



11 February 2010

Interim Management Statement

Phytopharm plc (PYM: London Stock Exchange) (“Phytopharm” or the “Company”) today issues its Interim Management Statement (“IMS”) which relates to the period from 1 October 2009 to 11 February 2010 and contains information up to the date of publication of this IMS.

Highlights for the period

- Phytopharm announced headline results from the successful completion of two key studies in October 2009:
 - A non-clinical efficacy study in the gold-standard, non-clinical model of Parkinson’s disease (PD).
 - The oral administration of Cogane™ over 18 weeks significantly reduced parkinsonian disability by 43% in non-human primates, which will be clinically significant if repeated in PD patients.
 - A statistically significant reduction in parkinsonian symptoms was reached after 9 weeks of administration of Cogane™, and the effect was still increasing at the end of the study at week 18. This study was funded by a \$1.16 million grant from the Michael J. Fox Foundation for Parkinson’s disease.
 - A Phase Ib safety, tolerability and pharmacokinetic clinical study with Cogane™.
 - Cogane™ was shown to be safe and generally well tolerated in both healthy volunteers and PD patients over the 28 day study period.
 - At steady state, plasma levels in PD patients taking Cogane™ at a dose of 150 mg/day reached levels associated with efficacy in the non-human primate study and other non-clinical disease models of PD.
- £24.1 million net raised in December 2009 through a Placing and Open Offer.
- Appointment of Mr Roger Hickling as Research and Development Director and Phytopharm Board Director in January 2010.

Outlook

Following the successful Placing and Open Offer in December 2009 Phytopharm is executing the agreed strategy. The principal focus is progression of product candidates for treating neurodegenerative diseases in our clinical and pre-clinical pipeline.

The top priority is Cogane™ for the treatment of Parkinson’s disease:

- Phytopharm has initiated the necessary preparatory and regulatory activities with a CRO for the planned Cogane™ Phase II proof of concept and dose range finding clinical study to demonstrate efficacy and determine the optimal dose of Cogane™ in PD patients. A letter of intent has been signed with the CRO & the contractual discussions are proceeding.
- In parallel, product development work on Cogane™ is being undertaken to improve the commercial & technical viability of its manufacture/drug formulation so that the information is available for a rapid progression into the clinical trials.

- The intent is to begin the Cogane™ study with patients with PD in the USA in mid 2010. The study will then be extended into several other countries and is due for completion in early 2012.

Development of Cogane™, Myogane™ and other Sapogenin compounds for identified neuro-degenerative disease opportunities will be considered as data from pre-clinical studies is available during 2010, considering commercial opportunities.

Phytopharm continues to maintain strong relationships with key disease specific charities and pursue other sources of non-dilutive funding. These contacts will be progressed as will applications for further non-dilutive funding, as appropriate. Decisions on the current applications for non-dilutive funding are not expected until later in Q2, 2010.

Expenditure on the Group's residual functional food programmes remains limited and efforts are mainly focussed on pursuing new partnering arrangements.

As indicated at the time of the Open Offer in December 2009, the Board intends to appoint a new CEO. The search is underway and progressing as planned. An announcement will be made when the selection process is satisfactorily completed.

Notes to Editors

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Phytopharm plc

Phytopharm is focused on the development of its pharmaceutical programmes and has a residual portfolio of functional foods. The Company's products are developed predominantly from medicinal plants, thereby reducing the development risk of a product. The Company has focused its research and development activities on areas of high unmet health needs to deliver cures and relieve suffering for longer healthier lives.

As a virtual company, the Company's business model is centred on a lean cash burn with all laboratory, manufacturing and clinical work outsourced to specialists, while core competencies such as strategy and management are maintained in-house. Close collaboration with charitable organisations enhances the Company's interaction with scientists and clinicians, who lead and develop expert opinion. Cash grants from them accelerate the Company's development programmes, thereby increasing their value.

Phytopharm is listed on the Official List of the London Stock Exchange. Further information on Phytopharm is available from the Company's website www.phytopharm.com

Company pipeline

Programme	Product	Description	Development status				
			Preclinical	Phase I	Phase II	Phase III	Marketed
Pharmaceutical programmes							
Alzheimer's disease	Cogane™	Orally active, neurotrophic factor inducer	X	X	X		
Parkinson's disease	Cogane™	Orally active, neurotrophic factor inducer	X	X			
ALS	Myogane™	Orally active, neurotrophic factor inducer	X	X			
Huntington's disease	Cogane™	Orally active, neurotrophic factor inducer	X				
Asthma & COPD	PYM60001 series	TRPV1-modulator. Anti-inflammatory and airway relaxant and prevents airways remodelling	X				
Vascular dementia (China)	PYM60086	Improves cerebral blood flow and memory	X				
Functional Food programmes							
Canine skin health	Phytopica®	Natural, three plant product for canine skin health	X	X	X	X	X
Weight management	<i>Hoodia gordonii</i> extract	Reduces calorific intake	X	X	X		

Forward-looking statements

Certain information included in these statements is forward-looking and involves risk and uncertainties that could cause results to differ materially from those expressed or implied by the forward looking statements.

Forward-looking statements include, without limitation, projections relating to results of operations and financial conditions, market estimates, the Company's plans and objectives for future operations, including future revenues, financial plans and expected expenditures and divestments. All forward-looking statements in this report are based upon information known to the Company on the date of this announcement. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

It is not reasonably possible to itemise all of the many factors and specific events that could cause the Company's forward looking statements to be incorrect or that could otherwise have a material adverse effect on the future operations or results of the Company.