

NOVAGALI P H A R M A

Revenue for the 1st quarter of 2011

- Further buoyant sales growth: +22.6%

Evry (France), May 12, 2011: Novagali Pharma, a pharmaceutical company that develops innovative ophthalmic products, today announces its revenue for the first quarter 2011.

First-quarter revenue

<i>In thousands of euros - IFRS*</i>	Q1 2011	Q1 2010
Sales	131	107
Subsidies, public funding and research tax credits	379	208
Total revenue	510	315

* Unaudited

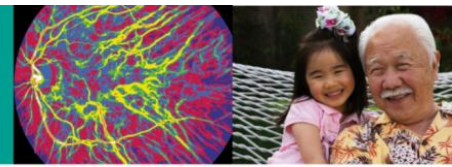
For the 1st quarter of 2011, Novagali Pharma's revenue, reflecting sales of Cationorm[®], totalled €131k, up a buoyant +22.6% compared to the 1st quarter of 2010. This pursuance of buoyant revenue growth is associated with the upramping of sales in countries in which the product is already marketed and with the preparations being made to market it in new countries. Cationorm[®] is currently marketed in 10 countries.

Subsidies, public funding and research tax credits, consist of accounting provisions computed on the basis of the schedule of the on-going projects and/or ongoing contractual commitments, and totalled €379k for the 1st quarter of 2011 versus €208k for the 1st quarter of 2010.

All in all, the Company's activity generated revenue of €510k over the 1st quarter of 2011, compared to €315k a year earlier.

Milestones and recent events

- **Clinical developments**
 - **Finalising of the recruitment of patients** (April 2011) within the framework of the Phase II clinical trials for Catioprost[®] in the United States
 - **EMA Positive scientific advice to initiate Cyclokat[®] Phase III trials** (January 2011) and **recruitment of the first patients** (March 2011)
- **Strengthening of the Company's organisation**: recruitment of Dr. Ronald R. Buggage as Scientific Director of Novagali Pharma



2011 outlook

- **Acceleration in the commercial development of Cationorm®**

By the end of 2011, Cationorm® should have received the necessary marketing authorisations to launch in new countries. This should result in further buoyant activity for Cationorm® sales.

- **Further development of the product portfolio**

As it does every year, Novagali Pharma attended the ARVO (Association for Research in Vision and Ophthalmology), the first worldwide conference devoted to research and development in ophthalmology, which took place from May 1, to May 5, 2011 in Fort Lauderdale, Florida.

This conference gave Novagali Pharma an opportunity to present 7 posters of its various products under development with major preclinical and clinical breakthroughs to the scientific and medical community. All of these breakthroughs received an excellent reception.

Jérôme Martinez, Chairman of Novagali Pharma, concludes: *“As is the case with Cationorm®, whose sales are in line with our plans, the clinical breakthroughs recorded by our portfolio’s main products are in line with expectations. In the short term, major milestones are expected, such as the further extension of Cationorm® distribution network and the results of the Phase II clinical trials for Catioprost® in the United States. Our unique status as a pure player in ophthalmology, a fast-growing market, is being reinforced every day, and we have total confidence in the pursuance of Novagali Pharma’s development.”*

About NOVAGALI Pharma (www.novagali.com)

Founded in 2000, Novagali Pharma SA is a pharmaceutical company that develops ophthalmic innovative products for all segments of the eye. Thanks to its three proprietary technology platforms, the Company has an advanced portfolio of highly innovative products, one of which is already on sale and two of which are undergoing phase III clinical trials.

In 2009, Frost & Sullivan recognised Novagali with the Award for Industry Innovation & Advancement of the Year, for its proprietary emulsion technology platforms, and Siemens awarded the company the “Health Award” *Grand Prix de l’Innovation* for Novasorb®. Novagali Pharma carried out a successful IPO in July 2010 enabling the Company to raise €22 million.

Novagali Pharma is listed on NYSE Euronext Paris - Compartment C. ISIN code: FR0010915553 - Ticker: NOVA.

Disclaimer

This press release contains forward-looking statements. Although Novagali Pharma considers these statements to be based on reasonable assumptions, they could be affected by risks and uncertainties causing actual results to differ significantly from these forward-looking statements. For details of the risks and uncertainties that could potentially affect Novagali Pharma’s results, financial situation, performances or achievements and thus result in a variation in these figures compared to the forward-looking statements contained in this document, please refer to the Risk Factors section of the *Document de Référence* (reference document) registered with the French *Autorité des Marchés Financiers* (“AMF”) under n° R. 11-021 on April 29th 2011 and available on the AMF (<http://www.amf-france.org>) and Novagali Pharma (www.novagali.com) websites.

This press release and the information contained herein do not constitute an offer to sell or subscribe to, or a solicitation of an offer to buy or subscribe to, shares in Novagali Pharma in any country.



Next press release
Revenue for the 2nd quarter and 1st half of 2011:
July 28, 2011 (after market)

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