuations in exchange rates. This may result in gains or losses with respect to movements in exchange rates which may be material and may also cause fluctuations in reported financial information that are not necessarily related to the Group's operating results.

Overseas activities

Allergy Therapeutics is exposed to additional risks related to operating in foreign countries. It has operations in most European countries including Germany, Austria, Spain and Italy and in some emerging markets and a large proportion of the products are sold outside the UK. These risks include export controls and/or other regulatory restrictions which may prevent the shipping of products into and from some markets or may increase the costs of doing so, the impact of foreign taxes and other applicable foreign regulations, an inability to repatriate earnings on overseas sales, difficulty in collecting debts or enforcing or protecting IPR, economic weakness or political instability in foreign economies or markets, changes in government healthcare policies and the difficulties involved in managing overseas activities. Approximately 65 per cent. of Group sales are made in Germany and therefore Group results are potentially sensitive to German legislation and government policies.

Volatility in share price and liquidity

The share prices of publicly traded companies that are perceived to be within the technology sector are often subject to significant fluctuations. The market price of the Ordinary Shares may therefore be volatile and may be influenced by factors which affect the quoted pharmaceutical and biotechnology sectors (or quoted companies) generally and not just factors specific to the Group. An AIM quotation does not guarantee that there will be a liquid market for Ordinary Shares. An active public market for the Ordinary Shares may not be sustained after the Fundraising and the market price may fall below the price of which the Ordinary Shares are issued under the Fundraising.

Government actions

All governments reserve the right to amend their policies in relation to drug development and biotechnology. These policies are subject to change at any time in any country and can impact profoundly upon the biotechnology industry as a whole or in part. Reimbursement of pharmaceutical products also varies from country to country and Government agencies reserve the right to change their policies. In Germany, for example, there is a rebate mechanism on the sale of pharmaceutical products that requires pharmaceuticals companies to pay a rebate to the Government agencies on sales made in that market. The level of this rebate is subject to change.

Regulatory Approval

As part of the regulatory approval process the Group must conduct pre-clinical studies and clinical trials for each of its unapproved products to demonstrate safety and efficacy. The number of pre-clinical studies and clinical trials that will be required varies depending on the product, the indication being evaluated, the stage of development reached, the trial results and regulations applicable to the particular product. The results of pre-clinical studies and initial clinical trials of the Group's unapproved products do not necessarily predict the results of later-stage clinical trials. Unapproved products in later stages of clinical trials may fail to show the desired safety and efficacy despite having progressed through initial clinical trials. There can be no assurance that the data collected from the preclinical studies and clinical trials of the Group's unapproved products will be sufficient to support FDA, EMEA or other regulatory approvals, or approvals from local ethics committees. In addition, the continuation of a particular study after review by an independent data safety monitoring board or review body does not necessarily indicate that all clinical trials will ultimately be successfully completed.

The Group's unapproved products may produce unexpected side effects or serious adverse events which could interrupt, delay or halt clinical trials of the products and could result in the FDA, EMEA or other regulatory authorities denying approval of its products for any or all targeted indications. An independent safety monitoring board, the FDA, EMEA, other regulatory authorities or the Group itself may suspend or terminate clinical trials at any time. There can be no assurances that any of the Group's unapproved product candidates will ultimately prove to be safe for human use. The Group's clinical trials could also be delayed or terminated in the event that the product being tested, or a component of it, is in the same class as a marketed product that is revealed to cause side effects.

The Group has completed late-phase clinical trials with its Grass and Ragweed vaccines, and has submitted Grass for approval in Germany with the intention of gaining EU-wide approval via the mutual recognition process. There can be no guarantee that the submission to the PEI or any other authority will be successful. Failure to achieve approval following submission may impact negatively on the Company's sales of products considered in the market to be similar to those for which Marketing authorisations are sought.

The Group continues to work towards commercialising Pollinex[®] Quattro in the US market and is in discussions with the FDA to lift the clinical hold on the investigational new drug applications for the three MATA-MPL[®] products. There can be no guarantee that the FDA will permit the Company to resume its clinical activity with respect to these drugs.

It is a term of the Placing Agreement that in the event that the Company's regulators issue a communication in respect of the Group's products and Nomura Code considers it would be likely to prejudice materially the success of the Placing or would make it impracticable to proceed with the Placing or Admission, then Nomura Code, at its discretion, may terminate the Placing Agreement.

Clinical hold on the MATAMPL programmes

The clinical hold imposed by the FDA on all the MATAMPL programmes in July 2007 remains but will be lifted once agreement is reached with the FDA on study design and protocols for each study. A key risk facing the Group with respect to new development in the US and potentially elsewhere is whether the clinical hold is lifted and if so, on what terms. There can be no guarantee as to when, or if, the clinical hold is lifted and the Directors cannot accurately predict when any clinical trials required will be

completed, if at all. The funding of any development in the US will require the Group to find a suitable partner to help in the products' development and commercialisation. It can not be guaranteed that such a partner will be found.

Requirement for additional funds

The Company's business and growth strategies may require additional capital in the future and there can be no guarantee that financing will be available to the Company on satisfactory terms in the future, if required. To the extent that the Company raises additional equity capital, it would have a dilutive effect on existing Shareholders. If adequate funds are not available, the Company may not be able to continue to grow at the planned rate or otherwise achieve certain management objectives. Additionally, the Company may have to reduce its planned research and development, sales and marketing. This would impact seriously on the Company's prospects.

