

**Company** Fulcrum Pharma PLC  
**TIDM** FUL  
**Headline** Offer by Gold Medal Acquisitions UK Limited  
**Released** 07:00 28-Apr-2010  
**Number** 9149K07



RNS Number : 9149K  
Fulcrum Pharma PLC  
28 April 2010

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY RESTRICTED JURISDICTION (INCLUDING THE UNITED STATES, AUSTRALIA, CANADA AND JAPAN) OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION**

**FOR IMMEDIATE RELEASE**

**28 April 2010**

**RECOMMENDED CASH OFFER**

by

**GOLD MEDAL ACQUISITIONS UK LIMITED**

for

**FULCRUM PHARMA PLC**

**Summary**

- The boards of Gold Medal Acquisitions UK Limited ("**Gold Medal UK**") and Fulcrum Pharma plc ("**Fulcrum Pharma**" or the "**Company**") are pleased to announce the terms of a recommended cash offer, to be made by Gold Medal UK for the entire issued and to be issued share capital of Fulcrum Pharma (the "**Offer**").
- **The Offer will comprise 5.85 pence in cash for each Fulcrum Pharma Share (the "Offer Price").**
- **The Offer values the entire issued and to be issued share capital of Fulcrum Pharma at approximately £11.56 million.**
- The Offer Price represents a premium of approximately:
  - **73 per cent.** to the Closing Price of 3.375 pence per Fulcrum Pharma Share on 27 April 2010, being the last Business Day prior to this Announcement; and
  - **83 per cent.** to the average Closing Price of 3.20 pence per Fulcrum Pharma Share for the six month period ended 27 April 2010, being the last Business Day prior to this Announcement.
- The Independent Directors, who have been so advised by Singer Capital Markets, consider the terms of the Offer to be fair and reasonable. In providing advice to the Independent Directors, Singer Capital Markets has taken into account the commercial assessments of the Independent Directors.
- Accordingly, the Independent Directors intend unanimously to recommend that Fulcrum Pharma Shareholders accept the Offer.
- The Fulcrum Pharma Directors have irrevocably undertaken with Gold Medal UK to accept, or procure the acceptance of, the Offer in respect of their entire beneficial holdings of Fulcrum Pharma Shares, which amount in aggregate to 11,114,563 Fulcrum Pharma Shares, representing, as at the date of this Announcement, approximately 6.25 per cent. of the current issued share capital of Fulcrum Pharma and in respect of any Fulcrum Pharma Shares that may be issued to, or acquired by,

them pursuant to the exercise of options they hold over Fulcrum Pharma Shares.

- Certain other Fulcrum Pharma Shareholders (not being Fulcrum Pharma Directors) have irrevocably undertaken to accept, or procure the acceptance of, the Offer in respect of certain of their respective beneficial holdings of Fulcrum Pharma Shares which amount, in aggregate, to 45,161,603 Fulcrum Pharma Shares, representing, as at the date of this Announcement, approximately 25.38 per cent. of the current issued share capital of Fulcrum Pharma.
- In total, Fulcrum Pharma Shareholders have undertaken to accept, or procure the acceptance of, the Offer in respect of, in aggregate, 56,276,166 Fulcrum Pharma Shares, representing, as at the date of this Announcement, approximately 31.63 per cent. of the current issued share capital of Fulcrum Pharma.
- Commenting on the Offer, Patrick K Donnelly (Executive Chairman of Gold Medal UK) said:  
  
"We are very excited about teaming up with the staff and management at Fulcrum Pharma due to their high level of expertise in drug development, regulatory submissions, drug safety services and consulting. In tandem with new capital from SV Life Sciences and The Halifax Group we look forward to significantly expanding the service offerings and geographic breadth of the Company as well as the career opportunities of the team."
- Commenting on the Offer, Grahame Cook, Non-Executive Chairman of Fulcrum Pharma, said:  
  
"The acquisition of Fulcrum Pharma by Gold Medal UK is in the best interests of Fulcrum Pharma shareholders. Our small market capitalisation and our inflexible shareholder structure mean that there is very little liquidity in Fulcrum Pharma's shares and our share price is unlikely to reflect the company's value in the foreseeable future. We would like to make a number of identified acquisitions to add critical mass and expand our service offering. We have been unable to achieve the required equity funding from the stock market despite considerable efforts to do so. SV Life Sciences and The Halifax Group, Gold Medal UK's funders, are prepared to support this growth strategy. We have for these reasons concluded that the Offer, which represents a substantial premium to the current share price, is in the best interests of shareholders."

*This summary should be read in conjunction with, and is subject to, the full text of the following announcement (including the Appendices). The Offer will be subject to the Conditions and further terms set out in Appendix 1 to the following announcement and the terms and conditions to be set out in the Offer documentation, when issued. Appendix 2 contains the sources and bases of certain information used in this summary and in the following announcement. Appendix 3 contains definitions of certain terms used in this summary and the following announcement.*

**Enquiries:**

**For further information, please contact:**

**Gold Medal UK**

Patrick K Donnelly

Tel. +1 703 865 2520

**Smith & Williamson  
(Financial adviser to Gold Medal UK)**

Andy Pedrette

Tel. +44 (0)20 7131 4000

David Jones

Tel. +44 (0)20 7131 4000

**Fulcrum Pharma plc**

Frank Armstrong

Tel. +44 (0)7815 191 565

**Singer Capital Markets  
(Financial adviser to Fulcrum Pharma)**

Shaun Dobson

Tel. +44 (0)20 3205 7500

Claes Spång

Tel. +44 (0)20 3205 7500

**This announcement does not constitute or form part of any offer or invitation to sell or purchase any securities or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, pursuant to the Offer or otherwise. The Offer will be made solely by the Offer documentation which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. Please carefully read the Offer documentation in its entirety before making a decision with respect to the Offer.**

**In accordance with, and to the extent permitted by, applicable law, the Code and normal UK market practice, Gold Medal UK or its nominees or brokers (acting as agents) or**

their respective affiliates may make, from time to time, certain purchases of, or arrangements to purchase, Fulcrum Pharma Shares, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. These purchases or arrangements to purchase may occur either in the open market at prevailing prices or in private transactions at negotiated prices and shall comply with all applicable laws of the United Kingdom, including the Code and the rules of the London Stock Exchange, and all applicable United States securities laws. Any information about such purchases will be disclosed on a next Business Day basis to the Panel and will be available from any Regulatory Information Service including the Regulatory News Service on the London Stock Exchange website, [www.londonstockexchange.com](http://www.londonstockexchange.com). To the extent that such information is made public in the United Kingdom, this information will also be publicly disclosed in the United States.

Smith & Williamson, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for Gold Medal UK and no one else in connection with the Offer and will not be responsible to anyone other than Gold Medal UK for providing the protections afforded to clients of Smith & Williamson or for providing advice in relation to the Offer, the contents of this Announcement or any offer or arrangements referred to in this Announcement or in the Offer documentation.

Singer Capital Markets, which is authorised and regulated in the United Kingdom by the Financial Services Authority for investment business activities, is acting for Fulcrum Pharma and for no one else in connection with the Offer and will not be responsible to anyone other than Fulcrum Pharma for providing the protections afforded to clients of Singer Capital Markets nor providing advice in connection to the Offer, the contents of this Announcement or any offer or arrangements referred to in this Announcement or in the Offer documentation.

The Offer shall be made solely by Gold Medal UK and neither Smith & Williamson nor any of its affiliates are making the Offer.

**The distribution of this document in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person.**

Unless otherwise determined by Gold Medal UK in its sole discretion, the Offer is not being, and will not be, made, directly or indirectly, in or into any Restricted Jurisdiction and will not be capable of acceptance from within any such Restricted Jurisdiction. Accordingly, unless otherwise determined by Gold Medal UK in its sole discretion, copies of this Announcement and any documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send any such documents in or into or from any such Restricted Jurisdiction, as doing so may invalidate any purported acceptance of the Offer. Any person (including, without limitation, custodians, nominees and trustees) who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this Announcement and/or the Offer documentation and/or any other related document to any jurisdiction outside the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of any relevant jurisdiction.

