

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN OR INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

London, 9 June 2009

RECOMMENDED ACQUISITION

**by
Tarsus Group PLC ("Tarsus")
of
CapRegen PLC ("CapRegen")**

(TO BE EFFECTED BY MEANS OF A SCHEME OF ARRANGEMENT)

Summary

The board of Tarsus and the Independent CapRegen Director are pleased to announce that they have today reached agreement on the terms of a recommended acquisition by Tarsus of the entire issued and to be issued share capital of CapRegen which is not already owned by Tarsus.

It is proposed that the Proposal be implemented by way of a scheme of arrangement under section 899 of the 2006 Act involving a reduction of capital under section 135 of the 1985 Act.

Under the terms of the Proposal, Scheme Shareholders will receive:

1 New Tarsus Share for every 24 CapRegen Shares

held at the Scheme Record Time and so in proportion for any other number of CapRegen Shares held at that time.

Based upon the Closing Price of 102.0 pence per Tarsus Share on 9 June 2009 (being today's Closing Price), the Proposal values each CapRegen Share at 4.25 pence and CapRegen's Existing Share Capital at approximately £3.78 million.

On this agreed basis, the Proposal represents a premium of 3.03 per cent. to the Closing Price of a CapRegen Share of 4.125 pence on 9 June 2009 (being today's Closing Price).

Assuming no further Tarsus Shares or CapRegen Shares are issued in the period between the date of this announcement and the Effective Date, immediately following the Effective Date approximately 4.69 per cent. of the enlarged issued ordinary share capital of Tarsus will be held by existing CapRegen Shareholders and approximately 95.31 per cent. will be held by existing Tarsus Shareholders.

The Scheme will be conditional on, amongst other things, the approval by a majority in number representing three fourths in value of the holders of both the Independent Shares and the Director Shares at the Court Meetings.

The Independent CapRegen Director, who has been so advised by Blue Oar, considers the terms of the Proposal to be fair and reasonable. In providing its advice, Blue Oar has taken into account the commercial assessment of the Independent CapRegen Director.

The Independent CapRegen Director intends to recommend that Scheme Shareholders vote in favour of the resolutions to approve the Scheme to be proposed at the Court Meetings and that CapRegen Shareholders vote in favour of the Special Resolution to be proposed at the General Meeting.

Tarsus has received irrevocable undertakings to vote in favour of the resolutions to be proposed at the First Court Meeting and the General Meeting from Independent Shareholders who, in aggregate,

hold 15,830,000 CapRegen Shares, representing approximately 17.8 per cent. of the issued share capital of CapRegen and approximately 29.9 per cent. of the existing Independent Shares.

The Director Shareholders have irrevocably undertaken to vote in favour of the resolutions to be proposed at the Second Court Meeting and the General Meeting in respect of, in aggregate, 20,500,000 CapRegen Shares, representing 100 per cent. of the existing Director Shares and approximately 23.0 per cent. of the issued share capital of CapRegen.

The Scheme Document setting out the conditions and further details of the Proposal and the procedures to be followed in connection with the implementation of the Scheme will be posted to CapRegen Shareholders as soon as reasonably practicable. The Acquisition is expected to be completed on 24 July 2009.

PKF is acting as financial adviser to Tarsus. Blue Oar is acting as financial adviser to CapRegen.

This summary should be read in conjunction with, and is subject to, the full text of this announcement including the Appendices. The Proposal will be subject to the Conditions set out in Appendix I to this announcement and to the further terms to be set out in the Scheme Document. Appendix II sets out the bases and sources of information from which the financial calculations used in this announcement have been derived. Appendix III contains particulars of the irrevocable undertakings referred to in paragraph 11 of this announcement. Appendix IV contains the definitions of terms used in this announcement (including this summary).

Enquiries

Tarsus Douglas Emslie	020 8846 2700
PKF (UK) LLP (Financial Adviser to Tarsus) Jeff Harris Araminta Sugden	020 7065 0000
CapRegen George Greenwood	07785 257 010
Blue Oar Securities Plc (Financial Adviser to CapRegen) William Vandyk	020 7448 4400

PKF, which is authorised and regulated in the UK by the FSA, is acting exclusively as financial adviser to Tarsus and to no one else in connection with the Proposal and will not be responsible to anyone other than Tarsus for providing the protections afforded to customers of PKF nor for providing advice in relation to the Proposal or any other matter referred to in this announcement.

Blue Oar, which is authorised and regulated in the UK by the FSA, is acting exclusively as financial adviser to CapRegen and no one else in connection with the Proposal and will not be responsible to anyone other than CapRegen for providing the protections afforded to customers of Blue Oar nor for providing advice in relation to the Proposal or any other matter referred to in this announcement.

This announcement is not intended to and does not constitute or form part of, an offer or invitation to sell or subscribe for or acquire or exchange securities in Tarsus or CapRegen or a solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise. The full terms and conditions of the Scheme will be set out in the Scheme Document. CapRegen Shareholders are

advised to read carefully the formal documentation in relation to the Proposal, once it is dispatched. In deciding whether or not to approve the Scheme, CapRegen Shareholders must rely solely on the terms and conditions of the Proposal and the information contained, and the procedures described, in the Scheme Document.

The distribution of this announcement in jurisdictions other than the UK and the implications of the Scheme for CapRegen Shareholders outside the UK may be affected by the laws of the relevant jurisdictions. CapRegen Shareholders outside the UK should inform themselves about and observe any applicable requirements. It is the responsibility of each CapRegen Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required to be observed and the payment of any issue, transfer or other taxes in such jurisdictions. This announcement has been prepared for the purpose of complying with English law and the City 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 of jurisdictions outside the UK.

Cautionary note on forward looking statements

This announcement contains statements that are or may be forward-looking statements concerning the Proposal, Tarsus and CapRegen. 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 directors of Tarsus or CapRegen in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. 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.

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. Tarsus and CapRegen assume no 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.

Nothing in this announcement is intended to be a profit forecast and the statements in this announcement should not be interpreted to mean that the earnings per Tarsus Share for the current or future financial periods will necessarily be greater than those for the relevant preceding financial period.

Dealing disclosure requirements

Under the provisions of Rule 8.3 of the City Code, if any person is, or becomes, "interested" (directly or indirectly) in 1 per cent. or more of any class of "relevant securities" of Tarsus or of CapRegen, 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 pm (London time) on the Business Day following the date of the relevant transaction. This requirement will continue until the date on which the Acquisition and/or Scheme becomes effective, 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 CapRegen or Tarsus, 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 City Code, all "dealings" in "relevant securities" of Tarsus or of CapRegen by Tarsus or CapRegen, 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 Panel's website at 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 City 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.

In accordance with Rule 2.10 of the City Code, Tarsus confirms that it has 62,212,671 ordinary shares of 5 pence each in issue and admitted to trading on AIM under the UK ISIN Code JE00B3DG9318.

In accordance with Rule 2.10 of the City Code, CapRegen confirms that it has 89,010,000 ordinary shares of 1 pence each in issue and admitted to trading on the AIM Market of the London Stock Exchange's under the UK ISIN Code GB00B1ZBZK91.

