



# NOVAGALI P H A R M A

## Revenue for the 3<sup>rd</sup> quarter of 2011

Revenue up 59% over the first 9 months of the year

**Evry (France), November 14<sup>th</sup>, 2011:** Novagali Pharma, a pharmaceutical company that develops and markets innovative ophthalmic products, today announces its revenue for the first nine months of 2011.

### Third-quarter and 9-month revenue to September 30<sup>th</sup>, 2011

<i>In thousands of euros - IFRS*</i>	Q3 2011	Q3 2010	9 months 2011	9 months 2010
Sales	199	160	568	396
Research contracts and licence revenue	0	10	0	10
Subsidies, public funding and research tax credit	437	443	1 454	862
<b>Total revenue</b>	<b>636</b>	<b>613</b>	<b>2,022</b>	<b>1,268</b>

\* Unaudited

### Quarterly revenues

<i>In thousands of euros - IFRS*</i>	Q3 2011	Q2 2011	Q1 2011	Q3 2010	Q2 2010	Q1 2010
Sales	199	238	131	160	129	107
Research contracts and licence revenue	0	0	0	10	0	0
Subsidies, public funding and research tax credit	437	639	379	443	211	208
<b>Total revenue</b>	<b>636</b>	<b>877</b>	<b>510</b>	<b>613</b>	<b>340</b>	<b>315</b>

\* Unaudited

For the 3<sup>rd</sup> quarter of 2011, Novagali Pharma's earnings, reflecting sales of Cationorm<sup>®</sup>, totalled €199k, up more than 24% compared to the 3<sup>rd</sup> quarter of 2010. This pursuance in sales growth is associated with the upramping of sales in countries where the product was already marketed. Total revenue was €636k over the quarter, a slight increase of 3.8%.

Over the first nine months of 2011, total revenue was up more than 59% at €2.0m, compared to €1.3m over the same period of 2010. This growth was the result of a 43.4% increase in Cationorm<sup>®</sup> sales and a 68.7% increase in "Subsidies, public funding and research tax credit" to €1.4m over the period. The latter notably includes the first payments of the OSEO ISI operating subsidy, for €190k, relative to the launch of the VITRENA project concerning diabetic retinopathy.

### Milestones and recent events

#### - Clinical developments

- **Positive results for the phase II clinical trial** carried out in the United States regarding the efficiency and innocuousness of **Catioprost<sup>®</sup>** amongst patients with concomitant glaucoma and eye surface problems (September 2011). The trial achieved its objectives by revealing a reduction in intraocular pressure and an improvement in the signs and symptoms of OSD (ocular surface disease) compared to the Travatan Z<sup>®</sup> control group.



## - Commercial developments:

- The required authorisations have been granted for the **marketing** of Cationorm® in the **United Arab Emirates** and the launch of the product in Saudi Arabia.

## - Majority stake for Santen Pharmaceutical Co., Ltd.

- On October 11<sup>th</sup>, 2011, Japanese pharmaceutical leader Santen Pharmaceutical Co., Ltd. and Novagali Pharma announced Santen's acquisition of 50.55% of Novagali Pharma's capital.
- As a result of this acquisition, Santen will soon table a mandatory takeover bid with the AMF for the remaining shares and securities it does not yet hold. This offer would be followed by the delisting of the remaining Novagali Pharma shares, assuming that Santen holds at least 95% of Novagali Pharma's capital and voting rights after the takeover offer.

## Outlook

- **Cationorm®**: the launch of the product in the United States and Saudi Arabia is currently being prepared. Cationorm® will also be available in a multi-dose bottle with no preservatives. Furthermore, the Company is involved in discussions regarding the product's launch in other countries, notably in Europe.
- **Cyclokat®**: the recruitment of patients for the phase III confirmatory trial in Europe is continuing, with results expected in mid-2012.

## About NOVAGALI Pharma ([www.novagali.com](http://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 Base* source document registered with the French *Autorité des Marchés Financiers* ("AMF") under number R. 11-021 on April 29<sup>th</sup>, 2011 and available on the AMF (<http://www.amf-france.org>) and Novagali Pharma ([www.novagali.com](http://www.novagali.com)) websites.

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