This announcement has been prepared for the purposes of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside of England.

#### **Forward-looking Statements**

This Announcement and the information herein contains certain forward-looking statements with respect to the financial condition, results of operations and business of Gold Medal UK and the Gold Medal UK Group, Fulcrum Pharma and the Fulcrum Pharma Group and certain plans and objectives of the Fulcrum Pharma Board and the Gold Medal UK Board. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "will", "may", "should", "would", "could" or other words of similar meaning. These statements are based on assumptions and assessments made by the Fulcrum Pharma Board and the Gold Medal UK Board in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. Forward looking statements are not guarantees of future performance. By their nature, forward-looking statements involve risk and uncertainty, and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements.

Many of these risks and uncertainties relate to factors that are beyond Gold Medal UK's ability to control or estimate precisely. Neither Gold Medal UK nor Fulcrum Pharma can give any assurance that such forward looking statements will prove to have been correct. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document. Neither

Fulcrum Pharma nor Gold Medal UK nor their respective boards of directors assume any obligation to update or correct the information contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set out in this document since such date. Nothing contained in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of Fulcrum Pharma or any member of the Fulcrum Pharma Group except where expressly stated.

#### **Dealing Disclosure Requirements**

Under the provisions of Rule 8.3 of the Code, if any person is, or becomes, "interested" (directly or indirectly) in 1 per cent. or more of any class of "relevant securities" of Fulcrum Pharma, all "dealings" in any "relevant securities" of that company (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant transaction. This requirement will continue until the date on which the offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the "offer period" otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of Fulcrum Pharma, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the Code, all "dealings" in "relevant securities" of Fulcrum Pharma by Gold Medal UK or Fulcrum Pharma, or by any of their respective "associates", must be disclosed by no later than 12.00 noon (London time) on the Business Day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk).

"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8, you should consult the Panel on telephone number +44 (0) 20 7638 0129.

#### **Publication on the Fulcrum Pharma website**

A copy of the Offer documentation will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on Fulcrum Pharma's website at [www.fulcrumpharma.com](http://www.fulcrumpharma.com) during the course of the Offer.

**ALL REFERENCES TO TIME IN THIS ANNOUNCEMENT ARE TO LONDON TIME**

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY RESTRICTED JURISDICTION (INCLUDING AUSTRALIA, CANADA AND JAPAN) OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION**

**FOR IMMEDIATE RELEASE**

**28 April 2010**

**RECOMMENDED CASH OFFER**

**by**

**GOLD MEDAL ACQUISITIONS UK LIMITED**

**for**

**FULCRUM PHARMA PLC**

**1. Introduction**

The boards of Gold Medal UK and Fulcrum Pharma are pleased to announce the terms of a recommended cash offer, to be made by Gold Medal UK for the entire issued and to be issued share capital of Fulcrum Pharma.

**2. The Offer**

The Offer, which will be subject to the Conditions and to the further terms and conditions to be set out in the Offer documentation when issued, will be made on the following basis:

**5.85 pence in cash for each Fulcrum Pharma Share.**

The Offer of 5.85 pence in cash for each Fulcrum Pharma Share values the entire issued and to be issued share capital of Fulcrum Pharma at approximately £11.56 million.

The Offer Price represents a premium of approximately:

- **73 per cent.** to the Closing Price of 3.375 pence per Fulcrum Pharma Share on 27 April 2010, being the last Business Day prior to this Announcement; and
- **83 per cent.** to the average Closing Price of 3.20 pence per Fulcrum Pharma Share for the six month period ended 27 April 2010, being the last Business Day prior to this Announcement.

**3. Independence of Fulcrum Pharma Directors**

Mr Barry Knight and Dr Alastair Devlin cannot be treated as independent directors of Fulcrum Pharma as they are entering into new service agreements with Fulcrum Pharma with effect from the Offer being declared unconditional in all respects and are expected to benefit in the future from participation in certain share based incentive arrangements in a holding company of Fulcrum Pharma. Dr Michael Carter cannot be treated as an independent director of Fulcrum Pharma due to his interest in SV Life Sciences. Accordingly, Mr Knight and Drs Devlin and Carter absented themselves from the final deliberations in connection with the Offer and a committee of the Fulcrum Pharma Board comprising the Independent Directors has been established.

**4. Unanimous recommendation of Independent Directors to accept the Offer**

The Independent Directors, who have been so advised by Singer Capital Markets, consider the terms of the Offer to be fair and reasonable. In providing financial advice to the Independent Directors, Singer Capital Markets has taken into account the commercial assessments of the Independent Directors.

Accordingly, the Independent Directors consider that the Offer is in the best interests of Fulcrum Pharma Shareholders as a whole and unanimously recommend that Fulcrum Pharma Shareholders accept the Offer as they have irrevocably undertaken to do in respect of their holdings of 3,920,588 Fulcrum Pharma Shares (representing approximately 2.20 per cent. of the issued ordinary share capital of Fulcrum Pharma).

**5. Background to, and reasons for, recommending acceptance of the Offer**

In considering whether the Offer is fair and reasonable to Fulcrum Pharma Shareholders, the Independent Directors have considered:-

- Fulcrum Pharma's low market capitalisation and its ownership structure. Fulcrum Pharma has not attracted a particularly broad institutional shareholder base and its shares are relatively illiquid. As a result, sales of even small numbers of Fulcrum Pharma Shares often have a disproportionate effect on Fulcrum Pharma's share price. The liquidity restraints and low valuation have represented barriers to shareholders' ability to realise their investment in Fulcrum Pharma; and

- that the Offer represents an opportunity for Fulcrum Pharma Shareholders to receive an immediate cash exit for their shareholding at a significant premium to the current share price of Fulcrum Pharma and is at a higher level than the mid-market closing price since September 2004.

#### 6. Irrevocable undertakings to accept the Offer

As set out in more detail below, certain Fulcrum Pharma Shareholders (including all of the Fulcrum Pharma Directors who have beneficial holdings of Fulcrum Pharma Shares) have irrevocably undertaken to accept, or procure the acceptance of, the Offer in respect of, in aggregate, 56,276,166 Fulcrum Pharma Shares, representing approximately 31.63 per cent. of the current issued share capital of Fulcrum Pharma.

##### *Irrevocable undertakings from Fulcrum Pharma Directors*

Each of the Fulcrum Pharma Directors has entered into irrevocable undertakings with Gold Medal UK to accept, or procure the acceptance of, the Offer in respect of his entire beneficial holdings of Fulcrum Pharma Shares, which amount in aggregate to 11,114,563 Fulcrum Pharma Shares, representing, as at the date of this Announcement, approximately 6.25 per cent. of the current issued share capital of Fulcrum Pharma. The irrevocable undertakings are also in respect of Fulcrum Pharma Shares that may be issued to, or acquired by, the Fulcrum Pharma Directors pursuant to the exercise of options they hold over Fulcrum Pharma Shares.

The irrevocable undertakings referred to above were received from each of the Fulcrum Pharma Directors named in the table below in respect of their entire beneficial holdings of Fulcrum Pharma Shares stated alongside their respective names.

<b>Fulcrum Pharma Directors</b>	<b>Number of Fulcrum Pharma Shares beneficially held</b>	<b>Percentage of current Fulcrum Pharma issued share capital</b>
Dr Frank Armstrong	850,000	0.48%
Mr Barry Knight	100,000	0.06%
Dr Alastair Devlin	7,093,975	3.99%
Mr Grahame Cook	1,600,000	0.90%
Dr Angus Bell	970,588	0.55%
Dr Michael Carter	-	-
Mr Frank Condella	250,000	0.14%
Mr Ken Lacey	250,000	0.14%
<b>TOTAL</b>	<b>11,114,563</b>	<b>6.25%</b>

The irrevocable undertakings that have been given by each of the Fulcrum Pharma Directors will cease to be binding if a competing all cash offer is made for Fulcrum Pharma which exceeds the value of the Offer by at least 10 per cent. prior to the first closing date of the Offer or if Gold Medal UK announces (with the consent of the Panel) that it does not intend to proceed with the Offer, or if the Offer lapses or is withdrawn.

