

Summit Corporation plc
("Summit" or "the Company")

PROPOSED PLACING AND OPEN OFFER TO RAISE UP TO £8.2 MILLION AND NOTICE OF GENERAL MEETING

- **Placing to raise up to £6.0 million before expenses from existing and new shareholders**
- **Open Offer to raise up to £2.2 million before expenses from existing Shareholders**
- **Singer Capital Markets appointed as Nominated Adviser and Broker with immediate effect**

Oxford, UK, 11 December 2009 – Summit Corporation plc (AIM: SUMM) is pleased to announce a proposed placing of up to 120,678,456 new ordinary shares of 1 penny ("New Ordinary Shares") to raise £6.0 million before expenses with new and existing investors (the "Placing"). In addition, the Company is looking to raise up to a further £2.2 million before expenses through an open offer of up to 43,725,177 New Ordinary Shares to existing shareholders (the "Open Offer"). The New Ordinary Shares are issued at 5 pence per share representing a discount of approximately 35.5 per cent. to the closing price of 7.75 pence per share on 10 December 2009.

Summit is also pleased to announce the appointment of Singer Capital Markets ("Singer") as the Company's Nominated Adviser and Broker with immediate effect.

In addition, the Company has separately announced today that it has been awarded a £2.2 million grant from The Wellcome Trust to fund the development of the Company's infectious disease programme targeting *Clostridium difficile*.

Summit is a UK based drug discovery company that has built a Product Portfolio and an innovative technology platform developing second generation iminosugars for use in drug discovery. In the last 18 months, the Company has demonstrated a track record of technical achievement and commercial exploitation as illustrated by the establishment of the Partnered Product Portfolio. In addition to the *C. difficile* programme above, this Portfolio comprises seven drug programmes and requires no further investment from the Company but has contractual success-based development, regulatory and sales milestone payments totalling over \$160 million plus sales royalties on certain products of up to 13%.

Highlights

The Placing and Open Offer are intended to:

- Provide Summit with financial resources that will last until at least December 2011, excluding milestone payments from existing and new deals
- Fund key activities in the development of the Company's proprietary iminosugar technology platform:
 - Development of the diabetes and anti-viral programmes
 - Expansion of the iminosugar collection
- Ensure the Company benefits from milestone payments from existing programme deals

Summary

Singer as broker and adviser to the Company and Hybridan LLP acting as placing agent have on behalf of the Company conditionally placed 120,678,456 million New Ordinary Shares with institutional investors at a price of 5 pence per New Ordinary Share to raise £6.0 million before expenses. The Placing has been underwritten by Singer.

In conjunction to the Placing, the Board also announces details of the Open Offer to existing shareholders who qualify to receive it, that may raise up to a further £2.2 million through the issue of New Ordinary Shares at 5 pence each

The Board of Summit considers these proposals to be in the best interests of the Company and unanimously recommends Shareholders to vote in favour, as they intend to do with respect to their own holdings.

Barry Price, PhD, Chairman of Summit said, "This re-financing represents a re-launch of Summit and will secure the financial future of business until at least December 2011. This investment will support key activities as the Company seeks to exploit the potential offered by the iminosugar technology platform for the discovery of new medicines to treat a range of major diseases."

A Circular, providing Shareholders with information about the background to and reasons for the fundraising and containing a notice of General Meeting of the Company convened for 10 am on 30 December 2009, will be sent to Shareholders on 14 December 2009. Defined terms in this announcement have the same meaning as in the Circular that will be posted to Shareholders.

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For more information, please contact:

Summit Corporation plc

Steven Lee, PhD
Richard Pye, PhD
Tel: +44 (0)1235 443939

Singer Capital Markets

Shaun Dobson
Claes Spång
Tel: +44 (0)20 3205 7500

Hybridan LLP

Claire Louise Noyce
Kelly Gardiner
Tel: +44 (0)7947 4004

Forward Looking Statement

This document contains "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as "anticipates", "intends", "plans", "seeks", "believes", "estimates", "expects" and similar references to future periods, or by the inclusion of forecasts or projections.