A copy of this document will be published and available for download from <http://www.tarsus-group.com/>

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN OR INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

London, 9 June 2009

RECOMMENDED ACQUISITION

by

TARSUS GROUP PLC ("TARSUS")

of

CAPREGEN PLC ("CAPREGEN")

(TO BE EFFECTED BY MEANS OF A SCHEME OF ARRANGEMENT)

1. Introduction

The board of Tarsus and the Independent CapRegen Director are pleased to announce that they have today reached agreement on the terms of a recommended acquisition by Tarsus of the entire issued and to be issued share capital of CapRegen that it does not already own. It is proposed that the Proposal be implemented by way of a scheme of arrangement under section 899 of the 2006 Act involving a reduction of capital under section 135 of the 1985 Act.

The Independent CapRegen Director, who has been so advised by Blue Oar, considers the terms of the Proposal to be fair and reasonable. In providing its advice, Blue Oar has taken into account the commercial assessment of the Independent CapRegen Director. Accordingly, the Independent CapRegen Director intends to recommend Scheme Shareholders to vote in favour of the resolutions to approve the Scheme at the Court Meetings and CapRegen Shareholders to vote in favour of the Special Resolution to be proposed at the General Meeting, as he has irrevocably undertaken to do in respect of his own beneficial holdings of 400,000 CapRegen Shares, representing approximately 0.45 per cent. of the CapRegen Shares in issue on 8 June 2009 (being the last Business Day prior to the date of this announcement).

2. The Proposal

The Proposal involves the acquisition by Tarsus of the entire issued and to be issued share capital of CapRegen and is to be effected by way of a scheme of arrangement between CapRegen and the Scheme Shareholders under section 899 of the 2006 Act involving a reduction of capital under the 1985 Act. Under the terms of the Scheme, which will be subject to satisfaction or (where appropriate) waiver of the Conditions set out in Appendix I and to the further terms to be set out in the Scheme Document, Scheme Shareholders who are on the register of members at the Scheme Record Time will receive:

1 New Tarsus Share for every 24 CapRegen Shares

and so in proportion for any other number of Scheme Shares held at that time;

Fractions of New Tarsus Shares will not be allotted or issued pursuant to the Proposal and fractional entitlements will be rounded down to the nearest whole number of New Tarsus Shares.

Based upon the Closing Price of 102.0 pence per Tarsus Share on 9 June 2009 (being today's Closing Price), the Proposal values each CapRegen Share at 4.25 pence and CapRegen's Existing Share Capital at approximately £3.78 million.

On this agreed basis, the Proposal represents a premium of 3.03 per cent. to the Closing Price of a CapRegen Share of 4.125 pence on 9 June 2009 (being today's Closing Price).

Assuming no further Tarsus Shares or CapRegen Shares are issued in the period between the date of this announcement and the Effective Date, immediately following the Effective Date approximately 4.69 per cent. of the Enlarged Share Capital of Tarsus will be held by existing CapRegen Shareholders and approximately 95.31 per cent. will be held by existing Tarsus Shareholders.

If the Scheme becomes effective, it will be binding on all Scheme Shareholders irrespective of whether or not they attended or voted in favour of the Scheme at the Court Meetings or the Special Resolution at the General Meeting.

The New Tarsus Shares will be issued credited as fully paid, and on identical terms to and will rank *pari passu* with the existing Tarsus Shares, including the right to receive and retain all dividends and other distributions declared, paid or made on Tarsus Shares after the Scheme becomes effective.

3. Irrevocable undertakings

Helium Special Situations Fund, and the Independent Director as Independent Shareholders have each irrevocably undertaken to exercise (or procure the exercise of) the voting rights in respect of their aggregate interests in 15,830,000 CapRegen Shares, representing approximately 29.9 per cent. of the existing Independent Shares and approximately 17.8 per cent. of the existing issued share capital of CapRegen) in favour of the resolutions to be proposed at the First Court Meeting.

The Director Shareholders have each irrevocably undertaken to exercise (or procure the exercise of) the voting rights in respect of their respective interests in 20,500,000 CapRegen Shares, representing 100 per cent. of the existing Director Shares and approximately 23.0 per cent. of the existing issued share capital of CapRegen) in favour of the resolutions to be proposed at the Second Court Meeting.

In aggregate, Helium Special Situations Fund, the Independent Director and the Director Shareholders have irrevocably undertaken to exercise (or procure the exercise of) the voting rights in respect of a total of 36,330,000 CapRegen Shares, representing approximately 40.8 per cent. of the existing share capital of CapRegen in favour of the resolutions to be proposed at the General Meeting.

4. Background to and reasons for the Proposal

In 2006, Tarsus acquired 80 per cent. of MCII from the Doctors, allowing Tarsus to further develop its exhibitions and conference business. MCII, which had been founded by the Doctors in 2003, owned and operated medical sector exhibitions and conferences in the US anti-ageing market.

CapRegen was formed in 2007 and listed on the AIM market by Tarsus and the Doctors in order to make investments in anti-ageing healthcare products and technologies. Investment opportunities were to be identified by the Doctors through their expertise from MCII and their earlier endeavours. CapRegen has made three investments since its formation. However, in the current economic climate, the CapRegen Directors consider it unlikely that further investments will be made in the foreseeable future or that the existing portfolio will produce a strong return.

Tarsus currently holds 15,500,000 CapRegen Shares, representing 17.4 per cent. of the issued share capital of CapRegen. Tarsus believes it would be attractive to acquire the balance of the CapRegen Shares it does not currently own in order to incorporate CapRegen's investment portfolio within its own assets and to make use of CapRegen's currently unutilised cash, which at 31 May 2009 stood at £3.44 million.

The Proposal is intended to provide CapRegen Shareholders with an opportunity to swap their interest in an investment company with, by its own reckoning, limited short-term growth potential and which trades in the relatively illiquid AIM junior market for shares in an established, profitable trading business which are admitted to the Official List and which pays regular dividends,.

5. Information on Tarsus

Tarsus was incorporated under the Companies (Jersey) Law 1991 on 19 August 2008 and pursuant to a scheme of arrangement effected on 26 November 2008 became the parent company of an international media group with interests in exhibitions, conferences, publishing and online media. Since that date Tarsus has had substantially the same business, operations and executive management as Tarsus Group PLC (a company registered in England and Wales under company number 2000544) had prior to that date. For purposes of comparison all comparative figures and other comparative data cited herein compare results of Tarsus with those of "Old Tarsus" notwithstanding that these are different companies.

Domiciled in Ireland, Tarsus is operational worldwide with offices in London, Paris, Milwaukee, Boca Raton (Florida), Düsseldorf and Shanghai. Its revenues are derived primarily in US dollars and Euros. Tarsus Shares are listed on the Official List and it currently has around 780 shareholders. Some 55 per cent. of Tarsus Shares are held by 24 major institutions and over 16 per cent. of Tarsus Shares are owned by the Chairman and other members of the Tarsus Board.

The Tarsus Group has six divisions and operates in an increasingly diversified range of sectors, including: aviation; labels and packaging; merchandising; anti-ageing medicine; IT; education; training and marketing. The Tarsus Group's profits are driven by a mixture of biennial, annual and biannual events.

The Tarsus Group employs around 200 staff worldwide, plus 150 in a joint venture in China, and benefits from expert teams with deep knowledge of each of the sectors in which the Tarsus Group operates.