##### *Irrevocable undertakings from Fulcrum Pharma Shareholders (other than Fulcrum Pharma Directors)*

Certain Fulcrum Pharma Shareholders (not being Fulcrum Pharma Directors) have entered into irrevocable undertakings to accept, or procure the acceptance of, the Offer in respect of certain of their respective beneficial holdings of Fulcrum Pharma Shares which amount in aggregate to 45,161,603 Fulcrum Pharma Shares, representing approximately 25.38 per cent. of the current issued share capital of Fulcrum Pharma.

The irrevocable undertakings referred to above were received from the Fulcrum Pharma Shareholders named in the table below in respect of the Fulcrum Pharma Shares stated alongside their respective names.

<b>Shareholder</b>	<b>Number of Fulcrum Pharma Shares</b>	<b>Percentage of current Fulcrum Pharma issued share capital</b>
Dr Jon Court	7,461,622	4.19%
Mr Neil Oughton	6,000,000	3.37%
Dr Gareth Walters	6,692,995	3.76%
Bluehone Investors LLP	25,006,986	14.05%
<b>TOTAL</b>	<b>45,161,603</b>	<b>25.38%</b>

Such irrevocable undertakings (other than that from Bluehone Investors LLP) will cease to be binding if a competing all cash offer is made for Fulcrum Pharma which exceeds the value of the Offer by at least 10 per cent. prior to the first closing date of the Offer or if Gold Medal UK announces (with the consent of the Panel) that it does not intend to proceed with the Offer, or if the Offer lapses or is withdrawn.

The irrevocable undertaking from Bluehone Investors LLP will cease to be binding if a competing offer is made for Fulcrum Pharma which exceeds the value of the Offer by at least 10 per cent. prior to the first closing date of the Offer or if Gold Medal UK announces (with the consent of the Panel) that it does not intend to proceed with the Offer, or if the Offer lapses or is withdrawn.

The Fulcrum Pharma Directors and other Fulcrum Pharma Shareholders who have given irrevocable undertakings to Gold Medal UK have additionally agreed in such undertakings, among other things, not to:

- sell, transfer, charge, pledge or grant any option over or otherwise dispose of any interest in any Fulcrum Pharma Shares (except pursuant to the Offer or, in the case of Bluehone Investors LLP, to a transferee who has already accepted the Offer in respect of such Fulcrum Pharma Shares);
- seek, solicit, induce or intentionally encourage any offer or proposal or provide non-public information to any person, in either case with a view to such a person making a takeover offer or a proposal having substantially the effect of a merger or any other transaction which would adversely affect, be incompatible or inconsistent with or otherwise prevent implementation of the Offer or entering into a substantial transaction (as determined by rule 12 of the AIM Rules for Companies and any of the class tests set out in Schedule 3 thereto; or
- withdraw their acceptance of the Offer.

#### **7. Management payments**

Certain non-contractual payments will be made by Fulcrum Pharma to each of Dr Frank Armstrong and Mr Barry Knight upon the Offer becoming or being declared unconditional in all respects. Dr Frank Armstrong will receive £187,063 and Mr Barry Knight will receive £66,625 representing 12 and 6 months' salary, respectively. Fulcrum Pharma's remuneration committee has approved these non-contractual payments on the basis that both Dr Frank Armstrong and Mr Barry Knight were appointed to Fulcrum Pharma with a view to being remunerated to improve the performance of the business and were therefore remunerated through options which are for the most part not 'in the money'. It was therefore the remuneration committee's view that a more short term incentive would be appropriate should there be a liquidity event. Singer Capital Markets (as independent financial adviser for the purposes of Rule 3 of the City Code), consider the terms of these non-contractual payments to be fair and reasonable.

Gold Medal UK has approved the above payments and, accordingly, shareholder approval will not be required in relation to them pursuant to the City Code.

#### **8. Information on Fulcrum Pharma**

Fulcrum Pharma is a professional services company providing clients with expert solutions for the development of therapeutic products. Services include the provision of the full range of drug development and regulatory expertise essential to progress a development programme from research to product approval including lead candidate selection, non-clinical and pharmaceutical development and all phases of clinical development. Fulcrum Pharma also provides support for product registration, launch and in-market maintenance. Fulcrum Pharma employs drug development experts who provide technical input to the design and implementation of client development programmes, as well as regulatory and safety experts providing the strategic and operational support to ensure successful approval at every stage of the development and post-marketing process.

Fulcrum Pharma's customers range from large multinational companies to much smaller biotechnology businesses without the appropriate resources in-house.

In the financial year ended 31 August 2009, Fulcrum Pharma Group's sales rose by 13.0% to £16.8m compared to the previous financial year, but operating profit before exceptional items declined by 14.5% to £569,000. After exceptional items and before tax Fulcrum Pharma Group recorded a loss of £168,000, compared to a profit of £454,000 in its previous financial year. Exceptional items incurred in the 2009 financial year included reorganisation costs and acquisition expenses in respect of an acquisition that could not be completed. Earnings before interest, tax, depreciation and amortisation before exceptional items were £958,000 (2008: £1,140,000). Underlying basic earnings per share ("EPS") was 0.07p and the actual basic EPS was (0.33)p (2008: 0.19p).

Despite the financial environment in 2009, the Fulcrum Pharma Group continued to predict an increased trend to outsourcing driven, inter alia, by larger pharma and biotechnology companies and underpinned for the Fulcrum Pharma Group by its expertise in the neglected diseases/not-for-profit sector. The second half of 2009 showed a pick up in the Fulcrum Pharma Group's business development enquiries and bids providing encouragement that the business would continue to grow in 2010. The Fulcrum Pharma Group has a clear strategy to deliver a growing, sustainable and profitable business and the actions taken by Fulcrum Pharma's management in

2009 are allowing Fulcrum Pharma to function more efficiently in 2010.

The Company announced on 28 April 2010 in its interim results for the six months ended 28 February 2010 that trading has been in line with the Fulcrum Pharma Board's expectations and the benefits of the reorganisation undertaken during 2009, coupled with subsequent strong control of costs, have resulted in a very good interim result when compared with last year. The second half will be affected by the early termination of a significant project by a client that has decided not to continue its development plan, but the Fulcrum Pharma Board remains confident of the Fulcrum Pharma Group's prospects overall based on current trading conditions and an increasing volume of business development enquiries and proposals.

#### **9. Information on Gold Medal UK**

Gold Medal UK is a recently-incorporated company formed for the sole purpose of making the Offer. It is a wholly-owned subsidiary of Gold Medal US (also recently-incorporated for the purpose of making the Offer) which, in turn, upon the Offer becoming or being declared unconditional in all respects will be controlled by funds advised by SV Life Sciences and The Halifax Group. SV Life Sciences and The Halifax Group have identified and intend to look for further opportunities between Fulcrum Pharma and their other present and future investee companies which can potentially create mutually-beneficial exchanges.

SV Life Sciences is a venture capital group which specialises in investing in life sciences businesses involved in sectors across the industry, including biotechnology and pharmaceuticals, medical devices and instruments and healthcare information technology and services. SV Life Sciences currently advises or manages six funds with capital commitments of approximately \$2.0 billion which primarily invest amounts of between \$1m and \$40m in North America and Europe. SV Life Sciences comprises a team of 32 professionals with experience in the relevant sectors and are located in offices in Boston, London and San Francisco. SV Life Sciences was started in London as Schroder Ventures Life Sciences in 1993 as part of the Schroder Ventures Group. The company's first fund closed in 1994 raising \$100m. SV Life Sciences became independent of the Schroder Ventures Group in 2001 and, in January 2005, it rebranded as SV Life Sciences to reflect its independent ownership.

The Halifax Group is a private investment firm focused on lower middle-market businesses, comprised of 11 professionals with a combined 100 years of investing experience with global firms. The firm's principals maintain investment and operating experience in health services and wellness, infrastructure services and business services. The Halifax Group manages more than \$500 million and has partnered with entrepreneurs in 15 companies since 1999.