Substantial shareholding in the Company by the members of the Concert Party

Following the Placing, the Subscription, the Offer (assuming no take up under the Offer), and the conversion of the convertible Loan Notes into Ordinary Shares, the members of the Concert Party will be interested in 55.49 per cent. of the Company's enlarged issued share capital. Accordingly, these Shareholders may be in a position to exert significant influence over the outcome of matters relating to the Company. The interests of these Shareholders may be different from the interests of the Company or the Company's other Shareholders. In addition, this control may have the effect of making certain transactions more difficult without the support of these Shareholders and may have the effect of delaying or preventing an acquisition or other change in control of the Company. The Concert Party's increased shareholding may also lead to a reduced liquidity in the Ordinary Shares of the Company.

On conversion of the Convertible Loan Notes, the members of the Concert Party will be interested in Ordinary Shares that hold more than 50 per cent. of the voting rights in the Company. This could trigger a change of control provision under any contract entered into by the Company or any Subsidiary which could give a counterparty certain rights, including the right, in some circumstances, to terminate the contract.

Loss of certain protections under the Takeover Code

Following Admission, Manuel Llobet and Wild Indigo will be free to acquire shares in the Company without being required to make a Rule 9 offer provided their collective holdings remain less than 30 per cent. of the voting rights of the Company although this would result in an increase in the Concert Party's aggregate holdings as the Concert Party will from Admission have an interest in Ordinary Shares carrying in aggregate more than 50 per cent. of the voting rights of the Company, the Concert Party as a whole will no longer be subject to Rule 9 of the Takeover Code and may acquire additional Ordinary Shares without triggering the requirement to make a mandatory offer for the Company.

Following conversion of the Convertible Loan Notes, CFR Pharmaceuticals, through its wholly owned subsidiaries CFR International and Yissum Holding Limited, will be interested in a maximum of 54.31 per cent. of the Company's aggregate enlarged issued share capital immediately following conversion. As this will result in CFR Pharmaceuticals having an interest in shares carrying in aggregate more than 50 per cent. or more of the voting rights of the Company, CFR Pharmaceuticals will no longer be subject to Rule 9 of the Takeover Code and may acquire additional Ordinary Shares in the Company without triggering the requirement to make a mandatory offer for the Company.

PART VI

ADDITIONAL INFORMATION

1 Responsibility

- 1.1 The Directors accept responsibility for the information contained in this document save that:
- (a) the only information accepted by the Independent Directors in respect of the information in this document relating to the Concert Party has been to ensure that such information has been correctly and fairly reproduced or presented (and no steps have been taken by the Independent Directors to verify this information); and
 - (b) Alejandro Weinstein Jr. and Manuel Llobet, who have not participated in the Board's consideration of the Whitewash, take no responsibility for the paragraph on page 20 entitled "Recommendation by Independent Directors".

To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

- 1.2 Alejandro Weinstein Snr., Nicolás Weinstein and Alejandro Weinstein Jr. each accept responsibility for the information contained in this document which relates to each of themselves, CFR Pharmaceuticals, CFR International and Yissum Holding Limited and their intentions following Admission; the sole Director of Azure accepts responsibility for the information contained in this document which relates to Azure and their intentions following Admission; and Manuel Llobet accepts responsibility for the information contained in this document which relates to himself, Wild Indigo Natacha Olarte, Joshua Llobet and Antua Llobet and their intentions following Admission. To the best of the knowledge and belief of Alejandro Weinstein Snr., Nicolás Weinstein and Alejandro Weinstein Jr.; the sole Director of Azure; and Manuel Llobet, who have taken all reasonable care to ensure that such is the case, the information contained in this document for which he/she is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 Share Capital

The authorised and issued share capital of the Company (i) as at the date of this document and (ii) as it is expected to be at Admission (assuming maximum take up under the Placing, the Offer and the Subscription) is set out below:

	<i>Number of Ordinary Shares</i>
Issued Share Capital at the date of this document	310,771,614
Issued Share Capital at Admission*	409,936,467

* Following completion of and assuming maximum subscription under the Offer, the Placing and the Subscription

3 Interests and Dealings

3.1 Definitions

For the purposes of this paragraph 4:

acting in concert has the meaning attributed to it in the Takeover Code;

arrangement includes any indemnity or option arrangements and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;

connected persons means in relation to a director, those persons whose interests in shares the director would be required to disclose pursuant to Part 22 of the Companies Act 2006 and related regulations and includes any spouse, civil partner, infants (including step children), relevant trusts and any company in which a director holds at least 20 per cent. of its voting share capital;

dealing or dealt includes:

- (a) acquiring or disposing of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities, or of general control of relevant securities;
- (b) taking, granting, acquiring, disposing of, entering into, closing out, terminating, exercising (by either party) or varying an option (including a traded option contract) in respect of any relevant securities;
- (c) subscribing or agreeing to subscribe for relevant securities;
- (d) exercising or converting, whether in respect of new or existing relevant securities, any relevant securities carrying conversion or subscription rights;
- (e) acquiring, disposing of, entering into, closing out, exercising (by either party) of any rights under, or varying, a derivative referenced, directly or indirectly, to relevant securities;
- (f) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
- (g) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;

disclosure date means 29 March 2012, being the latest practicable date prior to the publication of this document;

disclosure period means the period commencing on 29 March 2011, being the date 12 months prior to the date of publication of this document and ending on the disclosure date;

financial collateral arrangements are arrangements during an offer period whereby either the Company or any member of the Concert Party, enters into, or takes action to unwind, a security financial collateral arrangement which provides a right for the collateral-taker to use and dispose of relevant securities of the Company as if it were the owner of those relevant securities (a “right of use”), or enters into, or takes action to unwind, a title transfer collateral arrangement in respect of relevant securities of the Company;

being **interested** in securities (or having an **interest** in such securities) includes where a person:

- (a) owns them;
- (b) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
- (c) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire them or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
- (d) is party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them;

relevant securities means shares in the Company which carry voting rights and securities of the Company carrying conversion or subscription rights into such shares; and

short position means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

3.2 *Interests of Directors*

At the disclosure date, the interests of the Directors and their families and the interests of their connected persons in the issued share capital of the Company currently and as they are expected to be immediately following Admission (assuming no take up under the Offer) are as follows:

<i>Name of Director</i>	<i>As at the disclosure date</i>		<i>Immediately following Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of Existing Issued Share Capital</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Enlarged Share Capital</i>
Peter Jensen	100,000	0.03	120,000	0.03
Manuel Llobet	3,125,000	1.01	3,125,000	0.77
Ian Postlethwaite	493,000	0.16	493,000	0.12
Stephen Smith	756,513	0.24	776,513	0.19
Alejandro Weinstein Jr. ¹	140,568,287	45.23	201,986,132	49.9
Ignace Goethals	5,013,109	1.61	5,033,109	1.24
Virinder Nohria	512,160	0.16	532,160	0.13

¹ Alejandro Weinstein Jr. has an interest in shares pursuant to his interest in Yissum Holding Limited, Azure Ventures, and following Admission, CFR International

3.3 *Interests in options/LTIP*

The above interests exclude the interests of the Directors in options to subscribe for new Ordinary Shares and awards under the Company's long term incentive plans, which are as at the disclosure date as follows:

<i>Name of Director</i>	<i>Number of Ordinary Shares under option/LTIP</i>	<i>Percentage of Existing Issued Share Capital</i>	<i>Percentage of Enlarged Share Capital (assuming no take up of Offer)</i>	<i>Date from which exercisable</i>
Peter Jensen	—	—	—	—
Manuel Llobet*	1,470,000	0.47	0.36	—
Ignace Goethals	150,000	0.05	0.04	26.02.2005
Ian Postlethwaite	400,000	0.13	0.10	03.06.2002
	1,500,000	0.48	0.37	17.12.2002
	163,500	0.05	0.04	18.10.2009
	600,000	0.19	0.15	—
	360,000	0.12	0.09	—
Stephen Smith	150,000	0.05	0.04	26.01.2005
Virinder Nohria	100,000	0.03	0.02	15.12.2003
Alejandro Weinstein Jr.	—	—	—	—

* Manuel Llobet, through Wild Indigo, has been provisionally awarded 1,470,000 Ordinary Shares and has today been provisionally awarded a further 720,000 Ordinary Shares pursuant to entitlements he has received under the Allergy Therapeutics plc 2005 Long Term Incentive Plan. The awards granted to Mr. Llobet are referred to in the document as the Llobet LTIPs and are to form part of the Whitewash pursuant to the Resolution 2.

3.4 *Interests of members of the Concert Party*

At the disclosure date, the interests of the members of the Concert Party in the issued share capital of the Company currently, as they are expected to be immediately following Admission and following conversion of the Convertible Loan Notes are as follows:

<i>Name of Concert Party</i>	<i>As at the disclosure date</i>		<i>Immediately following Admission¹</i>		<i>Immediately following conversion of the Convertible Loan Notes^{1,2}</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of Existing Issued Share Capital</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Enlarged Share Capital</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Enlarged Share Capital</i>
CFR International	—	—	61,417,845	15.17	103,092,784	23.09
Yissum Holding Limited	137,491,788	44.24	137,491,788	34	137,491,788	30.8
Azure Ventures Ltd	3,076,499	0.99	3,076,499	0.99	3,076,499	0.69
Wild Indigo	3,125,000	1.01	3,125,000	0.77	3,125,000	0.70
Manuel Llobet ³	1,470,000	0.47	2,190,000	0.54	2,190,000	0.49
Total	145,163,287	46.71	207,301,132	51.2	248,976,071	55.49

1 Assumes no take-up under the Offer.

2 Assumes no other changes to the Ordinary Share capital of the Company.

3 Manuel also holds entitlements to Ordinary Shares set out paragraph 3.3 above.

Immediately following Admission (and assuming no take-up under the Offer) the members of the Concert Party, will together hold 205,111,132 Ordinary Shares, representing approximately 50.67 per cent. of the Enlarged Share Capital.