Forward-looking statements are based on the Company's current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. The Company's actual results may differ materially from those contemplated by the forward-looking statements. The Company cautions you therefore that you should not rely on any of these forward-looking statements as statements of historical fact or as guarantees or assurances of future performance. Important factors that could cause actual results to differ materially from those in the forward-looking statements and regional, national, global political, economic, business, competitive, market and regulatory conditions.

Background to and Reasons for the Fundraising

On 23 October 2009, the Company announced its interim results for the six months ended 31 July 2009. In this announcement, the Company disclosed that the Group had cash resources which, based on the current levels of cash expenditure, are expected to last into Q2 2010. As a consequence, the Group stated that it would require additional finance at some point in the future to enable its strategy for creating shareholder value to be implemented in an optimal manner.

It is the intention of the Directors that the £5.5 million (net of costs) being raised from the Placing, along with any funds raised from the Open Offer, will be used to support the development of the iminosugar platform as outlined below.

The proceeds of the Placing and Open Offer will significantly enhance the Group's financial position and provide it with sufficient cash resources to fund the business until December 2011. This injection of funding would extend the existing window of opportunity for exploitation of the iminosugar platform described below and also enable the Company, and its Shareholders, to benefit from the expected milestone payments from existing programme deals.

If the resolutions are not passed by Shareholders at the General Meeting, the Placing and Open Offer would be unable to proceed. In this situation, the Company would not have cash resources to maintain current operations beyond the second quarter of 2010 and would need to consider alternative strategic options that the Directors believe would not be in the best interests of Shareholders. These actions could include the sale of the business at a fire sale price, which Directors believe would not recognise the potential long-term value of the business. In addition, there is the option of further reducing costs to a care and maintenance level to extend current cash resources beyond the point where the Directors expect to receive milestone payments from existing programme deals. However, the Directors believe this strategy would be detrimental to the business as it would result in the closure of the window of opportunity for exploitation of the iminosugars as key scientific know-how and expertise would have to be cut from the Company.

It is the view of the Board that neither of these options would allow Shareholders to benefit from the investment already made in developing the iminosugar platform or the potentially significant value creation opportunity in iminosugars that would be afforded if sufficient finances were available.

Use of proceeds and future activities

During the last 18 months, Summit has demonstrated a track record of technical achievement and commercial exploitation by securing commercial deals for seven of its product candidates. The Company is now focused on creating further value by the development of novel product candidates from its iminosugar drug discovery platform in areas of high unmet medical need, including diabetes and infectious diseases. Summit is also continuing to develop its *C. difficile* programme following the award, announced today, of a £2.2 million grant by The Wellcome Trust.

Iminosugar Platform

The development of the iminosugar drug discovery platform represents the primary focus for the Company's research and development activities. The Company believes iminosugars offer significant opportunities for the discovery of new medicines to treat a number of major diseases and the funds raised would support key activities towards realising this potential.

The Company plans to exploit commercially iminosugars either by signing platform based deals or by the discovery, development and out-licensing of specific drug programmes.

i) Expanding the Iminosugar Collection

The Company has assembled the largest and most diverse proprietary collection of iminosugars and the continued expansion of this collection is a key part of the Company's strategy of exploiting the potential of this technology. The additional funds will support activities towards expanding the collection.

The Company believes this expansion of the technology platform is an important activity and it will run in parallel with the development of specific drug programmes in its two focus therapy areas. The Company has received interest from a number of pharmaceutical and biotechnology companies seeking access to its iminosugar platform. By having sufficient resources to invest in the platform over the next two years, the Company believes it can enhance the overall value of the platform and leave itself better placed to sign technology deals that are well aligned with the interests of both the Company and its Shareholders.

ii) Metabolic diseases: Diabetes

The Company has identified the compound, SMT 14224, as a potential treatment for type II diabetes, a metabolic disorder which affects over 18 million patients in the US market alone. The global type II diabetes market is predicted to be worth \$33 billion by 2010.