#### **10. Management, employees and location**

The Board of Gold Medal UK has given assurances to the Independent Directors that, upon the Offer becoming or being declared unconditional in all respects, the existing employment rights of all Fulcrum Pharma Group employees will be fully safeguarded and their accrued rights to pension and other contractual benefits protected.

Gold Medal UK's plans do not involve any material repercussions on employment (including any immediate change to the conditions of employment of Fulcrum Pharma's employees, except that (i) the Remaining Executives and the Management Individuals will each have new employment contracts and (ii) the small number of employees based in the United States who have no written employment contract will be offered a suite of benefits competitive with those which they currently receive and which are in keeping with industry benchmarks). There are no current plans to change the principal locations of Fulcrum Pharma's business nor to redeploy any of its fixed assets except that, in accordance with the long-term intention of Fulcrum Pharma Board, in mid-2010 Fulcrum Pharma will be moving its headquarters to High Wycombe and closing its office in Wokingham.

Following the Offer becoming or being declared unconditional in all respects, all existing Fulcrum Pharma Directors have agreed to resign from the Fulcrum Pharma Board and each of the Management Individuals and the Remaining Executives will enter into new service contracts with Fulcrum Pharma. Patrick K Donnelly and J Matthew Bond, directors of Gold Medal UK, will be appointed to the Fulcrum Pharma Board.

Dr Frank Armstrong will neither continue in his current role as Chief Executive Officer of Fulcrum Pharma nor take up a new position within Fulcrum Pharma or the Gold Medal UK Group upon the Offer becoming or being declared unconditional in all respects.

#### **11. Fulcrum Pharma Share Incentive Schemes**

The Offer will extend to any Fulcrum Pharma Shares which are unconditionally allotted or issued and fully paid (or credited as fully paid) whilst the Offer remains open for acceptance (or before such earlier time and/or date as Gold Medal UK may, subject to the City Code and/or with the consent of the Panel, determine but not being earlier than the date on which the Offer becomes or is declared unconditional as to acceptances) including any such Fulcrum Pharma Shares issued pursuant to the exercise of options granted under the Share Incentive Schemes.

Appropriate proposals will be made to holders of options under the Share Incentive Schemes. Full details of these proposals will be set out in letters which are to be sent to such option holders informing them of the effect of the Offer on their rights under the Share Incentive Schemes.

Following the Offer being declared unconditional in all respects, it is intended that any options to be granted to employees will be granted by a holding company of Fulcrum Pharma but, beyond this conceptual level of detail, no discussions have taken place in connection with such incentivisation arrangements. Any such arrangements will be made in the context of good practice for the industry within which Fulcrum Pharma and Gold Medal UK operate.

## **12. Financing the Offer**

Full acceptance of the Offer is expected to require the payment by Gold Medal UK of up to approximately £11.56 million in cash, representing the Offer Price for Fulcrum Pharma's entire issued share capital and to be issued share capital following the exercise of options with an exercise price of less than the Offer Price.

Gold Medal UK intends to finance the cash consideration payable under the Offer from a loan facility made available to it by Gold Medal US under the terms of the Loan Agreement.

Smith & Williamson has confirmed that the necessary financial resources are available to Gold Medal UK to satisfy the cash consideration payable under the Offer in the event of full acceptance of the Offer.

## **13. Breakup fee and non-solicitation agreement**

On 28 April 2010, Gold Medal UK and Fulcrum Pharma entered into a non-solicitation and breakup fee agreement (the "**Breakup Fee Agreement**") pursuant to which Fulcrum Pharma has agreed for a period beginning on the date of the Announcement and ending on the date on which the Offer lapses or is withdrawn to pay Gold Medal UK a maximum fee of £104,095 (plus value added tax thereon to the extent recoverable) in certain circumstances including, inter alia, where:

- (i) any Independent Director withdraws, qualifies or adversely modifies his recommendation and, subsequently, the Offer lapses or is withdrawn in accordance with its terms; or
- (ii) during the period before the Offer becomes or is declared unconditional in all respects or becomes effective or lapses or is withdrawn in accordance with its terms, an announcement is made by a third party in relation to: (a) a bona fide offer to purchase all or the majority of the Fulcrum Pharma Shares, or (b) a bona fide proposal having substantially the effect of a merger with Fulcrum Pharma, or (c) any other bona fide transaction (including any substantial transaction (as determined by Rule 12 of the AIM Rules and any of the class tests set out in schedule 3 thereto)) which may adversely affect, be incompatible or inconsistent with or otherwise prevent implementation of the Offer; and as a result the Offer subsequently lapses or is withdrawn in accordance with its terms.

The Breakup Fee Agreement further provides that during the period before the Offer becomes or is declared unconditional in all respects or becomes effective or lapses or is withdrawn in accordance with its terms, Fulcrum Pharma shall not solicit any offer or proposal, enter into or continue any negotiations or discussions with any third party or, subject to the Code, provide any such person with any non-public information relating to the Fulcrum Pharma Group with a view to that person making an offer to purchase all or a majority of the Fulcrum Pharma Shares or a proposal having substantially the effect of a merger with Fulcrum Pharma or any other transaction (including any substantial transaction (as determined by Rule 12 of the AIM Rules and any of the class tests set out in schedule 3 thereto)).

## **14. Overseas Fulcrum Pharma Shareholders**

The distribution of this Announcement and the availability of the Offer to persons who are not resident in the United Kingdom may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Persons who are not resident in the United Kingdom should consult an appropriate independent professional adviser in their relevant jurisdiction without delay.

## **15. Compulsory acquisition, cancellation of trading and re-registering**

If Gold Medal UK receives acceptances under the Offer in respect of, or otherwise acquires, 90 per cent. or more in value of the Fulcrum Pharma Shares to which the Offer relates and 90 per cent. or more of the voting rights carried by the Fulcrum Pharma Shares to which the Offer relates and assuming all other Conditions have been satisfied or waived (if they are capable of being waived), Gold Medal UK intends to exercise its rights pursuant to the provisions of sections 979 to 991 (inclusive) of the Companies Act 2006 to acquire compulsorily any remaining Fulcrum Pharma Shares in respect of which the Offer has not been accepted on the same terms as the Offer.

Assuming that the Offer becomes or is declared unconditional in all respects and provided that Gold Medal UK has acquired or agreed to acquire Fulcrum Pharma Shares carrying in aggregate at least 75 per cent. of the voting rights carried by the Fulcrum Pharma Shares, Gold Medal UK intends to procure that Fulcrum Pharma applies to the London Stock Exchange for the cancellation of admission to trading of Fulcrum Pharma Shares on AIM in accordance with the AIM Rules.

It is anticipated that cancellation of admission to trading on AIM will take effect either: (i) should valid acceptances be received pursuant to the Offer which results in Gold Medal UK owning 75 per cent. or more of the Fulcrum Pharma Shares, no earlier than 20 Business Days after the date of issue of the Offer documentation and at least five Business Days after Gold Medal UK announces that all conditions to the Offer have been satisfied or (if capable of waiver) waived or (ii) if the Offer becomes or is declared unconditional in all respects, no earlier than twenty Business Days after the date of issue of the Offer documentation and after at least five Business Days have passed after the Offer becomes or is declared unconditional in all respects. Following such cancellation, Gold Medal UK intends to procure that Fulcrum Pharma re-registers as a private limited company under the provisions of the Companies Act 2006.

**Such cancellation and re-registration will significantly reduce the liquidity and marketability of any Fulcrum Pharma Shares not assented to the Offer and their value may be affected as a consequence. Any remaining Fulcrum Pharma Shareholders would become minority shareholders in a privately controlled limited company and may be unable to sell their Fulcrum Pharma Shares and there can be no certainty that any dividends or other distributions will be made by Fulcrum Pharma or that the Fulcrum Pharma Shareholders will again be offered as much as the Offer Price for the Fulcrum Pharma Shares held by them.**

#### **16. Disclosure of interests in Fulcrum Pharma**

Save as disclosed in this Announcement, as at the date of this Announcement, neither Gold Medal UK, nor any of their respective directors, nor, so far as Gold Medal UK is aware, any person acting in concert (within the meaning of the Code) with Gold Medal UK is interested in or has any rights to subscribe for any Fulcrum Pharma Shares or has borrowed or lent any Fulcrum Pharma Shares nor does any such person have any short position whether conditional or absolute and whether in the money or otherwise (including a short position under a derivative) or any arrangement in relation to Fulcrum Pharma Shares. For these purposes "interest" includes any long economic exposure, whether conditional or absolute, to changes in the price of securities and a person is treated as having an "interest" by virtue of the ownership or control of securities or by virtue of any option in respect of, or derivative referenced to, securities and "arrangement" includes any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of Fulcrum Pharma Shares and also includes any indemnity or option arrangement, agreement or understanding, formal or informal, of whatever nature relating to Fulcrum Pharma Shares which may be an inducement to deal or refrain from dealing in such securities.

