



Science-led Materials Discovery

ILIKA plc

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, TO US PERSONS OR IN OR INTO THE UNITED STATES, OR INTO OR FROM CANADA, JAPAN OR AUSTRALIA.

This announcement is an advertisement and not a prospectus. This announcement does not constitute or form part of, and should not be construed as, any offer for sale or subscription of, or solicitation of any offer to buy or subscribe for, any shares in the Company or securities in any other entity, in any jurisdiction, including the United States, nor shall it, or any part of it, or the fact of its distribution, form the basis of, or be relied on in connection with, any contract or investment decision whatsoever, in any jurisdiction. This announcement does not constitute a recommendation regarding any securities.

6 MAY 2010

ILIKA ANNOUNCES SUCCESSFUL COMPLETION OF IPO ON AIM £5.2 MILLION RAISED IN PLACING

Ilika plc (“Ilika” or “the Company”), the advanced cleantech materials discovery company, is pleased to announce the publication of its Admission Document relating to the Company’s £5.2 million Placing with institutional investors at a price of 51p per share and to the proposed admission of all of the Company’s Ordinary Shares to trading on AIM.

The Company is expected to have a market capitalisation of approximately £18.7 million on Admission and its shares are expected to commence trading on Friday, 14 May 2010. Nomura Code Securities Limited (“Nomura Code”) is the Company’s nominated adviser and broker.

DETAILS OF THE PLACING AND IPO

The Company raised gross proceeds of approximately £5.2 million (net proceeds of approximately £4.4 million) from the Placing which will be used to fund the further development of identified materials for the energy, electronics and biomedical sectors. The products resulting from these materials are expected to generate significant revenues from (1) milestones and royalties resulting from the licensing of the materials being developed under existing joint development programmes with the Company’s partners and for which “proof of concept” has been demonstrated; and (2) through direct biomedical product sales

- The Placing comprises the issue of 10,147,059 Placing Shares at 51 pence per share together with 10,147,059 Placing Warrants
- The Enlarged Issued Ordinary Share Capital at Admission will be 36,569,359 Ordinary Shares, giving the Company an expected market capitalisation of £18.7 million at Admission
- Admission to trading on AIM and commencement of dealings are expected to take place at 8:00a.m. on Friday, 14 May 2010 under the ticker “IKA”. The Company is expected to be listed in the Alternative Energy sector.
- A copy of the Company's Admission Document will shortly be available on the Company's website at www.ilika.com.

BACKGROUND TO ILIKA

Ilika is an advanced materials company which accelerates the discovery of new and patentable materials using its unique high throughput technologies (“HTT”) process for identified end uses in the energy, electronics and biomedical sectors. This process enables hundreds of scalable materials to be made in a single, automated operation and subsequently tested for key properties.

Traditionally, materials development has been a slow and arduous task, with manual, sequential methods used to make samples of material that are then tested for suitability. On average, it takes between 7 and 10 years to move from an initial discovery through to the first commercial prototype. Experiments carried out by the Company can be executed 10 to 100 times faster than using traditional techniques.

Graeme Purdy, Chief Executive of Ilika plc, commented:

“By using the materials we invent, our multinational partners can scale up and commercialise their next generation of products much more quickly. The new funds will enable us to accelerate further the development of materials in our chosen markets. There is unmet demand for ways of solving the problems of over-reliance on traditional forms of energy and resource, which we have the technology and business model to exploit. We think this is a highly attractive proposition and we are delighted that our new investors agree.”

For further information, see www.ilika.com

ENQUIRIES

Ilika plc

Tel. +44 (0) 23 8011 1400

Graeme Purdy, Chief Executive

Steve Boydell, Finance Director

Nomura Code Securities Limited

Tel. +44 (0) 20 7776 1200

Phil Walker

Christopher Golden

Pelham Bell Pottinger

Tel. +44 (0) 20 7337 1509

Archie Berens

Francesca Tuckett

NOTES TO EDITORS

Ilika is an advanced materials company which accelerates the discovery of new and patentable materials using its unique high throughput technologies (“HTT”) process for identified end uses in the energy, electronics and biomedical sectors. This process enables hundreds of scalable materials to be made in a single, automated operation and subsequently tested for key properties.