SMT 14224 has already demonstrated proof of concept during *in vivo* preclinical assessment with these data indicating that the compound is potentially working through a new mechanism of action. To date, marketing of the SMT 14224 diabetes programme by the Company has resulted in interest being shown by a number of leading international pharmaceutical and biotechnology companies regarding the compound and the data being generated. The Company believes it could add considerable value to the programme by investing in studies

towards identifying the mechanism of action for SMT 14224. It is therefore the Company's intention to invest a portion of the funds raised into work targeted at elucidating the mechanism of action.

iii) Infectious diseases: Anti-viral programmes

The Company is assessing iminosugars against a range of anti-viral disease targets including Hepatitis C and influenza, and additional investment should allow completion of the in vitro screening studies and appropriate chemical optimisation work. The Company's priority is to identify a preclinical candidate in Hepatitis C as well as identifying lead structures in other viral diseases. Based on early stage deal precedence in anti-virals, the directors believe the completion of these studies would produce a package of data that would be of significant commercial value to potential pharma and biotech partners.

£2.2m Wellcome Trust Grant

On 11 December 2009, the Product Portfolio was expanded to eight programmes following the award of a £2.2 million grant by The Wellcome Trust to fund the development of the Company's infectious disease programme targeting *C. difficile*.

C. difficile has emerged as a significant healthcare threat with over 500,000 cases reported in the US per annum, a figure that is projected to increase to 750,000 by 2010. Mortality rates are between 1 per cent. and 3 per cent. although hyper-virulent strains are now endemic in Europe and the US, with these strains being associated with higher mortality rates. In the US, the cost of care for *C. difficile* is estimated at \$1.1 billion per annum.

Currently there are limited therapy options and many common antibiotic treatments actually exacerbate the *C. difficile* infection.

Summit's programme in *C. difficile* builds on the Company's scientific expertise in infectious diseases and studies to date have identified a novel class of compounds that selectively kill the *C. difficile* bacteria. The compounds have also displayed activity against the hyper-virulent strains. The £2.2 million grant will fund the development of the programme through to the end of preclinical development and the filing of an IND/CTA (Investigation New Drug/Clinical Trial Authorisation) and the programme will become a potential value driver for the business during the next two years.

Terms of the Placing

It was announced today that the Company has conditionally placed 120,678,456 New Ordinary Shares at 5 pence per Share with institutional investors to raise £6.0 million before expenses. The Placing has been underwritten by Singer.

Offer to Qualifying Shareholders

The Company considers it important that Qualifying Shareholders have an opportunity to participate in the Fundraising on equivalent terms and conditions to the Placing. The Company has been advised that Qualifying Shareholders can subscribe, in aggregate, for up to €2.5 million without the Company having to produce a prospectus which would be time consuming and costly. At current exchange rates, €2.5 million equates to approximately £2.26 million. The

Open Offer is structured to allow Qualifying Shareholders to subscribe for Open Offer Shares at the Open Offer price *pro rata* to their holdings of Existing Ordinary Shares. Qualifying Shareholders may also make applications in excess of their *pro rata* initial entitlement.

In order to apply for Offer Shares, Qualifying Shareholders 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, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event not later than 11.00 a.m. on 29 December 2009. The Application Form, together with the Circular, will be posted to Qualifying Shareholders on 14 December 2009.

The Open Offer is being made on a pre-emptive basis, allowing all Qualifying Shareholders the opportunity to participate. The Open Offer is not underwritten. The Fundraising is not conditional upon the level of applications made to subscribe under the Open Offer.

General Meeting

The Placing and Open offer are subject, *inter alia*, to the passing of the Resolutions at the General Meeting. Set out at the end of the Circular is notice convening the General Meeting to be held at the offices of Fasken Martineau LLP, 17 Hanover Square, London W1S 1HU at 10.00 a.m. on 30 December 2009.