#### **17. Further details of the Offer**

The Offer will be subject to the Conditions and the further terms set out in Appendix 1 to this Announcement and the terms and conditions to be set out in the Offer documentation when issued.

Appendix 2 to this Announcement contains the sources and bases of certain information set out in this Announcement. Appendix 3 to this Announcement contains definitions of certain terms used in this Announcement.

The Offer documentation will be posted to Fulcrum Pharma Shareholders as soon as practicable after the publication and, in any event, within 28 days of the date of this Announcement (unless agreed otherwise with the Panel).

The Offer and acceptances thereof will be governed by English law and will be subject to the jurisdiction of the English courts. The Offer will be subject to the applicable requirements of the Code, the Panel and the AIM Rules.

The acquisition of the Fulcrum Pharma Shares under the Offer is proposed to be implemented by way of a takeover offer within the meaning of section 974 of the Companies Act 2006 but Gold Medal UK may, with the agreement of the Fulcrum Pharma Board and the Panel, elect to implement all or any of those acquisitions by way of scheme(s) of arrangement pursuant to Part 26 of the Companies Act 2006.

A copy of this Announcement is and will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on Fulcrum Pharma's website at [www.fulcrumpharma.com](http://www.fulcrumpharma.com) during the course of the Offer.

#### **Enquiries:**

#### **For further information, please contact:**

##### **Gold Medal UK**

Patrick K Donnelly

Tel. +1 703 865 2520

##### **Smith & Williamson (Financial adviser to Gold Medal UK)**

Andy Pedrette

Tel. +44 (0)20 7131 4000

David Jones

Tel. +44 (0)20 7131 4000

**Fulcrum Pharma plc**

Frank Armstrong

Tel. +44 (0)7815 191 565

**Singer Capital Markets  
(Financial adviser to Fulcrum Pharma)**

Shaun Dobson

Tel. +44 (0)20 3205 7500

Claes Spång

Tel. +44 (0)20 3205 7500

**This announcement does not constitute or form part of any offer or invitation to sell or purchase any securities or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, pursuant to the Offer or otherwise. The Offer will be made solely by the Offer documentation which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. Please carefully read the Offer documentation in its entirety before making a decision with respect to the Offer.**

**In accordance with, and to the extent permitted by, applicable law, the Code and normal UK market practice, Gold Medal UK or its nominees or brokers (acting as agents) or their respective affiliates may make, from time to time, certain purchases of, or arrangements to purchase, Fulcrum Pharma Shares, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. These purchases or arrangements to purchase may occur either in the open market at prevailing prices or in private transactions at negotiated prices and shall comply with all applicable laws of the United Kingdom, including the Code and the rules of the London Stock Exchange, and all applicable United States securities laws. Any information about such purchases will be disclosed on a next Business Day basis to the Panel and will be available from any Regulatory Information Service including the Regulatory News Service on the London Stock Exchange website, [www.londonstockexchange.com](http://www.londonstockexchange.com). To the extent that such information is made public in the United Kingdom, this information will also be publicly disclosed in the United States.**

Smith & Williamson, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for Gold Medal UK and no one else in connection with the Offer and will not be responsible to anyone other than Gold Medal UK for providing the protections afforded to clients of Smith & Williamson Corporate Finance Limited or for providing advice in relation to the Offer, the contents of this Announcement or any offer or arrangements referred to in this Announcement or in the Offer documentation.

Singer Capital Markets, which is authorised and regulated in the United Kingdom by the Financial Services Authority for investment business activities, is acting for Fulcrum Pharma and for no one else in connection with the Offer and will not be responsible to anyone other than Fulcrum Pharma for providing the protections afforded to clients of Singer Capital Markets Limited nor providing advice in connection to the Offer, the contents of this Announcement or any offer or arrangements referred to in this Announcement or in the Offer documentation.

The Offer shall be made solely by Gold Medal UK and neither Smith & Williamson nor any of its affiliates are making the Offer.

**The distribution of this Announcement in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this Announcement comes should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person.**

Unless otherwise determined by Gold Medal UK in its sole discretion, the Offer is not being, and will not be, made, directly or indirectly, in or into any Restricted Jurisdiction and will not be capable of acceptance from within any such Restricted Jurisdiction. Accordingly, unless otherwise determined by Gold Medal UK in its sole discretion, copies of this Announcement and any documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send any such documents in or into or from any such Restricted Jurisdiction, as doing so may invalidate any purported acceptance of the Offer. Any person (including, without limitation, custodians, nominees and trustees) who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this Announcement and/or the Offer documentation and/or any other related document to any jurisdiction outside the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of any relevant jurisdiction.

This announcement has been prepared for the purposes of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside of England.

**Forward-looking Statements**

This announcement, including information included in this Announcement, contains certain forward-looking statements with respect to the financial condition, results of operations and business of Gold Medal UK and the Gold Medal UK Group, Fulcrum Pharma and the Fulcrum Pharma Group and certain plans and objectives of the Fulcrum Pharma Board and the Gold Medal UK Board. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "will", "may", "should", "would", "could" or other words of similar meaning. These statements are based on assumptions and assessments made by the Fulcrum Pharma Board and the Gold Medal UK Board in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. Forward looking statements are not guarantees of future performance. By their nature, forward-looking statements involve risk and uncertainty, and the factors described in the context of such forward-looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements.

Many of these risks and uncertainties relate to factors that are beyond Gold Medal UK's ability to control or estimate precisely. Neither Gold Medal UK nor Fulcrum Pharma can give any assurance that such forward-looking statements will prove to have been correct. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Announcement. Neither Fulcrum Pharma nor Gold Medal UK nor their respective boards of directors assume any obligation to update or correct the information contained in this Announcement, whether as a result of new information, future events or otherwise, except to the extent legally required.

The statements contained in this Announcement are made as at the date of this Announcement, unless some other time is specified in relation to them, and service of this Announcement shall not give rise to any implication that there has been no change in the facts set out in this Announcement since such date. Nothing contained in this Announcement shall be deemed to be a forecast, projection or estimate of the future financial performance of Fulcrum Pharma or any member of the Fulcrum Pharma Group except where expressly stated.

#### **Dealing Disclosure Requirements**

Under the provisions of Rule 8.3 of the Code, if any person is, or becomes, "interested" (directly or indirectly) in 1 per cent. or more of any class of "relevant securities" of Fulcrum Pharma, all "dealings" in any "relevant securities" of that company (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant transaction. This requirement will continue until the date on which the offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the "offer period" otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of Fulcrum Pharma, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the Code, all "dealings" in "relevant securities" of Fulcrum Pharma by Gold Medal UK or Fulcrum Pharma, or by any of their respective "associates", must be disclosed by no later than 12.00 noon (London time) on the Business Day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk).

"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8, you should consult the Panel on telephone number +44 (0) 20 7638 0129.

#### **Publication on the Fulcrum Pharma website**

A copy of this Announcement is and will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on Fulcrum Pharma's website at [www.fulcrumpharma.com](http://www.fulcrumpharma.com) during the course of the Offer.