Traditionally, materials development has been a slow and arduous task, with manual, sequential methods used to make samples of material that are then tested for suitability. On average, it takes between 7 and 10 years to move from an initial discovery through to the first commercial prototype. Experiments carried out by the Company can be executed 10 to 100 times faster than using traditional techniques.

The Company focuses on three principal sectors and has a number of active development programmes addressing markets within each sector:

Energy – developing innovative new materials for Lithium-ion batteries for vehicles for Toyota; developing high capacity hydrogen storage materials with Shell Hydrogen and Johnson Matthey through joint development programmes; developing cheaper alternatives to Platinum electrodes for use in fuel cells through a grant-funded project with the Carbon Trust; developing new materials for use in fuel cells for the transport sector for a major vehicle manufacturer; and carrying out in-house research on film photovoltaic solar cells.

Electronics – developing lead-free piezoelectric materials through a joint development programme with CeramTec; and developing phase change memory materials for high capacity memory chips and is currently in negotiations with a major electronics manufacturer.

Biomedical – developing polymers to enable the filtering of somatic stem cells from blood with a major global supplier of filters; it has been selling its Cryoskin and Myskin products for the treatment of burns

and wounds in the UK through a specialist distributor and intends to commence clinical trials of its corneal bandage candidate.

The Group's commercialisation strategy is to enter into joint development or licensing agreements with large multinational companies which are seeking to commercialise products developed using the intellectual property created through jointly-funded programmes. Current commercialisation partners include large multinational companies such as Toyota, Shell, Johnson Matthey and CeramTec. The Company generates revenues from three sources: licensing and milestone payments from joint development programmes; fee for service from contract research projects; and from sales of Cryoskin and Myskin.

The defined terms used in this announcement have the same meaning as those in the Admission Document, unless the context otherwise requires.

Disclaimer

Nomura Code Securities Limited, which is authorised and regulated by the Financial Services Authority, is acting for Ilika and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than Ilika for providing the protections afforded to its customers or for providing advice to any other person in relation to the matters referred to in this announcement. The contents of this announcement, which has been prepared by and is the sole responsibility of Ilika, have been approved solely for the purposes of section 21(2) (b) of the Financial Services and Markets Act 2000 by Nomura Code Securities Limited, 1 Carey Lane, London, EC2V 8AE.

This announcement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, purchase or subscribe for any securities. This announcement has not been examined or approved by the FSA or the London Stock Exchange or any other regulatory authority. The distribution for this announcement in certain jurisdictions may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The information contained herein is not for publication or distribution in or into the United States of America. These materials are not an offer of securities for sale in the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933 (the "Act"), as amended, and may not be offered or sold in the United States absent registration under the Act or an available exemption from registration. No public offering of the securities referred to herein will be made in the United States.

The information contained in this announcement is not for publication or distribution to persons in Australia, Canada or Japan. The New Ordinary Shares and Placing Warrants referred to herein may not, directly or indirectly, be offered, sold, taken up or delivered in, into or from Australia, Canada or Japan.

Certain statements in this announcement are forward looking statements. By their nature, forward looking statements involve a number of risks, uncertainties and assumptions because they relate to events and/or depend on circumstances that may or may not occur in the future and could cause actual results to differ materially from those expressed in, or implied by, the forward looking statements. These include, among other factors: the Group's ability to obtain capital/additional finance; the limitations of the Group's internal financial controls; any increase in competition; an unexpected decline in turnover; legislative, fiscal and regulatory developments including, but not limited to, changes in environmental and safety regulations; and currency and interest rate fluctuations. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Forward looking statements contained in this announcement based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Subject to any requirement under the rules of the Financial Services Authority, the London Stock Exchange, AIM or by law, neither the Company nor Nomura Code Securities Limited undertakes any obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise. Persons should not place undue reliance on forward looking statements, which speak only as of the date of this announcement.