In the year to 31 December 2008 the Tarsus Group achieved turnover of £42.5 million (2007: £46 million). The Tarsus Group reported a profit before taxation of £5.7 million (2007: £11.9). Adjusted profit before taxation was £10.7 million (2007: £13.0 million). Adjusted profits exclude one-off exceptional costs of £2.4 million resulting from the Tarsus Group's change of domicile and the restructuring of its French division. As at 31 December 2008 the Tarsus Group had net assets of £39.1 million (2007: £35.1 million), an increase of £4 million in the year.

Whilst revenues declined in 2008, this was largely as a result of the two largest exhibitions, Labelexpo Europe and the Dubai Airshow (which are held biennially), not being run during the year. Bookings for these two events, both of which are being held in 2009, remain strong and the contracted revenue for each event is currently ahead of that in 2007, when they were last run. Events which have already taken place during the current financial year have seen attendance figures level with or ahead of previous years and although exhibitor numbers in the USA had declined the changes in exchange rate more than compensated for the lost revenue.

Tarsus now produces nearly all of its profits from outside the UK. The principal functional currencies of its trading companies are the US Dollar and the Euro. As Tarsus reports its results in Sterling, the level of its profits is affected by movements in exchange rates, notably the US\$:£ and the €:£.

6. Information on CapRegen

Following the 2006 acquisition by Tarsus of an 80 per cent. interest in MCII, Tarsus and the Doctors considered that an offshoot of the business of MCII, namely investing in anti-ageing healthcare products and technologies, had significant potential to grow independently. The Doctors, through their many personal contacts, which include physicians, scientists and healthcare professionals, had always intended to pioneer innovations and develop technologies consistent with their existing work for MCII and Tarsus. Tarsus and the Doctors believed that this business would be more appropriately carried on in a separate corporate vehicle with access to the capital markets.

CapRegen was therefore incorporated on 31 May 2007 as a public limited company and on 24 July 2007 it was admitted to AIM with a remit to make investments in the global anti-ageing and

regenerative medicine marketplace. Following admission CapRegen examined a number of business propositions, some of which resulted in the investments outlined below.

The CapRegen Group's strategy is to use the expertise of the Doctors to invest in medical technologies that they and the other CapRegen Directors believe have commercial viability. The CapRegen Group does not carry out any research and development on its own account, but seeks to invest in technologies and products in the anti-ageing healthcare marketplace through the Doctors' personal contacts. Any such investment is likely to be unquoted and located in North America, although the Directors may look to make investments around the world if appropriate.

The first investment, in December 2007, was in CapRegen Magnum, which in 2008 generated royalties from the sales of its Arasys Perfector and Ion Magnum medical devices of £249,951. Royalty receipts slowed in the second half of the year as a result of deteriorating economies.

CapRegen made two further investments in 2008. The first was the formation of a new, US based company, CapRegen Nutraceuticals, initially owned 96 per cent. by CapRegen and 4 per cent. by CapRegen Nutraceutical's staff and licensees. If agreed financial targets are achieved over the first two years of operation, the staff and licensees' shareholdings can increase to 12 per cent. CapRegen Nutraceuticals sells and markets nutraceutical products acquired under licence from third parties to anti-ageing doctors.

The second investment in 2008 was the acquisition of 50 per cent. of Natural Biosciences, a US company, for \$250,000. Natural Biosciences markets three medicinal mushroom products that assist the body's immune system in its fight against illness and disease. These new investments are in early development and both started their activities late in 2008.

CapRegen Nutraceuticals and Natural Biosciences incurred nearly £50,000 of net start-up costs in 2008 as they commenced trading towards the end of the financial year.

Caution in committing funds resulted in CapRegen's profits for 2008 being ahead of expectations. The CapRegen Group generated revenues of £270,018 (2007: £nil) and interest income of £194,996 (2007: £75,418) and made a profit before tax of £105,970 (2007: loss of £6,404). The profit before tax, warrant charges and amortisation (adjusted profit) was £171,330 (2007: £23,694). Gross assets at 31 December 2008 were £4,161,374. Net assets at 31 December 2008 were £3,689,586 (2007: £3,527,827) of which £3,524,765 (£3,574,588) was cash. Net assets per share were up 5 per cent at 4.1p (4.0p per share at 31 December 2007). Net assets per share represented by cash at 31 December 2008 were 4p (4p at 31 December 2007).

Sales of capital equipment by CapRegen Magnum continue to slow as a result of the economic climate. Both CapRegen Nutraceuticals and Natural Biosciences are in start-up phase and are unlikely to contribute materially to the CapRegen Group this year. CapRegen manages its cash tightly but the reduction in interest rates means that the interest income in 2009 is likely to be less than in 2008.

7. Directors, Management and Employees

Tarsus attaches great importance to the skills and experience of the existing management and employees of the CapRegen Group. Tarsus has given assurances that the existing employment rights, including pension rights, of all employees of CapRegen will be observed. Tarsus does not plan any material changes to the strategy of CapRegen or in the places of business or conditions of employment of the employees of CapRegen.

Following completion of the Proposal, the management and employees of the Enlarged Group will be considered in light of Tarsus's overall strategy and will be reviewed from time to time in light of the ongoing requirements of the Enlarged Group.

Neither Douglas Emslie, who is the Tarsus Group's Managing Director and the Non-executive Chairman of CapRegen, nor Neville Buch, who is the Executive Chairman of Tarsus and a Non-executive director of CapRegen, intend to take part in the executive management of CapRegen or the CapRegen Group. If the Acquisition is effected, Dr. Goldman and Dr. Klatz and the existing operating management of CapRegen's businesses are expected to continue their present roles under Tarsus's strategic direction.

Following completion of the Scheme, the Independent CapRegen Director will be stepping down from the board of CapRegen at the end of the 2009 calendar year, without compensation for loss of office.

Upon the Proposal becoming effective, Neville Buch will resign as a director of CapRegen. Douglas Emslie will remain as a director of CapRegen in a non-executive capacity and Dr Robert Goldman, Dr Ronald Klatz and David Steel will remain as directors of CapRegen in an executive capacity.

8. Structure of the Acquisition and shareholder meetings

It is intended that the Acquisition will be implemented by way of a scheme of arrangement between CapRegen and Scheme Shareholders under section 899 of the 2006 Act involving a reduction of capital under section 135 the 1985 Act. The purpose of the Scheme is to enable Tarsus to become the owner of the entire issued and to be issued share capital of CapRegen. The procedure involves an application by CapRegen to the Court to sanction the Scheme, the cancellation of the Scheme Shares held by the Scheme Shareholders, the application of the reserve arising from such cancellation in paying up in full a number of new ordinary shares in CapRegen (which is equal to the number of the Scheme Shares cancelled) and issuing those new shares to Tarsus in consideration for which the Scheme Shareholders will receive New Tarsus Shares on the basis set out in paragraph 2 of this announcement.

The implementation of the Scheme will be subject to satisfaction or (where appropriate) waiver of all the Conditions set out in Appendix I and the further terms to be set out in the Scheme Document. Implementation of the Scheme will be subject, amongst other things, to the approval of a majority in number of the Independent Shareholders present and voting (and entitled to vote) in person or by proxy at the First Court Meeting and which represent not less than 75 per cent. in value of the Independent Shares and the approval of a majority in number of the Director Shareholders present and voting (and entitled to vote) in person or by proxy at the Second Court Meeting and which represent not less than 75 per cent. in value of the Director Shares.