**ALL REFERENCES TO TIME IN THIS ANNOUNCEMENT ARE TO LONDON TIME**

## APPENDIX 1

### CONDITIONS AND CERTAIN FURTHER TERMS OF THE OFFER

#### 1. Conditions of the Offer

For the purpose of these conditions:

- **"Authorisations"** means authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, permissions and approvals;
  - a Third Party shall be regarded as having **"intervened"** if it has decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or having made, proposed or enacted any statute, regulation, decision or order or taken any other steps or required any action to be taken or information to be provided or otherwise having done anything and **"intervene"** shall be construed accordingly;
  - **"Third Party"** means any government or governmental, quasi-governmental, supranational, statutory, regulatory or investigative body, authority (including any national anti-trust or merger control authority), court, trade agency, association, institution, environmental body or any other similar person or body in any relevant jurisdiction; and
  - **"Wider Fulcrum Pharma Group"** means Fulcrum Pharma and its subsidiaries and subsidiary undertakings and associated undertakings (including any company in which any member of the Fulcrum Pharma Group is interested or any undertaking in which Fulcrum Pharma and such undertakings (aggregating their interests) have a direct or indirect interest in 20 per cent. or more of the total voting rights conferred by the equity capital of an undertaking) and **"member of the Wider Fulcrum Pharma Group"** shall be construed accordingly.
1. The Offer is subject to and will comply with the applicable rules and regulations of the London Stock Exchange and the FSA and the provisions of the City Code and any other applicable legal or regulatory requirements. The Offer and any acceptances under it will be governed by English law and be subject to the jurisdiction of the courts of England.

The Offer is subject to the following conditions:-

- (a) valid acceptances of the Offer being received (and not, where permitted, withdrawn) by not later than 1.00 p.m. (London time) on the first closing date of the Offer (or such later time(s) and/or date(s) as Gold Medal UK may, subject to the rules of the City Code or with the consent of the Panel decide) in respect of not less than 90 per cent. (or such lesser percentage as Gold Medal UK may decide) (i) in nominal value of the Fulcrum Pharma Shares to which the Offer relates and (ii) of the voting rights attached to those Fulcrum Pharma Shares, provided that this condition shall not be satisfied unless Gold Medal UK shall have acquired or agreed to acquire (whether pursuant to the Offer or otherwise) Fulcrum Pharma Shares carrying in aggregate more than 50 per cent. of the voting rights normally exercisable at general meetings of Fulcrum Pharma, including for this purpose (except to the extent (if any) otherwise agreed by the Panel) any such voting rights attaching to any Fulcrum Pharma Shares unconditionally allotted or issued fully paid before the Offer becomes or is declared unconditional as to acceptances (whether pursuant to the exercise of any subscription rights, conversion rights or otherwise).  
For the purposes of this condition:-
- (i) the expression **"Fulcrum Pharma Shares to which the Offer relates"** shall be construed in accordance with Sections 974 to 991 of the 2006 Act;
  - (ii) Fulcrum Pharma Shares which have been unconditionally allotted but not issued before the Offer, becomes or is declared unconditional as to acceptance shall be deemed to carry the voting rights which they will carry upon being entered into the register of members; and
  - (iii) valid acceptances shall be deemed to have been received in respect of any Fulcrum Pharma Shares which Gold Medal UK shall, pursuant to Section 979 of the 2006 Act, be treated as having acquired or contracted to acquire by virtue of acceptances of the Offer;
- (b) no Third Party having intervened and there not continuing to be outstanding any statute, regulation or order of any Third Party in each case which would or might reasonably be expected (in each case to an extent which is material in the context of the Gold Medal UK Group or the Wider Fulcrum Pharma Group, as the case may be, taken as a whole) to:
- (i) make the Offer, its implementation or the acquisition by Gold Medal UK of any Fulcrum Pharma Shares or the proposed acquisition of control of, any member of the Wider Fulcrum Pharma Group void, illegal and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, prevent, prohibit, restrict or delay the same or impose additional conditions or financial or other obligations on the Offer or such acquisition, or otherwise challenge or interfere with or require amendment of the same;

- (ii) limit or materially delay the ability of Gold Medal UK or any member of the Wider Fulcrum Pharma Group to acquire or to hold or to exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or other securities in, or to exercise voting or management control over, any member of the Wider Fulcrum Pharma Group;
  - (iii) require, prevent or materially delay the divestiture by Gold Medal UK of any Fulcrum Pharma Shares or shares in any member of the Wider Fulcrum Pharma Group;
  - (iv) require, prevent or materially delay the divestiture by Gold Medal UK or by any member of the Wider Fulcrum Pharma Group, in any such case, of all or any part of their respective businesses, assets or properties or materially limit the ability of any of them to conduct all or any portion of their respective businesses (or any of them) or to own or control all or any portion of their respective assets or properties;
  - (v) except pursuant to Part 28 of the 2006 Act or the City Code, require Gold Medal UK and/or any member of the Wider Fulcrum Pharma Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of either group owned by any third party;
  - (vi) materially limit the ability of any member of the Wider Fulcrum Pharma Group to conduct or integrate or co-ordinate its business, or any part of it, with the businesses or any part of the businesses of any other member of the Wider Fulcrum Pharma Group;
  - (vii) result in any member of the Wider Fulcrum Pharma Group ceasing to be able to carry on business under any name under which it presently does so; or
  - (viii) otherwise materially adversely affect the business, assets, profits, financial or trading position or prospects of any member of the Wider Fulcrum Pharma Group,
- and all applicable waiting and other time periods (including any extension thereof) during which any Third Party could intervene under the laws of any relevant jurisdiction having expired, lapsed or been terminated;
- (c) all notifications, filings or applications having been made in connection with the Offer, all appropriate waiting and other time periods (including any extensions of such waiting and other time periods) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory or regulatory obligations in any relevant jurisdiction having been complied with in each case as may be necessary in connection with the Offer and its implementation or the acquisition or proposed acquisition of any Fulcrum Pharma Shares or control of Fulcrum Pharma or any other member of the Wider Fulcrum Pharma Group by Gold Medal UK or the carrying on by any member of the Wider Fulcrum Pharma Group of its business as it is currently carried on;
  - (d) all Authorisations which are necessary in any relevant jurisdiction for or in respect of the Offer or the acquisition of any Fulcrum Pharma Shares or control of Fulcrum Pharma by Gold Medal UK or the carrying on by any member of the Wider Fulcrum Pharma Group of its business or in relation to the affairs of any member of the Wider Fulcrum Pharma Group having been obtained from all relevant Third Parties or persons with whom any member of the Wider Fulcrum Pharma Group has entered into contractual arrangements, in each case where the absence of any such Authorisations would have a material adverse effect upon the Wider Fulcrum Pharma Group taken as a whole, and all such Authorisations remaining in full force and effect and all filings necessary for such purpose having been made and there being no notice or intimation of any intention to revoke, suspend, restrict, modify or not to renew any of the same at the time at which the Offer becomes otherwise unconditional;
  - (e) except as publicly announced by Fulcrum Pharma (by the delivery of an announcement to a Regulatory Information Service) prior to 27 April 2010 or otherwise Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise or other instrument to which any member of the Wider Fulcrum Pharma Group is a party, or by or to which any such member or any of its assets is or are or may be bound, entitled or subject or any circumstance, which, in each case as a consequence of the making of the Offer or the acquisition or proposed acquisition of any Fulcrum Pharma Shares or control of Fulcrum Pharma would or might reasonably be expected to result in:
    - (i) any monies borrowed by or any other indebtedness or liabilities (actual or contingent) of, or any grant available to, any member of the Wider Fulcrum Pharma Group being or becoming repayable or capable of being declared repayable immediately or prior to its stated repayment date or the ability of any member of the Wider Fulcrum Pharma Group to borrow monies or incur any indebtedness being withdrawn or inhibited or becoming capable of being withdrawn;
    - (ii) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Fulcrum Pharma Group or any such mortgage, charge or other security interest (wherever created, arising or having arisen) being enforced or becoming enforceable;