Immediately following conversion of the Convertible Loan Notes:

- (a) CFR Pharmaceuticals, through its wholly owned subsidiaries CFR International and Yissum Holding Limited, will hold 240,584,572 Ordinary Shares, representing approximately 53.62 per cent. of the then enlarged share capital of the Company; and
- (b) the Concert Party will together hold 248,976,071 Ordinary Shares, representing approximately 55.49 per cent. of the then enlarged share capital of the Company,

in each case assuming that no further Ordinary Shares have been issued between Admission and the date of conversion of the Convertible Loan Notes, and no take up under the Offer.

If all of the Llobet LTIPs vest, Wild Indigo will hold 5,315,000 Ordinary Shares, representing approximately 1.18 per cent. of the then enlarged share capital of the Company assuming that no further Ordinary Shares have been issued between the date of Admission and the date of exercise of the Llobet LTIPs.

3.5 *No other interests*

Save as disclosed in paragraphs 3.1 to 3.4 of this Part VI:

- (a) as at the disclosure date, no member of the Concert Party, nor any person acting in concert with them, had any interest in or right to subscribe for or had any short position in relation to, any relevant securities;
- (b) no member of the Concert Party, nor any person acting in concert with them, has dealt in any relevant securities in the disclosure period;
- (c) no member of the Concert Party, nor any person acting in concert with them, has borrowed or lent (including any financial collateral arrangements) any relevant securities;

- (d) as at the disclosure date, neither the Company nor any of the Directors (nor any members of their respective immediate families, related trusts or, so far as the Directors are aware, connected persons) had any interest in or right to subscribe for, or had any short position in relation to any relevant securities or any securities of any member of the Concert Party;
- (e) as at the disclosure date, no person acting in concert with the Company and no person with whom the Company or any person acting in concert with the Company has any arrangements, had an interest in or right to subscribe for any relevant securities or any short position in relation to any relevant securities; and
- (f) neither the Company nor any person acting in concert with the Company has borrowed or lent (including any financial collateral arrangements) any relevant securities save for any borrowed shares which have either been on-lent or sold.

The Company has not redeemed or purchased any relevant securities during the disclosure period.

No asset is being injected into the Company in connection with the Proposals.

4 Special arrangements

Save as disclosed in this document, no member of the Concert Party nor any persons acting in concert with it have entered into agreements, arrangements or understandings (including any compensation arrangement) with any of the Company's Directors, recent directors, Shareholders, recent Shareholders or any person interested or recently interested in Ordinary Shares which are connected with or dependent upon the outcome of the Proposals. No member of the Concert Party has entered into any agreement, arrangement or understanding to transfer any Ordinary Shares to any person.

There are no financing arrangements in place in connection with the Subscription and there are no arrangements relating to the payment of interest on, repayment of, or security for any liability (contingent or otherwise) of the Concert Party which depend to any significant extent on the business of the Company.

5 Directors' Service Agreements

5.1 The following are details of current service agreements and letters of appointment in relation to the Directors:

- (a) Peter Jensen was appointed as a Non Executive Chairman of the Company on 1 January 2011 under the terms of a letter of appointment dated 1 October 2010. He is entitled to an annual fee of £65,000 per annum.
- (b) Ian Postlethwaite has a service agreement with the Company dated 7 May 2002 and varied on 5 October 2004, under which he is entitled to a salary of £153,661 per annum (subject to annual review). The agreement is terminable by either party on twelve months' notice. He is also entitled to other benefits commensurate with his position including pension contributions of 10 per cent. of annual salary, private medical insurance, long-term disability insurance, life assurance and a company car allowance of £10,200 per annum (subject to annual review). Ian Postlethwaite is also entitled to receive an annual performance bonus up to a maximum of 30 per cent. of annual salary.
- (c) Dr Virinder Nohria was appointed as a non-executive director of the Company with effect from 1 November 2005 under the terms of a letter of appointment dated 1 November 2005. His appointment is terminable by either party on three months' notice and he is entitled to a fee of £36,000 per annum. Dr Nohria has given notice to the Company that he will resign as non-executive director to take effect on 30 June 2012.
- (d) Ignace R Goethals was appointed as a non-executive director and chairman of the Company with effect from 8 September 2004 under the terms of a letter of appointment dated 5 October 2004. Mr Goethals stepped down as chairman of the Company on 1 January 2011. His appointment is terminable by either party on three months' notice and he is entitled to a fee of £36,000 per annum. Mr Ignace Goethals is retiring and has therefore agreed to resign from the Board effective 30 June 2012.

- (e) Stephen R Smith was appointed as a non-executive director of the Company with effect from 8 September 2004 under the terms of a letter of appointment dated 5 October 2004. His appointment is terminable by either party on three months' notice and he is entitled to a fee of £36,000 per annum. Mr. Smith's services are provided through Stephen R Smith Associates Ltd.
 - (f) Alejandro Weinstein Jr. was appointed as a non-executive director of the Company with effect from the terms of a letter of appointment dated 11 June 2009. His appointment is terminable by either party on three months' notice and he is entitled to a fee of £36,000 per annum.
 - (g) Manuel Llobet was appointed as chief executive officer of the Company under the terms of a letter of appointment dated 11 June 2009. His appointment is terminable by either party on six months' notice and he is entitled to a salary of £195,205 per annum (subject to annual review). He is also entitled to other benefits commensurate with his position including pension contributions of 15 per cent. of annual salary, private medical insurance, long-term disability insurance, life assurance and a company car allowance of £10,200 per annum (subject to annual review). Manuel Llobet is also entitled to receive an annual performance bonus up to a maximum of 40 per cent. of annual salary.
- 5.2 Save as disclosed in paragraph 6.1 above, no Director has a service agreement with the Company that has been entered into or varied within six months prior to the date of this document or which is a contract expiring or determinable by the Company without payment of compensation (other than statutory compensation) after more than one year.
- 5.3 Save for any payments to the Directors on termination in lieu of notice and otherwise than set out in paragraph 6.1 above, no benefits on termination are payable by the Company.
- 5.4 There has been no waiver of emoluments during the financial year immediately preceding the date of this document.
- 5.5 There are no outstanding loans made by the Company, nor has any guarantee been provided by the Company to, or for the benefit of, any Director.

