

Synairgen plc

('Synairgen' or the 'Company')

Placing of 12,200,000 Ordinary Shares to raise approximately £5.3 million for the Company and approximately £0.8 million for directors and employees

Highlights

- £5.3 million before expenses raised for the Company by issue of shares at £0.50 pence per share
- £0.8 million before expenses raised for certain directors and employees at £0.50 pence per share
- Proceeds of the placing to be used by the Company to assess and prepare new respiratory opportunities to "clinic-ready" stage

Placing

Synairgen (LSE: SNG), the respiratory drug development company, is pleased to announce that it has raised £5.3 million before expenses for the Company, by a placing for cash of 10,627,299 new ordinary shares of one pence each ('Ordinary Shares') (the 'Placing Shares') at 50 pence per Placing Share (the 'Issue Price').

In addition, certain directors of the Company, and a consultant to and an employee of a subsidiary of the Company have today exercised options over 1,955,819 Ordinary Shares (the "Option Shares" and, together with the Placing Shares, the "New Ordinary Shares"). 1,572,701 of these Option Shares have been sold at the Issue Price on behalf of certain directors and an employee raising £786,350.50 for these individuals.

Use of Proceeds

On 12 June 2014, the Company announced a significant global licensing deal with AstraZeneca for its drug, SNG001. This deal and the successful development to date of SNG001 has shown that Synairgen has the skills, facilities and processes to take a drug from discovery through to clinical trials, and ultimately out-licensing to a major pharmaceutical company.

Synairgen has assessed more than 30 new opportunities to which it could apply its expertise to progress further drugs to commencement of Phase I clinical trials. The Company will use the proceeds of this fundraising to implement the existing project plans it has in place for its five leading opportunities. Certain of the projects may be "in-licensed", and in each case Synairgen will apply its technology platform and expertise in lung biology to expand and enhance the Company's intellectual property base.

Richard Marsden, Chief Executive of Synairgen said:

"The recent licensing deal achieved with AstraZeneca demonstrates that Synairgen has the platform technology and ability to assess and progress research opportunities to the clinic. The funds from this placing will enable the Company to put this expertise to use with the aim of adding substantial value over the next two years."

Related Party Transaction

Lansdowne Partners ('Lansdowne') is subscribing for 1,900,000 Ordinary Shares. Following admission of the New Ordinary Shares to trading on AIM ('Admission'), Lansdowne will have an interest in 16,923,111 Ordinary Shares, representing 18.6% of the Company's enlarged issued share capital.

The subscription for Ordinary Shares by Lansdowne is considered a related party transaction pursuant to the AIM Rules for Companies because Lansdowne is a substantial shareholder in the Company.

The directors of Synairgen, having consulted with the Company's nominated adviser, finnCap, consider that the terms of the subscription for Ordinary Shares by Lansdowne are fair and reasonable insofar as the Company's shareholders are concerned.

Directors' Shareholdings

Certain of the directors will be subscribing for Options Shares which will then be sold at the Issue Price. The interests of the Directors following the issue of the Option Shares and subsequently following Admission will be as follows:

<i>Director</i>	<i>Number of Option Shares to be issued</i>	<i>Resulting number of Ordinary Shares held after issue of the Option Shares</i>	<i>Number of Ordinary Shares to be sold</i>	<i>Resulting number of Ordinary Shares held after Admission</i>	<i>Resulting holding as a percentage of the Ordinary Shares in issue immediately after Admission</i>	<i>Number of options held over Ordinary Shares after Admission</i>	<i>Percentage holding of fully diluted share capital</i>
Simon Shaw ¹	-	1,408,879	-	1,408,879	1.55%	-	1.46%
Richard Marsden	420,000	530,972	420,000	110,972	0.12%	1,915,684	2.10%
Dr. Phillip Monk	598,262	626,854	465,144	161,710	0.18%	632,988	0.83%
John Ward	450,000	693,912	450,000	243,912	0.27%	1,316,986	1.62%
Iain Buchanan	-	112,741	-	112,741	0.12%	212,765	0.34%
Dr. Bruce Campbell	-	294,259	-	294,259	0.32%	-	0.31%
Paul Clegg ²	-	204,244	-	204,244	0.22%	250,000	0.47%
Prof. Stephen Holgate ³	-	858,360	-	858,360	0.94%	-	0.89%

¹Simon Shaw's holding includes 40,299 Ordinary Shares held in his pension plan.

²Paul Clegg's holding includes 180,149 Ordinary Shares held in his pension plan.

³Prof. Stephen Holgate's holding includes 1,923 Ordinary Shares owned by his wife, Elizabeth Holgate

Richard Marsden's Option Shares are being issued at an exercise price of 10p per Option Share. Dr Phillip Monk and John Ward's Option

Shares are being issued at an exercise price of 1p per Option Share.

Admission

Application will be made for Admission and it is expected that Admission will occur and that dealings in the New Ordinary Shares will commence on AIM on 11 July 2014. The New Ordinary Shares will rank pari passu with the existing Ordinary Shares currently traded on AIM. Following Admission, there will be 91,170,372 Ordinary Shares in issue. The figure of 91,170,372 Ordinary Shares may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the Financial Conduct Authority's Disclosure and Transparency Rules.

Contact

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PLACING STATISTICS

Number of existing Ordinary Shares	78,587,254
Number of Placing Shares being placed on behalf of the Company	10,627,299
Number of Option Shares being issued by the Company	1,955,819
Number of Ordinary Shares being sold by directors and employees pursuant to the Placing	1,572,701
Total Number of Ordinary Shares subject to the Placing	12,200,000
Number of Ordinary Shares in issue following Admission	91,170,372
Issue Price	£0.50
Gross proceeds of the Placing receivable by the Company	£5.3 million

Gross proceeds of the Placing receivable by directors and employees	£0.8 million
Number of New Ordinary Shares as a percentage of the Enlarged Issued Share Capital	13.8%
Estimated market capitalisation of the Company at Admission at the Issue Price	£45.6 million