- (iii) any such arrangement, agreement, licence, permit, instrument, or the rights, liabilities, obligations or interests of any member of the Wider Fulcrum Pharma Group thereunder or relating thereto, being terminated or any adverse action being taken or any obligation or liability arising thereunder;
- (iv) any assets or interest of any member of the Wider Fulcrum Pharma Group being or falling to be disposed of or charged or any right under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider Fulcrum Pharma Group in each case otherwise than in the ordinary course of business;
- (v) any member of the Wider Fulcrum Pharma Group ceasing to be able to carry on business under any name under which it presently does so;
- (vi) the creation of any liability (actual or contingent) by any member of the Wider Fulcrum Pharma Group otherwise than in the ordinary course of business;
- (vii) the rights, liabilities, obligations or interest of any member of the Wider Fulcrum Pharma Group or the business of any such member in or with any person, firm, company or body (or any arrangement or arrangements relating to any such business) being terminated or adversely modified; or
- (viii) the financial or trading position or the prospects of any member of the Wider Fulcrum Pharma Group being prejudiced or materially adversely affected,

and no event having occurred which, under any provision of any such arrangement, agreement, licence, permit or other instrument, could result in any of the events or circumstances which are referred to in this paragraph (e) in any case to an extent which is or would be material in the context of the Wider Fulcrum Pharma Group taken as a whole;

- (f) since 31 August 2009 and except as disclosed in Fulcrum Pharma's annual report and accounts for the year then ended or as otherwise publicly announced by Fulcrum Pharma (by the delivery of an announcement to a Regulatory Information Service) prior to 27 April 2010 or otherwise Disclosed, no member of the Wider Fulcrum Pharma Group having:
  - (i) issued, authorised or agreed the issue of additional shares of any class or issued, authorised, or agreed to issue securities convertible into, rights, warrants or options to subscribe for or acquire, any such shares or convertible securities (other than as between Fulcrum Pharma and wholly-owned subsidiaries of Fulcrum Pharma or the issue of any Fulcrum Pharma Shares allotted upon the exercise of options granted before 27 April 2010 under the Share Incentive Schemes);
  - (ii) purchased or redeemed or repaid any of its own shares or other securities or reduced or made any other change to any part of its share capital or any other securities;
  - (iii) recommended, declared, paid or made any bonus issue, dividend or other distribution whether payable in cash or otherwise (other than to Fulcrum Pharma or a wholly-owned subsidiary of Fulcrum Pharma);
  - (iv) made or authorised any change in its loan capital;
  - (v) save for transactions in the ordinary course of business and other than any transaction between Fulcrum Pharma and a wholly-owned subsidiary of Fulcrum Pharma merged with or demerged or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any assets (including shares in any trade investments) or authorised or proposed or announced any intention to effect the same which in any case is material in the context of the Wider Fulcrum Pharma Group taken as a whole;
  - (vi) issued, authorised or proposed the issue of any debentures or (except in the ordinary course of business) incurred or increased any indebtedness or liability (actual or contingent) which in any case is material in the context of the Wider Fulcrum Pharma Group taken as a whole;
  - (vii) entered into, varied or authorised any agreement, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which:
    - (A) is of a long term, onerous or unusual nature or magnitude or which is or could involve an obligation of such nature or magnitude; or
    - (B) could be materially restrictive on the business of any member of the Wider Fulcrum Pharma Group; or
    - (C) is other than in the ordinary course of business, and which in any case is material in the context of the Wider Fulcrum Pharma Group taken as a whole;
  - (viii) entered into, implemented, effected or authorised any merger, demerger, reconstruction, amalgamation, scheme, commitment or other transaction or arrangement in respect of itself or another member of the Wider Fulcrum Pharma Group otherwise than in the

ordinary course of business which in any case is material in the context of the Wider Fulcrum Pharma Group taken as a whole;

- (ix) entered into or varied the terms of, any contract, agreement or arrangement with any of the directors or senior executives of any member of the Wider Fulcrum Pharma Group;
  - (x) taken any corporate action or had any legal proceedings instituted or threatened against it or petition presented or order made for its winding-up (voluntarily or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any material part of its assets and revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction which in any case is material in the context of the Wider Fulcrum Pharma Group taken as a whole;
  - (xi) been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business in any case with a material adverse effect on the Fulcrum Pharma Group taken as a whole;
  - (xii) waived or compromised any claim other than in the ordinary course of business and which is material in the context of the Fulcrum Pharma Group taken as a whole;
  - (xiii) made any alteration to its articles of association which is material in the context of the Offer; and
  - (xiv) entered into any agreement, commitment or arrangement or passed any resolution or made any offer (which remains free for acceptance) or proposed or announced any intention with respect to any of the transactions, matters or events referred to in this paragraph (f);
- (g) since 31 August 2009 and except as disclosed in Fulcrum Pharma's annual report and accounts for the year then ended or as otherwise publicly announced by Fulcrum Pharma (by the delivery of an announcement to a Regulatory Information Service) prior to 27 April 2010 or otherwise Disclosed:
- (i) there having been no material adverse change or deterioration in the business, assets, financial or trading positions or profit or prospects of any member of the Wider Fulcrum Pharma Group which in any case is material in the context of the Wider Fulcrum Pharma Group taken as a whole;
  - (ii) no contingent or other liability of any member of the Wider Fulcrum Pharma Group having arisen or become apparent which in any case is material in the context of the Wider Fulcrum Pharma Group taken as a whole; and
  - (iii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Fulcrum Pharma Group is or may become a party (whether as plaintiff, defendant or otherwise) or investigation by any Third Party (other than as a result of the Offer) having been threatened, announced, implemented or instituted by or against or remaining outstanding against or in respect of any member of the Wider Fulcrum Pharma Group which in any case is material in the context of the Wider Fulcrum Pharma Group taken as a whole.
- (h) Gold Medal UK not having discovered:
- (i) that any financial or business or other information concerning the Wider Fulcrum Pharma Group disclosed at any time by or on behalf of any member of the Wider Fulcrum Pharma Group, whether publicly, to Gold Medal UK or otherwise, is misleading or contains any misrepresentation of fact or omits to state a fact necessary to make any information contained therein not misleading and which was not subsequently corrected before 27 April 2010 by public disclosure by way of a Regulatory Information Service or as Disclosed, to an extent which in any case is material in the context of the Wider Fulcrum Pharma Group as a whole; or
  - (ii) that any member of the Wider Fulcrum Pharma Group is subject to any liability (actual or contingent) which is not disclosed in Fulcrum Pharma's annual report and accounts for the financial year ended 31 August 2009 and which in any case is material in the context of the Wider Fulcrum Pharma Group taken as a whole.

Subject to the requirements of the Panel, Gold Medal UK reserves the right to waive all or any of the above conditions, in whole or in part, except conditions (a) and (b).

Conditions (b) to (h) (inclusive) must be fulfilled, be determined by Gold Medal UK to be or remain satisfied or (if capable of waiver) be waived by midnight on the 21<sup>st</sup> day after the later of the first closing date of the Offer and the date on which condition (a) is fulfilled (or in each case such later date as Gold Medal UK may, with the consent of the Panel, decide), failing which the Offer will lapse. Gold Medal UK shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of conditions (b) to (h) (inclusive) by a date earlier than the latest date specified above for the fulfilment of that condition.

If the Offer lapses, it will cease to be capable of further acceptance. Fulcrum Pharma Shareholders who have accepted the Offer and Gold Medal UK shall then cease to be bound by acceptances delivered on or before the date on which the Offer lapses.

The Offer will extend to all Fulcrum Pharma Shares to which the Offer relates whilst the Offer remains open for acceptance.

**2. Certain further terms of the Offer**

The Offer will lapse (unless otherwise agreed by the Panel) if it is referred to the Commission of the European Communities and the Commission of the European Communities either (i) initiates proceedings under Article 6(1)(c) of Council Regulation 139/2004/EC; or (ii) refers the Offer under Article 9.1 of Council Regulation 139/2004/EC to a competent authority in the United Kingdom following which there is a reference to the Competition Commission, before 3.00 p.m. on the first closing date of the Offer or the date on which the Offer becomes or is declared unconditional as to acceptances, whichever is the later.