6 Material Contracts

6.1 The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and/or its subsidiaries during the two years preceding the date of this document and are or may be material:

- (a) On 30 March 2012, the Company and Nomura Code entered into the Placing Agreement under which Nomura Code has agreed, subject to the conditions referred to below, as agent for the Company, to use its reasonable endeavours to procure persons to subscribe for the Placing Shares at the Issue Price failing which it will subscribe for the Placing Shares as principal upon the terms and subject to the conditions of the Placing Agreement.

The Company has agreed to pay Nomura Code a fee of £300,000 whether or not the Placing completes. The Company will also bear all other costs and expenses arising out of or incidental to the Placing.

The Company has given certain warranties to Nomura Code as to the accuracy of the information contained in this document and other matters relating to the Company and its business and has agreed to indemnify Nomura Code against certain losses, claims, liabilities, costs, charges, expenses, actions or demands which Nomura Code may suffer or incur in relation to the Placing subject to certain exceptions.

The obligations of Nomura Code (save for its obligation to use its reasonable endeavours to procure persons to subscribe for the Placing Shares at the Issue Price) are conditional on certain matters and events including, *inter alia* (a) the Resolutions being passed by the Shareholders at the General Meeting, (b) the Subscription Agreements and Convertible Loan Note Instrument remaining in full force and effect having become unconditional in all respects; (d) the Company having complied in all material respects with its obligations under the Placing Agreement; (e) none of the warranties given by the Company under the Placing Agreement being untrue or inaccurate in any respect which is material to the Placing; and

(f) Admission having occurred by not later than 8.00 a.m. on 27 April 2012. Nomura Code has the right to waive (other than the passing of the Resolutions), or extend the time for the fulfilment of any of the conditions to the Placing Agreement, save that the time for fulfilment of any condition may not be extended past 8.00 a.m. on 27 April 2012.

Nomura Code has the right to terminate the Placing Agreement prior to Admission on the occurrence of certain events including, *inter alia*, in the event of: (a) there having been a material adverse change, or a development involving a prospective material adverse change, in or affecting the business, management, financial or trading position or prospects, shareholders' funds or results of the Company or any member of its Group which would be likely to prejudice materially the success of the Placing or which would make it impracticable or inadvisable to proceed with the Placing or with Admission; (b) if any of the Group's regulators issues a communication in respect of any of the Group's products and in the opinion of Nomura Code such communication would be likely to materially prejudice the success of the Placing or would make it impracticable or inadvisable to proceed with the Placing or Admission (c) the Company fails to comply in any material respect with any of its obligations under the Placing Agreement or with the requirements of applicable laws; (d) there having been a breach of any of the warranties contained in the Placing Agreement which is material in the context of the Placing; or (e) certain force majeure events.

- (b) On 30 March 2012, the Company, CFR International, CFR Pharmaceuticals and Nomura Code entered into the CFR Subscription Agreement under which CFR International has agreed, subject to the conditions referred to below, to subscribe for 61,417,845 of the Subscription Shares at the Issue Price and £4,042,469 Convertible Loan Notes to be issued pursuant to the terms of the Convertible Loan Note Instrument.

The obligations of CFR International are conditional on certain matters and events including, *inter alia* (a) the Resolutions being passed by the Shareholders at the General Meeting, and (b) the Placing Agreement not having terminated and having become unconditional in all respects (save for any condition as to the Subscription Agreements having become unconditional and Admission). The Subscription shall continue to bind the parties to it until such time as the CFR Group ceases to hold an interest in 15 per cent. or more of the Ordinary Shares.

Pursuant to the terms of the CFR Subscription Agreement, CFR International has a right, for so long as the CFR Group holds not less than 25 per cent. of the issued share capital of the Company, to nominate the chief executive officer and one non executive director to the Board. The initial directors nominated under the agreement are Manual Llobet and Alejandro Weinstein Jr. Where the CFR Group's interest in the share capital of the Company falls below 25 per cent., its right to nominate the chief executive officer falls away, and where its interest falls below 15 per cent., its right to nominate any director falls away.

For the term of the CFR Subscription Agreement, the CFR Group shall at all times exercise its voting rights so as to procure that, *inter alia*: (a) the Company is capable at all times of carrying on its business independently of the CFR Group; (b) all transactions, agreements or arrangements entered into between a member of the Company's Group and the CFR Group will be made at arm's length and on a normal commercial basis; (c) for so long as its Ordinary Shares remain admitted to trading on AIM or a regulated market in the European Economic Area, at all times Directors independent of the CFR Group will constitute a majority of the Board of the Company; (d) any dealings or disputes between the CFR Group and the Company or any of the Subsidiaries shall be dealt with by a committee comprising only such Directors independent of the CFR Group; and (e) the Company's admission on AIM or a regulated market in the European Economic Area is maintained.