Implementation of the Scheme will also require the passing of the Special Resolution, requiring the approval of CapRegen Shareholders representing at least 75 per cent. of the votes cast at the General Meeting. Application has been made to the Court for leave to convene the Court Meetings which are to be held at 10.00 a.m. on 3 July 2009 (First Court Meeting) and 10.10 a.m. on 3 July 2009 (Second Court Meeting). It is expected that the General Meeting will be convened at 10.15 a.m. (or as soon thereafter as the Court Meetings are concluded or adjourned) on 3 July 2009.

Following the Court Meetings, the Scheme will only become effective once the Special Resolution is passed by the CapRegen Shareholders and the Court sanctions the Scheme and copies of the Court Order have been delivered to the Registrar of Companies. The Scheme is also conditional on the UKLA agreeing to admit the New Tarsus shares to the Official List subject to (i) the allotment of such shares and/or the (ii) the Acquisition becoming effective.. Once the Scheme becomes effective, it will be binding on all Scheme Shareholders whether or not they attended or voted at the Court Meetings or the General Meeting.

The Scheme Document setting out full details of the Proposal, together with notices of the Court Meetings and the General Meeting will be posted as soon as practicable to CapRegen Shareholders.

9. CapRegen Warrantholders

PKF has agreed with the Takeover Panel that, due to the exercise prices of all of the CapRegen Warrants being significantly above the value that the Proposal places on each CapRegen Share, no equivalent offer will be made by Tarsus to the holders of CapRegen Warrants in respect of those CapRegen Warrants.

Any CapRegen Shares issued pursuant to the exercise of a CapRegen Warrant prior to the Scheme Record Time will form part of the Scheme. If not exercised prior to the Scheme Record Time, the CapRegen Warrants will continue in accordance with their terms.

Any CapRegen Shares issued to holders of CapRegen Warrants (other than Tarsus or its nominees) on the exercise of their CapRegen Warrants after the Scheme Record Time will not be included in the Scheme and therefore such holders of CapRegen Warrants will not be bound by the Scheme. The amendments to the Articles to be proposed at the General Meeting will provide that any person acquiring CapRegen Shares after the Effective Date will be required to transfer them to Tarsus on the basis that they will receive the same number of New Tarsus Shares to which they would have been entitled had their CapRegen Shares been subject to the Scheme.

10. Settlement, trading and dealings

Prior to the Scheme becoming effective, application will be made to the London Stock Exchange for CapRegen Shares to be suspended from trading on AIM with effect from 7.00 a.m. on the day of the Court Hearing. If the Scheme becomes effective, based on the expected timetable set out in this document, the last day of dealings in CapRegen Shares on AIM is expected to be 20 July 2009 (being the Scheme Record Date).

On the Effective Date, share certificates in respect of Scheme Shares will cease to be valid and should be destroyed. In addition, on the Effective Date entitlements to CapRegen Shares held within the CREST system will be cancelled. It is proposed that following the Effective Date and after the CapRegen Shares have ceased to trade on AIM, CapRegen will be re-registered as a private limited company.

11. Overseas CapRegen Shareholders

The implications of the Scheme for CapRegen Shareholders resident in, ordinarily resident in, or who are citizens of any jurisdiction outside of the UK ("Overseas CapRegen Shareholders") may be affected by the laws of the relevant jurisdictions. Such Overseas CapRegen Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of each Overseas CapRegen Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required to be observed and the payment of any issue, transfer or other taxes in such jurisdictions. **If any CapRegen Shareholder is in any doubt as to his eligibility to participate in the Recommended Offer, he should contact his independent professional adviser immediately.**

12. Expected timetable of principal events

Posting of the Scheme Document	10 June 2009
First Court Meeting	10.00 a.m. on 3 July 2009
Second Court Meeting	10.10 a.m. on 3 July 2009
General Meeting	10.15 a.m. on 3 July 2009
Court hearing to sanction the Scheme and confirm the Reduction of Capital	22 July 2009
Scheme Record Time	6 p.m. on 20 July 2009
Effective Date of the Scheme	23 July 2009
Cancellation of trading of CapRegen Shares to trading on AIM	8.00am on 24 July 2009
Admission and first dealing date of New Tarsus Shares and crediting of New Tarsus Shares to CREST accounts	8.00am on 29 July 2009
Latest date for dispatch of share certificates in respect of New Tarsus Shares	6 August 2009

These dates are indicative only and will depend, amongst other things, on the date upon which the Order is delivered to the Registrar of Companies.

13. Concert parties

The Tarsus Directors and certain senior employees, together with their associates, are deemed, by the Panel, to be acting in concert with Tarsus for the purposes of the Proposal. Certain of the concert parties listed below do not hold CapRegen Shares but are, nevertheless deemed to be acting in concert with Tarsus for the purposes of the Proposal. In addition, certain of the concert parties listed below also hold Tarsus Shares. The information disclosed below is in respect of interests in CapRegen Shares (excluding CapRegen Warrants) held by Tarsus Shareholders and other concert parties as at the disclosure date:

Name	No CapRegen Shares	Percentage of total issued share capital of CapRegen
ND Buch	2,000,000	2.25
JD Emslie	2,000,000	2.25
RM Goldman	7,750,000	8.71
MR Klatz	7,750,000	8.71
P Begg	1,000,000	1.12
H Emslie	40,000	0.04
B Emslie	20,000	0.02
G Emslie	20,000	0.02
R Martin	20,000	0.02

S Stephen	20,000	0.02
M Wilkes	40,000	0.04
P Wilkes	20,000	0.02
J Wilkes	20,000	0.02
A Buch	-	-
C Buch	-	-
D Buch	-	-
D and C Buch	-	-
Total	20,700,000	23.3

The members of the concert party who are directors or senior management of Tarsus will be precluded from voting at the Independent Share class meeting and will instead vote at the Directors Share class meeting. Other members of the concert party will be eligible to vote at the Independent Share class meeting.

14. Disclosure of interests in CapRegen Shares

Save as disclosed below, as at the time of this announcement neither Tarsus (nor any of the Tarsus Directors) nor, so far as Tarsus is aware, any person acting in concert with Tarsus, has any interest in, any right to subscribe for, or has borrowed or lent any CapRegen Shares or any securities convertible or exchangeable into CapRegen Shares ("Relevant Securities"), nor does any such person hold any short positions in relation to Relevant Securities (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, nor does any such person have any arrangement in relation to Relevant Securities. For these purposes, "arrangement" includes any indemnity or option arrangement, any agreement or understanding, formal or informal, of whatever nature, relating to Relevant Securities which may be an inducement to deal or refrain from dealing in such securities.

Name	Number of CapRegen Shares	Number of CapRegen Warrants	Relationship to Tarsus
Tarsus Group PLC	15,500,000	8,901,000	-
N Buch	2,000,000	-	Executive Chairman
D Emslie	2,000,000	-	Executive Director
Dr R Klatz	7,750,000	6,675,000	Director of Tarsus subsidiary
Dr R Martin	7,750,000	6,675,000	Director of Tarsus subsidiary
P Begg	800,000	-	Company Secretary
H Emslie	40,000	-	Member of Concert party
B Emslie	20,000	-	Member of Concert party
R Martin	20,000	-	Member of Concert party
S Stephen	20,000	-	Member of Concert party
M Wilkes	40,000	-	Member of Concert party

In view of the requirement for confidentiality and therefore the availability to Tarsus of all relevant persons who are presumed to be acting in concert with Tarsus to provide information, Tarsus has not made any enquiries in this respect of certain parties who may be deemed by the Panel to be acting in concert with it for the purposes of the Recommended Offer. Any such additional interest(s) or dealing(s) will be discussed with the Panel and, if appropriate, will be disclosed in the Scheme Document or announced if requested by the Panel.