The Resolutions to be proposed at the GM are as follows:

1. an ordinary resolution to revoke the statement of authorized share capital contained in the Company's Articles of Association;
2. an ordinary resolution to authorise the Directors, pursuant to section 551 of the Act, to issue the New Ordinary Shares in relation to the Placing; the Open Offer and subsequent subscriptions for Open Offer Shares not taken up under the Open Offer;
3. a special resolution, pursuant to section 571 of the Act, to disapply the statutory pre-emption rights on the allotment of equity securities, pursuant to the authority contained in Resolution 2;
4. an ordinary resolution to authorise the Directors, pursuant to section 551 of the Act, to issue 22,270,387 Ordinary Shares in addition to the New Ordinary Shares; and
5. a special resolution, pursuant to section 571 of the Act, to disapply the statutory pre-emption rights on the allotment of equity securities, pursuant to the authority contained in Resolution 4;

Action to be taken

A Form of Proxy for use at the General Meeting accompanies the Circular. Whether or not you intend to be present at the meeting, you are asked to complete the Form of Proxy in accordance with the instructions thereon so as to be received by Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event not later than 48 hours before the time of the General Meeting. Completion and return of

the Form of Proxy will not prevent a Shareholder from attending and voting at the meeting should he/she so wish. Qualifying Participants who wish to take up the Offer should duly complete and return the Application Form and appropriate remittance.

Recommendation

The Directors, taking into account the options available to the Company, believe the Placing and Open Offer to be fair and reasonable so far as the Shareholders are concerned. The Placing constitutes a related party transaction under Rule 13 of the AIM rules. The Directors consider that, having consulted with Singer, that the terms of the Placing are fair and reasonable insofar as Shareholders are concerned.

Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions as the Directors intend to do in respect of their beneficial shareholdings amount to 7,576,836 Ordinary Shares, representing 13 per cent of the Company's existing issued share capital.

Yours faithfully

Barry Price, PhD
Non-executive Chairman

Expected Timetable of Principal Events

	2009
Record Date and time for the Open Offer	5.00 p.m. on 10 December
Announcement of the Open Offer	11 December
Existing Ordinary Shares marked 'ex' by the London Stock Exchange	14 December
Basic Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Holders	14 December
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 21 December
Latest time for depositing Open Offer Entitlements into CREST	3.00 p.m. on 22 December
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 23 December
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 29 December
Latest time and date for receipt of proxy	10.00 a.m. on 28 December
General Meeting	10.00 a.m. on 30 December
Admission and commencement of dealings of the Open Offer Shares	31 December
Open Offer Shares credited to CREST stock accounts	31 December
Despatch of definitive share certificates for Open Offer Shares	week commencing 11 January 2010

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 times in the Circular are GMT.

Placing and Open Offer Statistics

Issue Price	5 pence
Market price per Existing Ordinary Share ⁽¹⁾	7.75 pence
Number of Existing Ordinary Shares in issue ⁽²⁾	58,300,237
Number of Placing Shares	up to 120,678,456
Price of each Open Offer Share	5 pence
Number of Open Offer Shares to be offered for subscription by the Company	up to 43,725,177
Maximum proceeds of the Open Offer (before expenses)	£2,186,258.85
Maximum Enlarged Share Capital following Admission ⁽³⁾	222,703,870
Maximum percentage of Enlarged Share Capital represented by the Open Offer Shares ⁽³⁾	19.6 per cent.
Maximum percentage of Enlarged Share Capital represented by the Open Offer Shares ⁽³⁾	54.2 per cent.

Notes:

- (1) *Mid-market price on AIM on 10 December 2009, being the last Business Day prior to the announcement of the Placing and Open Offer.*
- (2) *As at 10 December 2009, being the last Business Day prior to the announcement of the Placing and Open Offer.*
- (3) *Assuming full take up of the Open Offer and following the Placing.*

Risk Factors

Qualifying Shareholders should be aware that an investment in the Company involves a degree of risk and should only be made by those with the necessary expertise to appraise the investment. The following are considered by the Board to be the key risk factors which could have a material adverse effect on the Company's business, financial condition, prospects and share price. In addition to the other information in this Document, the following risk factors should be considered carefully in evaluating whether to make an investment in the Company.