CFR International has also undertaken that for so long as the CFR Group holds more than 30 per cent. of the Ordinary Shares of the Company, it will not: (a) undertake any activity in conflict with those of the Company which may render the Company incapable of carrying on its business independently of the CFR Group or lead to transactions and relationships between the Company and the CFR Group which are not at arm's length or on a normal commercial

basis; and (b) propose or vote in favour of any resolution which has the effect of waiving the pre-emption rights on issue of shares set out in the articles of the Company unless such resolution is supported by a majority of Directors independent of the CFR Group.

The CFR Subscription Agreement requires the CFR Group, for a 12 months period following Admission, to effect any proposed on market disposal of Ordinary Shares through the Company's nominated adviser.

The obligations of CFR International are being guaranteed by CFR Pharmaceuticals.

- (c) On 30 March 2012, the Company and each of Peter Jensen, Ignace Goethals, Stephen Smith and Virinder Nohria entered into the Director Subscription Agreements under which Peter Jensen, Ignace Goethals, Stephen Smith and Virinder Nohria have agreed, subject to the conditions referred to below, to each subscribe for 20,000 New Ordinary Shares at the Issue Price.

The obligations of Peter Jensen, Ignace Goethals, Stephen Smith and Virinder Nohria are conditional on certain matters and events including, *inter alia* (a) the Resolutions being passed by the Shareholders at the General Meeting, (b) the Placing Agreement having become unconditional in all respects (save for any condition as to Admission and completion of each subscription by the above Directors), and (c) Admission of the Subscription Shares becoming effective on or before 27 April 2012.

- (d) On 30 March 2012 the Company executed the Convertible Loan Note Instrument which provides the terms on which the Convertible Loan Notes are to be subscribed for by CFR International under the CFR Subscription Agreement. The Convertible Loan Notes will be redeemable into fully paid Ordinary Shares on 20 April 2014 or such earlier date as nominated by CFR International. The subscription price on redemption under the instrument is £0.97 per Ordinary Share.

Interest is payable on the Convertible Loan Notes at a rate of 3 per cent per annum annually payable in arrears. The Convertible Loan Notes are non-transferable, save that the holder may transfer the Convertible Loan Notes to another member of CFR International's group.

In the event that between issuing the Convertible Loan Notes and their conversion, the Company issues securities in the Company for the purpose of raising cash, repaying debt or acquiring assets, CFR International shall also have the right, simultaneously with redemption of the Convertible Loan Notes, to subscribe for such number of additional Ordinary Shares so as to result in CFR International receiving the same percentage of the issued share capital of the Company as would have been the case had no such transaction occurred. The subscription price with respect to such Ordinary Shares shall equal the price for which each Ordinary Share was issued under the relevant transaction. CFR International must apply to subscribe for these Ordinary Shares not later than 5 days prior to the conversion of the Convertible Loan Notes.

- (e) On 11 June 2009, the Company, Azure and Nomura Code entered into a subscription agreement on substantially the same terms and conditions as the CFR Subscription Agreement pursuant to which it subscribed for 104,166,666 Ordinary Shares. On 4 August 2011 the rights and obligations of Azure under that subscription agreement were novated to Yissum Holding Limited. Any continuing obligations under the Yissum Holding Limited Subscription Agreement are being terminated pursuant to the terms of the deed of termination described in paragraph (f) below.
- (f) On 30 March 2012 Yissum Holding Limited, Nomura Code and the Company entered into a deed of termination and release terminating each of the parties' respective rights and obligations under the Yissum Holding Limited Subscription Agreement. The deed of termination will be conditional on, and will come into effect upon completion of the Fundraising.

- (g) On 1 July 2010 the Company acquired the entire issued share capital of Teomed AG for a consideration of CHF1.2 million comprising an initial cash payment and a deferred payment. Teomed is a Swiss speciality distribution company specialising in the allergy field and is the distributor for the Company's products in Switzerland.
- (h) On 27 May 2007, the Company entered into the RBS Facility. The facility agreement relating to the RBS Facility was amended and restated on 11 June 2009 to, *inter alia*, permit the 2009 fundraising undertaken by the Company. It was again amended and restated on 3 June 2011 to provide for prepayment and adjustment to the amortisation schedule and to revise the financial covenants to address the impact of changes to certain rebate levels from operations conducted in Germany. As set out in Part I, it is intended that funds raised from the Fundraising will be used to pay down the existing balance of the RBS Facility.
- (i) The Company has agreed to enter into a facility agreement with RBS pursuant to the terms of which RBS will grant to the Company an overdraft facility for general business purposes. The facility has a fluctuating limit that varies between £3.5 million and £7 million. The Company will need to demonstrate on a periodic basis that the overdraft use does not exceed certain predetermined levels when compared to the Company's level of debtors and stock. The facility is denominated in sterling and has an annual interest rate of 3.35 per cent. above base rate. The facility is conditional upon the passing of the Resolutions and Admission.