15. Enquiries

Tarsus

Douglas Emslie

020 8846 2700

PKF (UK) LLP (Financial Adviser to Tarsus)

Jeff Harris

Araminta Sugden

020 7065 0000

CapRegen

George Greenwood

07785 257 010

Blue Oar Securities Plc (Financial Adviser to CapRegen)

William Vandyk

020 7448 4400

16. Cautionary note on forward looking statements

This announcement contains statements that are or may be forward-looking statements concerning the Proposal, Tarsus and CapRegen. 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 directors of Tarsus or CapRegen in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. 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.

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. Tarsus and CapRegen assume no 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.

Nothing in this announcement is intended to be a profit forecast and the statements in this announcement should not be interpreted to mean that the earnings per Tarsus Share for the current or future financial periods will necessarily be greater than those for the relevant preceding financial period.

17. Dealing disclosure requirements

Under the provisions of Rule 8.3 of the City Code, if any person is, or becomes, "interested" (directly or indirectly) in 1 per cent. or more of any class of "relevant securities" of Tarsus or of CapRegen, 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 pm (London time) on the Business Day following the date of the relevant transaction. This requirement will continue until the date on which the Acquisition and/or Scheme becomes effective, 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 Tarsus or CapRegen, 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 City Code, all "dealings" in "relevant

securities” of Tarsus or of CapRegen by Tarsus or CapRegen, 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 Panel’s website at 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 City 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.

18. General

Tarsus reserves the right, with the consent of the Panel, to elect to implement the Proposal by making a takeover offer for the entire issued and to be issued share capital of CapRegen. If Tarsus elects to implement the Proposal by a takeover offer, that offer will be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme, except that the Acquisition may exclude CapRegen Shareholders resident in certain overseas jurisdictions. Further, if sufficient acceptances of any such offer are received and/or sufficient CapRegen Shares are otherwise acquired, it is the intention of Tarsus to acquire compulsorily any outstanding CapRegen Shares to which such offer relates.

This announcement is not intended to and does not constitute or form part of, an offer or invitation to sell or subscribe for or acquire or exchange securities in Tarsus or CapRegen or a solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise. The full terms and conditions of the Scheme will be set out in the Scheme Document. CapRegen Shareholders are advised to read carefully the formal documentation in relation to the Proposal, once it is dispatched. In deciding whether or not to approve the Scheme, CapRegen Shareholders must rely solely on the terms and conditions of the Proposal and the information contained, and the procedures described, in the Scheme Document.

The distribution of this announcement in jurisdictions other than the UK and the implications of the Scheme for CapRegen Shareholders outside the UK may be affected by the laws of the relevant jurisdictions. CapRegen Shareholders outside the UK should inform themselves about and observe any applicable requirements. It is the responsibility of each CapRegen Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required to be observed and the payment of any issue, transfer or other taxes in such jurisdictions. This announcement has been prepared for the purpose of complying with English law and the City 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 of jurisdictions outside the UK.

The CapRegen Directors accept responsibility for the information insofar as it relates to CapRegen and the CapRegen Directors in this announcement. To the best of the knowledge and belief of the CapRegen Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Tarsus Directors accept responsibility for the information insofar as it relates to Tarsus and the Tarsus Directors in this announcement. To the best of the knowledge and belief of the Tarsus Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement is in accordance with the facts and does not omit anything likely to affect the import of such information.

PKF, which is authorised and regulated in the UK by the FSA, is acting exclusively as financial adviser to Tarsus and to no one else in connection with the Proposal and will not be responsible to anyone other than Tarsus for providing the protections afforded to customers of PKF nor for providing advice in relation to the Proposal or any other matter referred to in this announcement.

Blue Oar, which is authorised and regulated in the UK by the FSA, is acting exclusively as financial adviser to CapRegen and no one else in connection with the Proposal and will not be responsible to anyone other than CapRegen for providing the protections afforded to customers of Blue Oar nor for providing advice in relation to the Proposal or any other matter referred to in this announcement.

Appendices

Appendix I sets out the Conditions for implementation of the Proposal and certain further terms.

Appendix II sets out the bases and sources of information from which the financial calculations used in this announcement have been derived.

Appendix III contains particulars of the irrevocable undertakings referred to in paragraph 11 of this announcement.

Appendix IV contains the definitions of terms used in this announcement (including the summary).

A copy of this document will be published and available for download from <http://www.tarsus-group.com/>

Appendix I

Conditions to the implementation of the Scheme

1. The Proposal is conditional upon the Scheme becoming unconditional and becoming effective, subject to the Takeover Code, by not later than 31 August 2009 or such later date (if any) as CapRegen and Tarsus may agree and the Court may allow. The Scheme is conditional upon:
 - (a) the approval by a majority in number representing three-fourths in value of the holders of Independent Shares present and voting, either in person or by proxy, at the First Court Meeting;
 - (b) the approval by a majority in number representing three-fourths in value of the holders of Director Shares present and voting, either in person or by proxy, at the Second Court Meeting;
 - (c) the Special Resolution set out in the notice of the General Meeting required to approve and implement the Scheme being duly passed by the requisite majority at the General Meeting;
 - (d) the Court Sanction being obtained (with or without modifications, but subject to any such modifications being on terms acceptable to CapRegen and Tarsus) and a copy of the Order being delivered for registration to the Registrar of Companies; and
 - (e) confirmation of the Reduction of Capital by the Court and a copy of the Order and a minute showing the capital as altered being filed with the Registrar of Companies and registered by him.

2. CapRegen and Tarsus have agreed that the Proposal is conditional upon the following matters, and, accordingly, the necessary action to make the Proposal effective will not be taken unless such Conditions (as amended if appropriate) have been satisfied or waived:
 - (a) Admission

The UKLA agreeing to admit the New Tarsus Shares to the Official List and the London Stock Exchange agreeing to admit such shares to trading on its main market for listed securities subject only to (i) the allotment of such shares and/or (ii) the Acquisition becoming effective.

 - (b) Authorisations
 - (i) all Authorisations in any jurisdiction necessary for or in respect of the Proposal, its implementation or any acquisition of any shares in, or control of, CapRegen or any other member of the Wider CapRegen Group by any member of the Tarsus Group having been obtained in terms and in a form satisfactory to Tarsus acting reasonably from any relevant person or authority or from any person or body with whom any member of the Wider CapRegen Group has entered into contractual arrangements and all such Authorisations remaining in full force and effect and there being no intimation of any intention to revoke or not renew the same; and
 - (ii) all Authorisations necessary to carry on the business of any member of the Wider CapRegen Group remaining in full force and effect and there being no notification of any intention to revoke or not to renew the same; and
 - (iii) all necessary filings having been made and all applicable waiting and other periods having expired, lapsed or been terminated and all applicable statutory or regulatory obligations in any jurisdiction in respect of the Proposal having been complied with.