Approval and completion of the Fundraising

If the resolutions are not passed by Shareholders at the General Meeting, the Placing and Open Offer would be unable to proceed. In this situation, the Company would not have cash resources to maintain current operations beyond the second quarter of 2010 and would need to consider alternative strategic options that the Board believe would not be in the best interests of Shareholders. These actions could include the sale of the business at a fire sale price, which the Board believes would not recognise the potential long-term value of the business. In addition, there is the option of further reducing costs to a care and maintenance level to extend current cash resources beyond the point where the Company expects to receive milestone payments from existing programme deals. However, the Directors consider that this strategy would be hugely detrimental to the business as it would result in the closure of the window of opportunity for exploitation of the iminosugars as key scientific know-how and expertise would have to be cut from the Company.

Additional capital requirements to fund ongoing operations

The Company's capital needs may exceed current expectations, requiring the Company to raise additional capital from equity or debt sources. Further equity financing may be further dilutive to existing Shareholders or result in the issuance of securities whose rights, preference and privileges are senior to those of the owners of Ordinary Shares. If any such future funding requirements are met through additional debt financing, the Company may be required to adhere to covenants restricting its future operational and financial activities. If the Company is unable to secure additional funds when needed or cannot do so on terms it finds acceptable, the Company may be unable to continue to trade, expand its operations, take full advantage of future commercial opportunities or respond adequately to competitive pressures, any of which may have an adverse effect on its business and results of operations.

Dependence on retention and recruitment of key personnel

The Company's performance is dependent upon the continued services and the performance of the executive Directors and other key personnel. The loss of the services of any of the executive Directors or key personnel could have a materially adverse effect upon the Company's future.

Competition and technical advances

The Group is reliant on the results from scientific studies, undertaken either by itself or a respective collaborative partner, to support the continued development of its discovery and preclinical stage drug programmes. The Group can give no assurance regarding the outcome of these discovery and preclinical stage studies with the results having a significant impact on the future development of the drug programme.

The market in which the Group is operating is characterised by rapidly evolving technology and industry standards and many 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 potential for collaborations, sales, margins and market shares. Competitors could develop superior or more cost-effective techniques which could render the Group's technologies uncompetitive or develop products that achieve greater market acceptance than the Group's products. The future success of the Group 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.

The Group's success will continue to be highly dependent on collaborators

The Group's strategy will continue to be to seek collaboration partners for certain of its product candidates and its early stage research activities. Such collaborations provide important funding to the Group through signature, milestone and FTE payments. The Group may be unable to establish additional collaborative arrangements on favourable terms, or at all, and any such arrangement or agreement may not prove successful.

Dependence on collaborative arrangements

The Group's success is partially dependent on its current collaborators and contractors and the ability of the Group to attract new collaborators and contractors in the future. The Group's collaborators have, and in the future are likely to have, substantial responsibility for some of the development and commercialisation of the Group's drug candidates. Certain of the Group's collaborators also have, and in the future are likely to have, significant discretion over the resources they devote to these efforts. The Group's success, therefore, will depend on the ability and efforts of these outside parties in performing their responsibilities. Currently, Summit's most important collaborators are BioMarin Pharmaceuticals Inc, Orient Pharma Co and Evolva AG. The development of the Group's product portfolio will rely significantly on these strategic partners. If the relationship with any one of these partners (or their co-partners) is adversely affected, the results of the Group's operations may be adversely impacted.

As the Group is unable to provide for all of its research, development, manufacturing, marketing or sales needs, the Group is also dependent on third party contractors and their services and upon their effort and skill in providing those services.

The Group cannot guarantee that:

- existing collaborative arrangements or licence agreements or agreements with third party contractors will be able to be maintained;
- any new collaborative arrangements or licence agreements or agreements with third party contractors will be on favourable terms; or

- any collaborative arrangements or licence agreements or agreements with third party contractors will prove successful.

If the Group is unable to continue with any of the existing collaborations and, following negotiations with the relevant partners, terminates a collaboration, no assurance can be given that this will not have a negative impact on the reputation of the Group or its ability to secure additional collaborations in the future. The termination of any agreements with third party contractors or failure of third party contractors to perform their obligations under such agreements could have a disruptive effect on the Group's business.

Regulatory Approval

As part of the regulatory approval process the Group or its collaborators 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.

