

ALIZYME PLC

INTERIM MANAGEMENT STATEMENT

Cambridge UK, 20 May 2008: Alizyme plc ("Alizyme") (LSE: AZM) today publishes its Interim Management Statement ("IMS") for the period from 1 January 2008 to 19 May 2008. The IMS provides an update of the Company's operations for the year to date.

Highlights

Cetilistat (obesity and diabetes)

- Protocols of all three studies for the Phase III programme agreed with FDA under SPA procedure
- FDA indicated a potential labelling for type 2 diabetes, as well as for obesity

COLAL-PRED[®] (ulcerative colitis)

- Recruitment completed for EU Phase III registration clinical trial in approximately 800 patients with active moderate to severe ulcerative colitis, with results scheduled to be reported in July 2008
- COLAL-PRED[®] commenced Phase II clinical development in the US (see separate announcement today)

ATL-104 (mucositis)

- Transfer of manufacturing technology to commercial facility ongoing
- Preparations for Phase II study in patients with solid cancer tumours ongoing

Renzapride (irritable bowel syndrome)

- Development by Alizyme discontinued in April following headline results of Phase III clinical trial

Financial

- £10.0 million gross raised from shareholders in institutional placing

Operational

Cetilistat

In March 2008, Alizyme announced that FDA has agreed the remaining two protocols for its Phase III development programme for cetilistat in the treatment of obesity under the Special Protocol Assessment ("SPA") procedure and recommended that Alizyme open a separate IND for diabetes for cetilistat. Discussions with FDA are ongoing in relation to the regulatory requirements for a diabetes label for cetilistat.

COLAL-PRED[®]

In January 2008, Alizyme announced the completion of patient recruitment into the pivotal registration Phase III trial of COLAL-PRED[®] in patients with active moderate-to-severe ulcerative colitis. Headline trial results are expected to be reported in July 2008. If successful, these results would allow a Marketing Authorisation Application ("MAA") to be submitted for the EU in Q4 2008.

Alizyme has announced separately today the commencement of Phase II clinical development in the US by Prometheus Laboratories Inc, its partner in North America, for COLAL-PRED[®] in the treatment of ulcerative colitis.

ATL-104

Preparations for the next phase of development of ATL-104, including manufacturing scale-up for Phase III clinical trials and commercialisation, are ongoing. Having successfully completed a Phase IIa 'proof of concept' clinical trial in patients with lymphoma and myeloma, Alizyme is preparing ATL-104 for a second Phase II study, this time in patients with solid cancer tumours suffering from mucositis.

Renzapride

In April 2008, Alizyme announced that, following clinical trial results from Study 038, its Phase III study of renzapride in constipation-predominant irritable bowel syndrome ("IBS-C"), no further development would be carried out by Alizyme. As a result, Study 052, the on-going open label extension study to evaluate the long-term safety and tolerability of renzapride, was also discontinued. The discontinuation of the development of renzapride by Alizyme has had no resultant adverse effect on the Company's financial position.

Financial

The Company had cash, cash equivalent and money market investments of £5.8 million as at 31 December 2007. In March 2008, Alizyme raised approximately £10 million before expenses through a placing for cash of 20,033,352 new ordinary shares of 2 pence each. The cash raised provides the Company with financial stability as it negotiates optimal deal terms in its discussions on the out-licensing of its late stage products.

The overall performance of the business during the period, other than the disappointing results of the renzapride Phase III study, has been in line with the Board's expectations.

Commenting on today's announcement, Tim McCarthy, Alizyme's Chief Executive Officer said:

"We continue with a number of ongoing discussions with potential partners for the commercialisation of our products. We anticipate that these activities, together with results from our Phase III clinical study for COLAL-PRED[®], will provide for significant news flow through 2008."

For further information, please contact:

ALIZYME PLC
Tim McCarthy, Chief Executive Officer
David Campbell, Finance Director

Tel: + 44 (0) 1223 896000

UK/Europe Enquiries
BUCHANAN COMMUNICATIONS
Lisa Baderoon
Rebecca Skye Dietrich

Tel: + 44 (0) 20 7466 5000

US Enquiries
TROUT GROUP
Tim Ryan
Lee Stern

Tel: + 1 (646) 378 2924

Tel: + 1 (646) 378 2922

Further information on Alizyme can be found on the Company's website: www.alizyme.com

Editor's Note

Alizyme plc

Alizyme is a speciality biopharmaceutical development company, focused on the therapeutic areas of metabolic disorders, gastrointestinal disorders and cancer supportive care. It is developing cetilistat for the treatment and management of obesity and related diseases, such as type 2 diabetes, COLAL-PRED[®] for the treatment of ulcerative colitis and ATL-104 for the treatment of mucositis, a side effect of cancer therapy.