(c) Regulatory Intervention

No relevant person having taken, instituted, implemented or threatened any legal proceedings, or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, order or decision or taken any other step and there not continuing to be outstanding any statute, regulation, order or decision that would or might reasonably be expected to (in each case to an extent which is material and adverse in the context of the Wider CapRegen Group or the Wider Tarsus Group (as the case may be) taken as a whole):

- (i) make the Proposal, its implementation or the acquisition or proposed acquisition of any shares in, or control or management of, the Wider CapRegen Group by Tarsus illegal, void or unenforceable; or
- (ii) otherwise directly or indirectly prevent, prohibit or otherwise restrict, restrain, delay or interfere with the implementation of, or impose additional conditions or obligations with respect to or otherwise challenge or require amendment of, the Proposal or the proposed acquisition of CapRegen by Tarsus or any acquisition of CapRegen Shares by Tarsus; or
- (iii) require, prevent or delay the divestiture by Tarsus of any shares or other securities in CapRegen; or
- (iv) impose any limitation on the ability of any member of the Wider Tarsus Group or any member of the Wider CapRegen Group to acquire or hold or exercise effectively, directly or indirectly, any rights of ownership of shares or other securities or the equivalent in any member of the Wider CapRegen Group or the Wider Tarsus Group or to exercise management control over any member of the Wider CapRegen Group or the Wider Tarsus Group (as the case may be) taken as a whole; or
- (v) require, prevent or delay the disposal by Tarsus or any member of the Wider Tarsus Group or CapRegen or any member of the Wider CapRegen Group, of all or any part of their respective businesses, assets or properties or impose any limitation on the ability of any of them to conduct their respective businesses or own their respective assets or properties; or
- (vi) (save as required pursuant to the Proposal) require any member of the Wider Tarsus Group or of the Wider CapRegen Group to offer to acquire any shares or other securities (or the equivalent) in any member of the Wider CapRegen Group or the Wider Tarsus Group owned by any third party (in each case, other than in implementation of the Proposal); or
- (vii) impose any material limitation on the ability of any member of the Wider Tarsus Group or the Wider CapRegen Group to 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 Tarsus Group and/or the Wider CapRegen Group; or
- (viii) result in any member of the Wider Tarsus Group or the Wider CapRegen Group ceasing to be able to carry on business under any name under which it presently does so; or
- (ix) otherwise materially and adversely affect any or all of the businesses, assets or financial condition of any member of the Wider Tarsus Group or the Wider CapRegen Group;

and all applicable waiting and other time periods during which any such relevant person could institute, or implement or threaten any legal proceedings, having expired, lapsed or been terminated.

(d) Consequences of the Proposal

There being no provision of any agreement to which any member of the Wider CapRegen Group is a party, or by or to which any such member, or any part of their assets, is or may be bound, entitled or subject, which would as a consequence of the Proposal or of the acquisition or proposed acquisition of all or any part of the issued share capital of, or change of control or management of, CapRegen or any other member of the Wider CapRegen Group result in (in each case to an extent which is material and adverse in the context of the Wider CapRegen Group or the Wider Tarsus Group (as the case may be) taken as a whole):

- (i) any material assets or interests of any member of the Wider CapRegen Group being or falling to be disposed of or charged in any way or ceasing to be available to any member of the Wider CapRegen Group or any rights arising under which any such asset or interest could be required to be disposed of or charged in any way or could cease to be available to any member of the Wider CapRegen Group; or
- (ii) any moneys borrowed by, or other indebtedness (actual or contingent) of, or any grant available to, any member of the Wider CapRegen Group being or becoming repayable or capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or the ability of such member of the Wider CapRegen Group to incur any such borrowing or indebtedness becoming or being capable of becoming withdrawn, inhibited or prohibited; or
- (iii) any such agreement or the rights, liabilities, obligations or interests of any such member under it being terminated or materially and adversely modified or affected or any onerous obligation arising or any material adverse action being taken under it; or
- (iv) the interests or business of any such member in or with any third party (or any arrangements relating to any such interests or business) being terminated or adversely modified or affected; or
- (v) the financial or trading position or prospects or value of any member of the Wider CapRegen Group being materially prejudiced or materially adversely affected; or
- (vi) the creation 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 CapRegen Group or any such security (whenever arising or having arisen) becoming enforceable or being enforced; or
- (vii) any member of the Wider CapRegen Group ceasing to be able to carry on business under any name under which or on the terms on which it currently does so or any person presently not able to carry on business under any name under which any member of the Wider CapRegen Group currently carries on business becoming able to do so; or
- (viii) the creation of actual or contingent material liabilities by any member of the Wider CapRegen Group other than in the ordinary course of trading; or
- (ix) the ability of any member of the Tarsus Group to carry on its business being materially and adversely affected,

and no event having occurred which, under any provision of any such agreement to which any member of the Wider CapRegen Group is a party, or by or to which any such member, or any of its assets, may be bound, entitled or subject, could result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (ix) inclusive.

(e) No Corporate Action Taken Since the Accounting Date

Since the Accounting Date, save as otherwise Disclosed to Tarsus or pursuant to transactions in favour of CapRegen or a wholly-owned subsidiary of CapRegen, no member of the Wider CapRegen Group having (in each case to an extent which is material and adverse in the context of the Wider CapRegen Group taken as a whole):

- (i) issued or agreed to issue or authorised or proposed the issue or grant of additional shares of any class or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities (save pursuant to the issue of CapRegen Shares on the exercise of Disclosed CapRegen Warrants); or
- (ii) redeemed, purchased, repaid or reduced or announced the redemption, purchase, repayment or reduction of any part of its share capital or made or announced the making of any other change to its share capital; or
- (iii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any dividend, bonus issue or other distribution whether payable in cash or otherwise other than dividends lawfully paid to CapRegen or wholly owned subsidiaries of CapRegen; or
- (iv) (save for transactions between two or more wholly owned members of the CapRegen Group) merged or demerged with or from, or acquired, any body corporate or authorised or proposed or announced any intention to propose any such merger or demerger; or
- (v) other than in the ordinary course of business acquired or disposed of, transferred, mortgaged or charged, or created or granted any security interest over, any material assets (including shares and trade investments) or authorised or proposed or announced any intention to propose any acquisition, disposal, transfer, mortgage, charge or creation or grant of any security interest; or
- (vi) (save for transactions between two or more wholly owned members of the CapRegen Group) issued or authorised or proposed the issue of any debentures or incurred or increased any borrowings, indebtedness or liability (actual or contingent); or
- (vii) entered into or varied, or authorised or proposed the entry into or variation of, or announced its intention to enter into or vary, any transaction, arrangement, contract or commitment (whether in respect of capital expenditure or otherwise) which is material and of a long term, onerous or unusual nature or magnitude (other than to a nature and extent which is normal in the context of the business concerned or which is or could involve obligations which would or might reasonably be expected to be so long, onerous or unusual in nature or magnitude) or which is restrictive to the existing business of any member of the Wider CapRegen Group (other than to a nature and extent which is normal in the context of the business concerned or which is or could involve obligations which would or might reasonably be expected to be so restrictive) or which is not in the ordinary course of business; or
- (viii) entered into, implemented, effected, authorised or proposed or announced its intention to enter into, implement, effect, authorise or propose any material contract,

reconstruction, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business; or

- (ix) waived or compromised any material claim (other than in the ordinary course of business); or
- (x) entered into or varied or made any offer (which remains open for acceptance) to enter into or vary the terms of any material contract with any of the directors or senior executives of CapRegen or any of the directors or senior executives of any other member of the Wider CapRegen Group; or
- (xi) taken or proposed any corporate action or had any legal proceedings instituted or threatened against it or petition presented for its winding-up (voluntary 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 for any analogous proceedings or steps in any jurisdiction or for the appointment of any analogous person in any jurisdiction; or
- (xii) been unable, or admitted in writing that it is unable, to pay its debts or has 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; or
- (xiii) made any material alteration to its memorandum or articles of association, or other incorporation documents; or
- (xiv) disposed of or acquired any assets or businesses or offered or agreed to the same for an amount in aggregate of £1 million or more (or in the case of disposals where the book value was in aggregate greater than £1 million), entered into or offered or agreed to enter into or announced any arrangement which requires expenditure or the foregoing of revenue by the Wider CapRegen Group of an amount in aggregate of greater than £1 million; or
- (xv) entered into any agreement or passed any resolution or made any offer (which remains open for acceptance) or proposed or announced any intention with respect to any of the transactions, matters or events referred to in this condition 2(d) otherwise than in the ordinary course of business.