Changes in the regulatory environment

The pharmaceuticals field in which the Company operates is very highly regulated. Marketing Authorisations ("MAs") granted by regulatory bodies such as the FDA, the EMEA, and (in the UK) the Medicines and Healthcare Products Regulatory Agency are required before any product can be commercialised. Achieving and maintaining such MAs is therefore necessary to the continued success of the Company. None of the Group's product candidates has yet reached the stage at which an MA can be applied for and no assurance can be given that MAs will be granted for any of the Company's product candidates.

Intellectual Property

The Group's success depends in part on its ability to obtain and maintain protection for its inventions and proprietary information, so that it can stop others from making, using or selling its inventions or proprietary rights. The Group owns a portfolio of patents and patent applications and is the authorized licensee of other patents. There is a significant delay between the time of filing of a patent application and the time its contents are made public, and others may have filed patent applications for subject matter covered by the Group's pending patent applications without the Group being aware of those applications. The Group's patent applications may not have priority over patent applications of others and its pending patent applications may not result in issued patents. Even if the Group obtains patents, they may not be valid or enforceable against others. Moreover, even if the Group receives patent protection for some or all of its products, those patents may not give the Group an advantage over competitors with similar products.

To develop and maintain its competitive position, the Group also relies on unpatented trade secrets and improvements, unpatented knowhow and continuing technological innovation, which it protects with

security measures it considers to be reasonable, including confidentiality agreements with its collaborators, consultants and employees. The Group may not have adequate remedies if these agreements are breached and the Group's competitors may independently develop any of this proprietary information.

If the Group fails to obtain adequate protection for its intellectual property, the Group's competitors may be able to take advantage of the Group's research and development efforts. The Group's success will depend, in large part, on its ability to obtain and maintain patent or other proprietary protection for its technologies in general and, in particular, drugs and processes. The Group may not be able to obtain patent protection for the composition of matter of discovered compounds, processes developed by its employees or medical uses of compounds discovered through its technology. Legal standards relating to patents covering pharmaceutical or biotechnological inventions and the scope of claims made under these patents are still developing. There is no consistent policy regarding the breadth of claims allowed in biotechnology patents. The Group's patent position is therefore highly uncertain and involves complex legal and factual issues.

The ability of the Company to licence or otherwise transfer interests in the iminosugar patents is currently subject to the consent of Vida Capital Partners Limited ("Vida") (such consent not to be unreasonably withheld) with whom the Company has a good relationship. The Company would not expect to seek Vida's consent to any proposal which would entitle Vida to withhold that consent, and is confident that any proposed commercialisation of such patents would be readily approved, but this cannot be guaranteed.

Taxation

Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to Shareholders. Statements in this Document concerning the taxation of investors in Ordinary Shares are based on current UK tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

Ability to pay future dividends

The Company's ability to pay dividends in the future is dependent upon the extent that it has distributable reserves and cash available for this purpose. The Company can give no assurance to Shareholders that it will pay dividends in the future.

Exchange rate fluctuations

The majority of the Group's prospective milestone and royalty payments are denominated in US Dollars 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.

Dilution as a result of not taking up the entitlement under the Open Offer

Regardless of whether a Qualifying Shareholder takes up his entitlements under the Open Offer, the effect of the Placing will be a reduction of his proportionate ownership and voting interests in Summit (unless a Shareholder applies for excess applications under the Open Offer). Shareholders will experience greater dilution in their ownership of, and voting interests in, the Company to the extent they do not subscribe in full for their Open Offer Entitlement to New Ordinary Shares in the Open Offer. Those Shareholders in a Restricted Jurisdiction, subject to certain exceptions, will in any event not be able to participate in the Open Offer.

Realisation of investment

Potential investors should be aware that the value of shares and income from these shares can go down as well as up and that Admission of the New Ordinary Shares to trading on AIM should not be taken as implying that there will be a liquid market in the Ordinary Shares. An investment in the Existing Ordinary Shares and/or the New Ordinary Shares may thus be difficult to realise.

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 develop or be sustained after the Fundraising and the market price may fall below the price of which the Ordinary Shares are issued under the Fundraising.