## APPENDIX 2

### SOURCES OF INFORMATION AND BASES OF CALCULATION

The following sources and bases of calculation have been used in this Announcement:

- (a) Unless otherwise stated, financial information relating to the Fulcrum Pharma Group has been extracted or derived (without any adjustment) from the Fulcrum Pharma annual report and accounts for the financial year ended 31 August 2009.
- (b) The value placed by the Offer on the entire existing issued and to be issued share capital of Fulcrum Pharma is based upon:
  - (i) the offer price per Fulcrum Pharma Share of 5.85 pence;
  - (ii) 177,940,743 Fulcrum Pharma Shares being in issue; and
  - (iii) options over 25,995,126 Fulcrum Pharma Shares outstanding pursuant to the Share Incentive Schemes exercisable at the Offer Price or less (of which it is intended that 6,317,310 be satisfied by the allocation of a corresponding number of Fulcrum Pharma Shares which are currently in issue and held in the Fulcrum Pharma ESOP Trust for that purpose),

in each case, as at the close of business on 27 April 2010, being the last Business Day immediately prior to the date of this Announcement.

## APPENDIX 3

### DEFINITIONS

The following definitions apply throughout this Announcement, unless the context requires otherwise:

"2006 Act"	the Companies Act 2006
"AIM Rules"	the AIM Rules for Companies published by the London Stock Exchange
"AIM"	the AIM market operated by the London Stock Exchange
"Announcement"	this Announcement of the Offer in accordance with Rule 2.5 of the Code
"Australia"	the Commonwealth of Australia, its states, territories and possessions and all areas under its jurisdiction and all political sub-divisions thereof
"Business Day"	a day (excluding Saturdays) on which banks are generally open in London for transaction of normal banking business
"Canada"	Canada, its provinces and territories and all areas under its jurisdiction and political sub-divisions thereof
"City Code" or "Code"	the United Kingdom's City Code on Takeovers and Mergers
"Closing Price"	the closing middle market quotation of a Fulcrum Pharma Share as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange
"Daily Official List"	the daily official list of the London Stock Exchange
"Disclosed"	all matters fairly disclosed in: <ul style="list-style-type: none"><li>(a) the documents contained in the electronic data rooms made available to Gold Medal UK and its advisers prior to 13 April 2010;</li><li>(b) a trustee resolution and confirmation letter in relation to the amendment to Fulcrum Pharma DBSOP rules dated 14 April 2010;</li><li>(c) an updated option holders address list and corrected option schedule as at 14 April 2010, accounting for the David Clough options;</li><li>(d) a letter from David Clough dated 12 April 2010;</li><li>(e) a minute of the meeting of Fulcrum Pharma's remuneration committee held on 12 March 2010;</li><li>(f) a letter from Fulcrum Pharma to Angus Bell dated 7 April 2009 re his fees; and</li><li>(g) a letter from Fulcrum Pharma to Frank Armstrong dated 12 March 2009 re clause 21.3 of his service agreement</li></ul>
"EMI Plan"	the Fulcrum Pharma plc Enterprise Management Incentives Share Option Plan 2001
"Executives"	Dr Frank Armstrong, Mr Barry Knight and Dr Alastair Devlin
"FSA"	The Financial Services Authority
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"Fulcrum Pharma"	Fulcrum Pharma plc, a public limited company incorporated in England and Wales with company number 03930927
"Fulcrum Pharma Board"	the board of directors of Fulcrum Pharma
"Fulcrum Pharma Directors"	the directors of Fulcrum Pharma as at the date of this document
"Fulcrum Pharma ESOP Trust"	the Fulcrum Pharma ESOP Trust established by a trust deed dated 7 June 2002
"Fulcrum Pharma Group"	Fulcrum Pharma and its subsidiaries

<b>"Fulcrum Pharma Shareholder"</b>	a holder of Fulcrum Pharma Shares
<b>"Fulcrum Pharma Shares"</b>	the existing unconditionally allotted or issued and fully paid ordinary shares of 1 pence each in the capital of Fulcrum Pharma and further such shares which may be issued or unconditionally allotted and fully paid prior to the time and date on which the Offer closes or by such earlier date and time as Gold Medal UK may decide
<b>"Gold Medal UK"</b>	Gold Medal Acquisitions UK Limited, a company registered in England and Wales with company number 7205280
<b>"Gold Medal UK Directors" or "Gold Medal UK Board"</b>	the board directors of Gold Medal UK, being Patrick K Donnelly and J Matthew Bond
<b>"Gold Medal UK Group"</b>	Gold Medal UK and its subsidiaries (if any) and/or (where the context requires) any one or more of them
<b>"Gold Medal US"</b>	Gold Medal Acquisition Company Inc., a company registered in Delaware under company number 4785376 with its registered office at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, USA
<b>"Independent Directors"</b>	Dr Frank Armstrong, Mr Grahame Cook, Dr Angus Bell, Mr Frank Condella and Mr Ken Lacey
<b>"Individual Option Agreement(s)"</b>	option agreement(s) pursuant to which options have been granted over Fulcrum Pharma Shares by Fulcrum Pharma to persons, including certain Fulcrum Pharma Directors and former directors of Fulcrum Pharma
<b>"Japan"</b>	Japan, its cities, prefectures, territories and possessions
<b>"Loan Agreement"</b>	the intra-group revolving credit facility agreement between Gold Medal US and Gold Medal UK dated 23 April 2010
<b>"London Stock Exchange"</b>	London Stock Exchange plc
<b>"Management Individuals"</b>	Dr Sarah Arbe-Barnes, Dr Phil Birch and John Larus
<b>"Offer"</b>	the offer to be made by Gold Medal UK for the entire issued and to be issued ordinary share capital of Fulcrum Pharma, on the terms and subject to the conditions set out in this Announcement, the offer document and the form of acceptance and, where the context so requires, any subsequent revision, variation, extension or renewal of such offer
<b>"Offer Price"</b>	5.85 pence per Fulcrum Pharma Share
<b>"Overseas Shareholders"</b>	Fulcrum Pharma Shareholders (or nominees of, or custodians or trustees for Fulcrum Pharma Shareholders) not resident in or citizens of the United Kingdom
<b>"Panel" or "Takeover Panel"</b>	the Panel on Takeovers and Mergers
<b>"Regulatory Information Service"</b>	any information service authorised by the FSA for the purpose of disseminating regulatory announcements
<b>"Remaining Executives"</b>	Mr Barry Knight and Dr Alastair Devlin
<b>"Restricted Jurisdiction"</b>	subject always to the requirements of Rule 30.3 of the Code in relation to the distribution of offer documentation to jurisdictions outside the UK, any jurisdiction where extension or acceptance of the Offer might violate the law of that jurisdiction, which for the avoidance of doubt includes, but is not limited to the United States, Canada, Australia and Japan
<b>"Share Incentive Schemes"</b>	the Unapproved Scheme, the Fulcrum Pharma plc U.S. Stock Option Plan, the EMI Plan, the Fulcrum Pharma Deferred Bonus Share Option Plan and the Individual Option Agreements

"Singer Capital Markets"	Singer Capital Markets Limited, which is authorised and regulated in the UK by the Financial Services Authority, the independent financial adviser to Fulcrum Pharma for the purposes of Rule 3 of the City Code
"Smith & Williamson"	Smith & Williamson Corporate Finance Limited, which is authorised and regulated in the UK by the Financial Services Authority, the financial adviser to Gold Medal UK in respect of the Offer
"SV Life Sciences"	SV Life Sciences Fund IV LP, SV Life Sciences Fund IV Strategic Partners LP and International Biotechnology Trust plc and their respective general partner or investment manager; SVLSFIV LLC and SV Life Sciences Managers LLP and any investment fund managed or advised by any of the foregoing entities
"The Halifax Group"	The Halifax Group LLC and its subsidiaries
"Unapproved Scheme"	the Fulcrum Pharma plc Unapproved Executive Share Option Scheme
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland (and its dependent territories)
"US", "USA" or "United States"	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction
"£", "pence"	the lawful currency of the United Kingdom
"\$", "US\$" or "USD"	United States Dollars, the lawful currency of the United States of America
"%"	per cent.

This information is provided by RNS  
The company news service from the London Stock Exchange

END

OFBUBRORRBASUUR

CLOSE

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.

©2009 London Stock Exchange plc. All rights reserved

Regulatory