(f) Other Events Since the Accounting Date

In the period since the Accounting Date, save as Disclosed to Tarsus:

- (i) no litigation or arbitration proceedings, prosecution, investigation or other legal proceedings having been announced, instituted, threatened or remaining outstanding by, against or in respect of, any member of the Wider CapRegen Group or to which any member of the Wider CapRegen Group is or may become a party (whether as claimant, defendant or otherwise) which in any case, would be likely to have a material adverse effect on the financial position of the Wider CapRegen Group; and
- (ii) no event, change or condition has occurred or become known to CapRegen which has resulted in or could be reasonably expected to have a material adverse change or a material deterioration in the business or assets or financial or trading position, assets, liabilities or profits or prospects of any member of the Wider CapRegen Group; and
- (iii) no enquiry or investigation by, or complaint or reference to, any relevant person against or in respect of any member of the Wider CapRegen Group having been threatened, announced, implemented or instituted or remaining outstanding by,

against or in respect of, any member of the Wider CapRegen Group which in any case, would be likely to have a material adverse effect on the financial position of the Wider CapRegen Group taken as a whole; and

- (iv) no contingent or other liability having arisen or become apparent or increased which in any case, would be likely to have a material adverse effect on the financial position of the Wider CapRegen Group taken as a whole; and
- (v) the business of the Wider CapRegen Group has been carried on in the usual and ordinary course.

(g) Other Issues

Save as Disclosed to Tarsus, CapRegen not having discovered that (in each case to an extent which is material and adverse in the context of the Wider Tarsus Group taken as a whole):

- (i) the financial, business or other information Disclosed at any time by any member of the Wider Tarsus Group, whether publicly or in the context of the Proposal either contained a material misrepresentation of fact or omitted to state a fact necessary to make the information Disclosed not misleading in any material respect; or
- (ii) any contingent liability Disclosed in such Disclosed information would or might materially and adversely affect, directly or indirectly, the business or profits of the Wider Tarsus Group taken as a whole; or
- (iii) any information Disclosed at any time by or on behalf of any member of the Wider Tarsus Group is or becomes incorrect in any material respect.]

3. Subject to the requirements of the Panel, Tarsus reserves the right to waive all or any of the Conditions contained in paragraphs 2(a); 2(b); 2(c) and 2 (d) (in each case only insofar as non-fulfilment of the Condition would be material and adverse in the context of the Wider CapRegen Group taken as a whole); 2(e) and 2(f); and 2(g), in whole or in part.
4. The Proposal is governed by English law and is subject to the jurisdiction of the English courts. The rules of the Takeover Code, so far as they are appropriate, apply to the Proposal.

Appendix II
Bases and sources of financial information

Save as otherwise stated, the following constitute the bases and sources of certain information referred to in this announcement:

Historic financial information relating to CapRegen has been extracted without material adjustment from the relevant published audited reports and accounts of CapRegen.

Historic financial information relating to Tarsus has been extracted without material adjustment from the relevant published audited reports and accounts and unaudited interim results of Tarsus.

Unless otherwise stated, all prices quoted for shares are Closing Prices.

The percentage ownership of the Enlarged Group held by former CapRegen Shareholders and existing Tarsus Shareholders is based on the enlarged issued share capital of Tarsus following the Acquisition, being the aggregate of 62,212,671 Tarsus Shares in issue on 9 June 2009 (source: Tarsus registrar) and approximately 3,062,916 New Tarsus Shares to be issued pursuant to the Proposal.

CapRegen's Existing Share Capital means the 89,010,000 CapRegen Shares in issue as at the date of this announcement.

Appendix III

Details of Irrevocable Undertakings

The following Independent Shareholders have signed irrevocable undertakings in respect of the numbers of CapRegen Shares shown below to vote in favour of the Scheme at the First Court Meeting and the Special Resolution at the General Meeting:

Name	No. CapRegen Shares	Approximate percentage of CapRegen's issued share capital as at 30 April 2009
G Greenwood	400,000	0.45%
Helium Special Situations Fund	15,430,000	17.34%
TOTAL	15,830,000	17.79%

The following Director Shareholders have signed irrevocable undertakings in respect of the numbers of CapRegen Shares shown below to vote in favour of the Scheme at the Second Court Meeting and the Special Resolution at the General Meeting:

Name	No. CapRegen Shares	Approximate percentage of CapRegen's issued share capital as at 30 April 2009
N Buch	2,000,000	2.25%
D Emslie	2,000,000	2.25%
P Begg	1,000,000	1.12%
R Klatz	7,750,000	8.71%
R Goldman	7,750,000	8.71%
TOTAL	20,500,000	23.03%

The irrevocable undertakings received from each of the signatories will only cease to be binding if the Proposal is withdrawn or lapses in accordance with its terms.

Appendix IV Definitions

In this document, unless the context requires otherwise, the following expressions shall have the following meanings:

“1985 Act”	the Companies Act 1985 (as amended) and to the extent in force;
“2006 Act”	The Companies Act 2006, to the extent in force;
“Acquisition”	the recommended acquisition by Tarsus of the entire issued share capital of CapRegen (other than the CapRegen Shares already held by Tarsus), subject to the Conditions and on the terms of this document;
“Accounting Date”	31 December 2008;
“Admission”	the admission of the New Tarsus Shares to trading on the Official List in accordance with the Listing Rules and the admission of such New Tarsus Shares to trading on the London Stock Exchange’s main market for listed securities in accordance with the Admission and Disclosure Standards;
“Admission and Disclosure Standards”	means the requirements contained in the publication “Admission and Disclosure Standards” (as amended from time to time) containing, amongst other things, the admission requirements to be observed by companies seeking admission to the London Stock Exchange’s main market for listed securities;
“AIM”	The AIM market operated by the London Stock Exchange;
“Articles”	The articles of association of CapRegen;
“Authorisations”	authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions or approvals;
“Blue Oar”	Blue Oar Securities PLC of 30 Old Broad Street, London, EC2N 1HT;
“Business Day”	a day on which the London Stock Exchange is open for the transaction of business;
“Capita Registrars”	a trading name of Capita Registrars Limited;
“CapRegen” or the “Company”	CapRegen PLC;
“CapRegen Board” or “CapRegen Directors”	the directors of CapRegen as at the date of this document, whose names are set out in paragraph 3 of Part 6 of this document;
“CapRegen Group”	CapRegen, CapRegen Magnum, CapRegen Nutraceuticals and Natural Biosciences and any other subsidiary undertakings and/or (where the context requires) any one or more of them;
“CapRegen Magnum”	CapRegen Magnum Limited;
“CapRegen Nutraceuticals”	CapRegen Nutraceuticals Inc.;
“CapRegen Shareholder”	a holder of CapRegen Shares;
“CapRegen Shares”	ordinary shares of 1p each in the capital of CapRegen;
“CapRegen Warrant”	a warrant to subscribe for one CapRegen Share created pursuant to the warrant instrument dated 16 July 2007 further details of which are set out in paragraph 9 of Part II and paragraph 6(b) of Appendix IV to this document;
“CapRegen Warranholders”	holders of CapRegen Warrants;
“Closing Price”	The closing middle market price of a relevant share as derived from the Daily Official List
“Court Meetings”	the meetings of Director Shareholders and Independent Shareholders convened by order of the Court pursuant to