7 Litigation

The Group is not involved in any governmental, legal or arbitration proceedings which are having, may have or have had, in the previous 12 months, a significant effect on its financial position or profitability and, so far as the Directors are aware, there are no such proceedings pending or threatened against the Group.

8 Working capital

The Directors believe, having made due and careful enquiry, that the working capital available to the Group from the time of Admission, taking account of the net proceeds of the Placing, Subscription, Offer and Convertible Loan, will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

9 Middle Market Quotations

The following table sets out the middle market quotations for an Ordinary Share, as derived from the AIM Appendix of the London Stock Exchange Daily Official List, on the first business day of each of the six months immediately prior to the disclosure date and for the last business day prior to the publication of this document:

<i>Date</i>	<i>Price per Ordinary Share (pence)</i>
29 March 2012	10.25
1 March 2012	11.13
1 February 2012	11.87
3 January 2012	10.25
1 December 2011	10.50
1 November 2011	11.13
3 October 2011	10.75

10 General

- 10.1 The total cost and expenses payable by the Group in connection with the Fundraising (including professional fees, commissions, the cost of printing and the fees payable to the registrars) are estimated to amount to approximately £456,000 (excluding VAT).

- 10.2 Save in respect of the Proposals as disclosed in this document and as announced by the Company via a regulatory information service, there has been no significant change in the financial or trading position of the Group since 31 December 2011, the date to which its most recent unaudited interim accounts have been drawn up.
- 10.3 Nomura Code has given and not withdrawn its written consent to the issue of this document with the inclusion in it of its name in the form and context in which it appears.
- 10.4 No inducement fee is payable in respect of the proposals set out in this document.

11 Documentation Incorporated by Reference

- 11.1 The following information with respect to the Company has been incorporated by reference into this document:

<i>No</i>	<i>Information</i>	<i>Source of information</i>
1	The unaudited preliminary results for the Company for the financial period ended 31 December 2011	http://www.allergytherapeutics.com/uploads
2	The published annual report and accounts of the Company for the financial period ended 30 June 2011	http://www.allergytherapeutics.com/uploads/annualreportaccounts2011.pdf
3	The published annual report and accounts of the Company for the financial period ended 30 June 2010	http://www.allergytherapeutics.com/uploads/annualreport2010_sml.pdf
4	The published annual report and accounts of the Company for the financial period ended 30 June 2009	http://www.allergytherapeutics.com/uploads/report_accounts2009.pdf

The following information with respect to CFR Pharmaceuticals has been incorporated by reference into this document:

<i>No</i>	<i>Information</i>	<i>Source of information</i>
1	The audited annual report for CFR Pharmaceuticals for the financial period ended 31 December 2010. Please refer to pages 64 to 183 (inclusive) of the report for the financial statements and notes to the financial statements	http://www.cfr-corp.com/uploads/inversionistas/info_compania/cfr-pharmaceuticals-e_20110503135956.pdf
2	The unaudited translation of the interim consolidated financial report for CFR Pharmaceuticals for the 9 month period ended 30 September 2011. Please refer to pages 1 to 121 (inclusive) of the report for the financial statements and notes to the financial statements.	http://www.cfr-corp.com/uploads/inversionistas/info_compania/financial-statements-cfr-sep2011_20111213182214.pdf

A Shareholder, any person with information rights or any other person to whom this document is sent may request a copy of any of the documents listed in this section 12 in hard copy form. A hard copy may be obtained by contacting the Company at Dominion Way, Worthing, West Sussex, BN14 8SA or by telephoning +44 (0)1903 844 700.

12 Documents on display

12.1 The following documents or copies thereof are available for inspection at the offices of Reed Smith LLP, The Broadgate Tower, 20 Primrose Street, London EC2A 2RS during normal business hours on any weekday (public holidays excepted) until Admission and also on the Company's website: www.allergytherapeutics.com

- (a) the articles of association of the Company;
- (b) the audited consolidated accounts of the Company for the years ended 30 June 2009, 2010 and 2011 and the interim accounts for the period ending 31 December 2011;
- (c) the written consent of Nomura Code referred to in paragraph 10.3 above;
- (d) the material contracts of the Company referred to in paragraph 6 above in respect of contracts entered into in relation to the Fundraising; and
- (e) a copy of this document.

Dated 30 March 2012

NOTICE OF GENERAL MEETING

Allergy Therapeutics plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 5141592)

NOTICE IS HEREBY GIVEN that a General Meeting of Allergy Therapeutics plc will be held at the offices of Reed Smith LLP, The Broadgate Tower, 20 Primrose Street, London EC2A 2RS on 19 April 2012 at 12 noon for the purpose of considering and, if thought fit, passing the following resolutions of which Resolutions one, two and three will be proposed as Ordinary Resolutions, (Resolutions one and two will be taken on a poll of Independent Shareholders as required by the City Code on Takeovers and Mergers), and Resolution four will be proposed as a Special Resolution.

