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LONDON STOCK EXCHANGE WELCOMES FIRST US- INCORPORATED COMPANY TO IPO ON THE MAIN MARKET

The London Stock Exchange today welcomed California-based Napo Pharmaceuticals Inc to its Main Market. Napo Pharmaceuticals, which raised a total of £11.9 million on admission, is the first US incorporated company to have its sole listing on the Main Market.

Napo Pharmaceuticals is a specialty pharmaceutical company based in San Francisco, California. Founded in November 2001, the company is developing a late-stage drug candidate, Crofelemer, for gastrointestinal indications including chronic diarrhoea in persons living with HIV/AIDS.

Lisa Conte, Chief Executive Officer of Napo Pharmaceuticals, said:

“As a global business we are delighted to be joining the Main Market of the London Stock Exchange. We have a strong and late stage pharmaceutical pipeline and will use the proceeds of this placing to advance our gastro-intestinal products to market and generate multiple revenue streams from around the world via profit sharing arrangements, royalties, and corporate partnering deals. We have received strong interest and participation from investors and we look forward to launching our products on the market in Europe and the US, returning value to our shareholders, and continuing our responsible environmental and global health practices.”

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Tracey Pierce, Head of Global Business Development at the London Stock Exchange, said:

“We are delighted to welcome Napo Pharmaceuticals to our Main Market. As the first US incorporated company to IPO exclusively on London's Main Market, Napo Pharmaceutical’s admission underlines the increasing attractiveness of the London Stock Exchange’s markets to companies from across the globe.”

In the six months to the end of June 2006, the Exchange attracted 50 international IPOs to the Main Market and AIM, drawing companies from 15 different countries, and raising a total of £4.5 billion. By comparison, during the period from January to May this year, there were 15 international IPOs on the New York Stock Exchange and Nasdaq combined.

There are currently 52 US based or incorporated companies quoted on AIM, the Exchange’s international market for smaller, growing companies. 14 of these companies have joined during the course of 2006, and have raised £503.8 million between them. There are 41 US incorporated companies listed on the Main Market.

Nomura Code Securities Limited acted as the sponsor, financial adviser and broker for the IPO.

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Notes to editors

- **About the London Stock Exchange**

The London Stock Exchange is the world's premier international equity exchange and a leading provider of services that facilitate the raising of capital and the trading of shares.

The London Stock Exchange is the most international equities exchange by trading in the world and Europe's largest pool of liquidity. By the end of 2005, the market capitalisation of UK and international companies on the London Stock Exchange's markets amounted to £4.1 trillion, with £5.2 trillion of equity business transacted over the year.

The London Stock Exchange is a Recognised Investment Exchange (RIE) under the Financial Services and Markets Act 2000 and is supervised by the Financial Services Authority.

Companies considering flotation have a choice of markets:

AIM

AIM is the London Stock Exchange's international market specifically designed for smaller, growing companies, combining the benefits of a public flotation with appropriate levels of regulation.

Main Market

The London Stock Exchange's Main Market for established companies seeking international recognition is one of the world's best known, longest-established and most liquid markets. It is home to some of the world's largest and most successful companies, giving them access to one of the deepest pools of capital in the world.

Professional Securities Market

The Professional Securities Market was established in July 2005, to coincide with the introduction of the FSA's new Listing Rules. PSM provides a solution for those issuers seeking to list securities in London without having to re-state their financial information to IFRS or follow the additional requirements of an offering to retail investors. Debt securities or depository receipts of any denomination may be listed on PSM on production of a prospectus aimed at a wholesale or professional audience.