“Court Sanction”	section 899 of the 2006 Act (as set out in Part 8 of this document) to consider and, if thought fit, approve the Scheme, including any adjournment thereof;
“CREST”	the sanction (with or without modification) of the Scheme by the Court;
“CREST Regulations”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator in accordance with which securities may be held and transferred in uncertificated form;
“Daily Official List”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);
”Director Shares”	The Daily Official List of the London Stock Exchange;
“Director Shareholders”	CapRegen Shares beneficially owned or registered in the name of any of the following persons: N Buch; D Emslie; Dr R Goldman; Dr R Klatz; and P Begg;
“Disclosed”	holders of Director Shares;
“Doctors”	(i) as disclosed in the CapRegen Annual Report; (ii) as publicly announced by any member of the Wider CapRegen Group (through a Regulatory Information Service or any other information service made available in the country where the relevant company is listed) prior to the date of this document; (iii) as disclosed in this document; (iv) as otherwise fairly disclosed in writing (including facsimile) to Tarsus or its advisers by or on behalf of CapRegen prior to the date of this document;
“Effective Date”	together Dr Robert Goldman and Dr Ronald Klatz;
“Enlarged Group”	the date on which the Scheme becomes effective in accordance with its terms;
“Enlarged Share Capital”	The Tarsus Group as enlarged by the Proposal;
“Euroclear”	the entire issued share capital of Tarsus following the issue of the New Tarsus Shares (assuming no CapRegen Warrants are exercised and no further CapRegen Shares are issued);
“First Court Meeting”	Euroclear UK & Ireland Limited;
“Forms of Proxy”	the meeting of Independent Shareholders convened by order of the Court pursuant to section 899 of the 2006 Act (as set out in Part 8 of this document) to consider and, if thought fit, approve the Scheme, including any adjournment thereof;
“FSA”	the forms of proxy for use at the Court Meetings and at the General Meeting;
“FSMA”	The Financial Services Authority;
“General Meeting”	The Financial Services and Markets Act 2000;
“Hearing Date”	the general meeting of CapRegen convened by the notice contained in Part 9 of this document to consider any resolution required to approve and implement the Scheme and the Proposal, including any adjournment thereof;
“holder”	The date of the Court Hearing;
“Independent CapRegen Director”	a registered holder and any person entitled by transmission;
“Independent Shares”	George Greenwood;
	all the CapRegen Shares:
	(i) in issue at the date of this Scheme;
	(ii) (if any) issued after the date of this Scheme and prior to the Voting Record Time;
	(iii) (if any) issued at or after the Voting Record Time and before the Scheme Record Time, in respect of which the

	original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by this Scheme in each case other than (a) Director Shares and (b) CapRegen Shares beneficially owned/registered in the name of Tarsus;
“Independent Shareholders”	holders of Independent Shares
“Listing Rules”	The rules and regulations of the UKLA, as amended;
“London Stock Exchange”	London Stock Exchange PLC;
“MCII”	Medical Conferences International Inc.;
“Meetings”	The Court Meetings and the General Meeting;
“Natural Biosciences”	Natural Biosciences Inc.;
“New Tarsus Shares”	the new Tarsus Shares to be issued by Tarsus as consideration for the Acquisition pursuant to the Proposal;
“Official List”	The official list of the UKLA;
“Order”	the order of the Court sanctioning the Scheme under section 899 of the 2006 Act and confirming the Reduction of Capital;
“Panel” or “Takeover Panel”	The Panel on Takeovers and Mergers;
“Proposal”	the Scheme and the other matters to be considered at the Meetings;
“PKF”	PKF (UK) LLP of 20 Farringdon Place, London, EC1M 3AP;
“Reduction of Capital”	the reduction of the share capital of CapRegen under section 135 of the 1985 Act by the cancellation and extinguishing of the Scheme Shares, to be effected as part of the Scheme;
“Regulatory Information Service”	any of the services set out in Appendix 3 to the Listing Rules;
“Registrar of Companies”	The Registrar of Companies in England and Wales;
“Restricted Jurisdiction”	the United States, Canada, Australia, the Republic of South Africa or Japan;
“Scheme”	the proposed scheme of arrangement under section 899 of the 2006 Act with or subject to any modification or addition thereto or condition approved or imposed by the Court and agreed by CapRegen and by Tarsus;
“Scheme Record Date”	Two Business Days immediately preceding the Hearing Date;
“Scheme Record Time”	6.00 p.m. on the Scheme Record Date;
“Scheme Shareholders”	Director Shareholders and Independent Shareholders;
“Scheme Shares”	Director Shares and Independent Shares;
“SEC”	The US Securities and Exchange Commission;
“Second Court Meeting”	the meeting of Director Shareholders convened by order of the Court pursuant to section 899 of the 2006 Act (as set out in Part 8 of this document) to consider and, if thought fit, approve the Scheme, including any adjournment thereof;
“Special Resolution”	the special resolution to be proposed by CapRegen at the General Meeting in connection with, inter alia, the approval of the Scheme and the Reduction of Capital;
“Tarsus”	Tarsus Group PLC;
“Tarsus Directors” or “Tarsus Board”	the directors of Tarsus, whose names are set out in paragraph 2 of Part 6 of this document;
“Tarsus Group”	Tarsus and its subsidiaries and/or (where the context requires) any one or more of them;
“Tarsus Shares”	ordinary shares of 5p each in the share capital of Tarsus;
“Tarsus Shareholder”	a holder of Tarsus Shares;
“UKLA”	the UK Listing Authority, being the FSA acting in its capacity as the competent authority for the purposes of Part IV FSMA;

“uncertificated” or “in uncertificated form”	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“United States” or “US”	the United States of America, its territories and possessions, any states of the United States and the District of Columbia;
“Voting Record Time”	in relation to the Court Meetings, 6.00 p.m. on the day which is two days before the relevant Court Meeting or, if either Court Meeting is adjourned, two days before the time set for any such adjourned meeting; and
“Wider CapRegen Group”	CapRegen, its subsidiary undertakings and its associated undertakings; and
“Wider Tarsus Group”	Tarsus, its subsidiary undertakings and its associated undertakings (excluding, for these purposes CapRegen).

All references to legislation in this document are to English legislation unless the contrary is indicated. All references to time in this document are to London time unless the contrary is indicated.

Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.