Ordinary Resolutions (taken on a poll of Independent Shareholders)

1. THAT the waiver, granted by the Panel on Takeovers and Mergers on the terms set out in the Company's Circular to Shareholders of which this notice forms part of, of the obligation that would otherwise arise on (i) CFR International subscribing for the Subscription Shares and/or (ii) CFR International converting the Convertible Loan Notes into Ordinary Shares, to make a general offer to the Shareholders of the Company under Rule 9 of the Takeover Code be and is hereby approved and for the purposes of this Resolution and Resolution 2 capitalised terms shall have the meaning ascribed to them in the Circular issued by the Company to its Shareholders dated 30 March 2012 (the "Circular").
2. THAT, subject to and conditional on the passing of resolution number 1 the waiver, granted by the Panel on Takeovers and Mergers on the terms set out in the Company's Circular to Shareholders of which this notice forms part of, of the obligation that would otherwise arise on Wild Indigo being granted Ordinary Shares pursuant to the vesting of the Llobet LTIPs, to make a general offer to the Shareholders of the Company under Rule 9 of the Takeover Code be and is hereby approved.

Ordinary Resolution

3. THAT, subject to and conditional on the passing of Resolutions 1 and 2, the Directors be and they are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe up to an aggregate nominal amount of £140,919.80 in connection with the Placing, the Subscription, the Offer and the conversion of the Convertible Loan (as defined in the Circular) pursuant to the arrangements set out in the Circular, and this authority is for a period expiring at the later of the conclusion of the Company's next annual general meeting or 19 July 2013 but the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after such expiry and the directors may allot shares and grant such rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this Resolution has expired. This authority is in addition to and not in substitution for any other subsisting authorities.

Special Resolution

4. THAT, conditional upon the passing of Resolutions 1, 2 and 3 above, in addition to all other existing powers of the Directors under section 570 of the Companies Act 2006 (the "Act") which shall continue in full force and effect, the Directors are empowered under the said section 570 to allot equity securities (as defined by that section of the Act) for cash, pursuant to the authority conferred by Resolution 2 above, as if section 561 of the Act did not apply to any such allotment, provided that such allotments are made pursuant to the Placing, Subscription, Offer and conversion of the Convertible Loan (as defined and described in the Circular) and that the power conferred by this resolution shall be limited to:
 - (i) the allotment of equity securities for cash up to an aggregate nominal value of £32,592.37 in connection with the Placing;

- (ii) the allotment of equity securities for cash up to an aggregate nominal value of £61,497.85 in connection with the Subscription;
- (iii) the allotment of equity securities for cash up to an aggregate nominal value of £5,154.64 in connection with the Offer; and
- (iv) the allotment of equity securities for cash up to an aggregate nominal value of £41,674.94 in connection with the Convertible Loan.

Such power shall, subject to the continuance of the authority conferred by Resolution 3, expire on the later of the conclusion of the next annual general meeting of the Company or 19 July 2013, but may be revoked or varied from time to time by Special Resolution so that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require equity securities to be allotted after such expiry, revocation or variation and the Directors may allot equity securities in pursuance of such offer or agreement as if such power had not expired or been revoked or varied and the issue of the Convertible Loan Notes shall constitute such an offer or agreement.

By order of the Board

I. D. Postlethwaite

Company Secretary

Dated: 30 March 2012

Registered Office:

Dominion Way
Worthing
West Sussex
BN14 8SA

Registered in England and Wales with number 5141592

Notes:

1. Attendance and Voting

The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at 6.00 p.m. on 17 April 2012 (or, if the meeting is adjourned, shareholders on the register of members not later than 48 hours before the time fixed for the adjourned meeting) shall be entitled to attend or vote at the above meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after 6.00 p.m. on 17 April 2012 shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.

2. Proxies

- (a) A member entitled to attend and vote at the General Meeting is entitled to appoint a proxy or proxies to attend and, on a poll, vote on his/her behalf. A proxy need not be a shareholder of the Company.
- (b) A form of proxy is enclosed together with a reply-paid envelope for lodging the same. To be valid proxies must be completed and lodged with the Company's registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not less than 48 hours before the time appointed for holding the General Meeting.
- (c) Completion and return of the Form of Proxy does not preclude a member from attending and voting at the General Meeting should he or she subsequently decide to do so.
- (d) You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
- (e) In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
- (f) A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box on your proxy form. If you sign and return your proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.

- (g) To direct your proxy how to vote on the resolutions mark the appropriate box on your proxy form with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
- (h) In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
- (i) Any power of attorney or any other authority under which your proxy form is signed (or a duly certified copy of such power or authority) must be included with your proxy form.
- (j) If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- (k) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf of all its powers as a member provided that they do not do so in relation to the same shares.
- (l) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) of the General Meeting by using the procedures described in the CREST manual available at www.euroclear.com. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK and Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timing and limitations will therefore apply in relation to the input of CREST Proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a personal CREST member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by sections of the CREST manual concerning practical limitations of the CREST system and timings

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

3. Defined Terms

Terms defined in the Circular shall have the same meaning in this Notice of General Meeting unless the context otherwise requires.

If you have any questions on how to complete the Form of Proxy, please contact Capita Registrars on telephone number 0871 664 0321 (calls cost 10p per minute including VAT plus service provider's network extras) (+44 208 639 3399 from outside the UK). This helpline is open from 9.00 a.m. to 5.00 p.m. on business days (i.e. Monday to Friday). Calls to the helpline from outside of the UK will be charged at applicable international rates.

Different charges may apply to calls from mobile telephones. Please note that calls to the helpline may be monitored or recorded and that the helpline is not able to advise on the merits of the matters set out in this document or provide any personal legal, financial or taxation advice.