Special Protocol Assessment ("SPA")

In conjunction with the reauthorisation of the Prescription Drug User Fee Act of 1992 ("PDUFA") in November 1997, FDA agreed to specific performance goals for special protocol assessment and agreement. These goals provide that, upon request, FDA will evaluate certain protocols (i.e. carcinogenicity protocols, stability protocols and Phase III protocols for clinical trials that will form the primary basis of an efficacy claim) to assess whether they are adequate to meet scientific and regulatory requirements identified by the sponsor (in this case Alizyme).

Once FDA and the sponsor concur, under the Special Protocol Assessment, the Agency documents agreement that the design and planned analysis of a study adequately address objectives in support of a regulatory submission.

As stated in the PDUFA goals for Special Protocol Assessment, having agreed to the design, execution, and analyses proposed in protocols reviewed under this process, the Agency will not later alter its perspective on the issues of design, execution, or analyses unless public health concerns unrecognized at the time of protocol assessment under this process are evident.

Cetilistat

Alizyme's metabolic product, cetilistat, is being developed for the treatment of obesity and associated co-morbidities (including type 2 diabetes). It is a gastrointestinal lipase inhibitor that blocks fat digestion and absorption, leading to reduced energy intake, and thus weight loss. It is distinct from most other anti-obesity agents as it does not act on the brain to reduce appetite, but acts peripherally. The compound remains in the gastrointestinal tract with no significant absorption into the body. It can, therefore, be expected to have a superior risk-benefit profile to centrally acting drugs. Accordingly, cetilistat is not subject to the safety concerns generally associated with centrally acting drugs.

Roche's Xenical[®] is an approved obesity product and is also a peripherally acting lipase inhibitor. However, in clinical trials, cetilistat has been demonstrated to be much better tolerated than Xenical[®] which has side effects that detrimentally affect patient compliance.

COLAL-PRED[®]

COLAL-PRED[®] is a proprietary gastrointestinal product developed by Alizyme for the treatment of ulcerative colitis, an inflammatory disease of the colon that causes symptoms such as abdominal pain, bleeding, cramping, fatigue and diarrhoea. These conditions are characterised by episodes of acute flare of the inflammation, followed by periods of remission. In severe cases, surgery may be required to remove the diseased tissue. This market is dominated by anti-inflammatory steroids and 5-ASA products, which have safety and/or efficacy issues.

COLAL-PRED[®] is the combination of Alizyme's proprietary colonic drug delivery system, COLAL[®], and prednisolone metasulfobenzoate sodium ("PMSBS"), an approved steroid in Europe. COLAL-PRED[®] has a coating that is broken down only in the colon, by locally occurring bacteria. This leads to topical delivery of PMSBS to the colon, rather than systemic delivery. It has been shown in a Phase II clinical trial to provide levels of efficacy comparable to that reported for conventional oral prednisolone, but without the side effects of steroids.

COLAL[®]

COLAL[®] is a drug delivery technology which enables drugs to be taken orally and then be specifically released when the preparation reaches the colon. Achieving colonic release with conventional oral dosage forms has proved difficult because of the variation between individuals in transit times and conditions within the gastrointestinal tract. COLAL[®] overcomes this difficulty by covering small pellets containing the drug with a coating of ethylcellulose and a specific form of amylose (derived from starch). This coating prevents drug release in the stomach and small intestine. When the pellets reach the colon, the amylose in the coating is broken down by bacterial enzymes and the drug is released.

ATL-104

ATL-104 is being developed by Alizyme as an orally administered mouthwash for the treatment of mucositis of the mouth and gastrointestinal tract arising during cancer treatment. This provides ease and convenience of administration and enables local delivery of treatment for oral and gastrointestinal mucositis with no significant absorption into the body.

Globally there are over 4 million new cases of cancer each year. Mucositis occurs in up to 80% of cancer patients. Mucositis is characterised by severe ulceration, bleeding and pain in the mouth and gastrointestinal tract, caused by damage to the cells that line these tissues by cancer chemotherapy and radiotherapy. These symptoms can be very painful, requiring the administration of opiates, can reduce the ability of the patient to receive nutrition orally, can be a source of infection and can be potentially life threatening.

(Note: COLAL[®] and COLAL-PRED[®] are registered trademarks of Alizyme Therapeutics Limited)

The identification of compounds for successful research, their progress through development and the obtaining of regulatory approvals or authorisations before marketing, manufacture and/or distribution of products is not certain or a formality