



NicOx enters into option agreement to acquire Altacor as a first step towards building an international ophthalmology business

- *First step in NicOx's strategy to create an international late-stage development and commercial Ophthalmology Company based around therapeutics, diagnostics and devices*
- *Initial £2 million investment to purchase an 11.8% stake in Altacor, with option to acquire the entire company*
- *Altacor has a strong presence in ophthalmology having marketed products including Clinitas™, a range of five products for dry eye, a UK sales infrastructure and near-term product opportunities (ALT-005 and SOLO) with potential to drive future international growth*
- *NicOx's cash position of €93.1 million at year-end 2011 offers flexibility to acquire or in-license additional ophthalmology assets to build a balanced portfolio*
- *Web conferences to be held today at 10:00 CET / 09:00 GMT in French and 11:00 CET / 10:00 GMT in English*

March 21, 2012. Sophia Antipolis, France. www.nicox.com

NicOx S.A. (NYSE Euronext Paris: COX) today announces that it has entered into an agreement to acquire 11.8% of the shares of Altacor, a privately-held ophthalmology company based in the United Kingdom, and entered into an exclusive option agreement to acquire the remaining shares of Altacor, marking the first step in its strategic plan to become a late-stage development and commercial ophthalmology company.

Altacor's primary focus has been to build a specialty pharmaceutical company and has products, pipeline and relationships in place to advance this significantly with NicOx. Altacor markets prescription and over-the-counter (OTC) products for the treatment of dry eye in the United Kingdom and Ireland and has a diversified late-stage pipeline including ALT-005, a surgical antiseptic, and SOLO, a device for the insertion of IntraOcular Lenses (IOLs). Under the terms of the agreement, NicOx (the "Company") is investing £2 million (approximately €2.4 million) in cash to acquire an initial 11.8% stake in Altacor. In addition, NicOx has been granted an exclusive call option to acquire the remaining shares of Altacor for an additional consideration of £9 million (approximately €10.8 million⁽¹⁾) to be paid in NicOx shares, cash or a combination of cash and shares at NicOx's discretion. This option may be exercised by NicOx up until May 31, 2012. If agreed milestones are met, the consideration will be increased by up to £8.5 million.

NicOx's strategic move to become an international ophthalmology company

NicOx has been assessing a number of opportunities to build on its cash position in order to create long-term value for its shareholders. The ophthalmology market is experiencing significant growth and the Company believes this therapeutic area offers potential to create a mid-sized international specialist pharmaceutical company. The global ophthalmic market was valued at \$16.2 billion in 2010 and is expected to reach \$21.1 billion by 2016, growing at an average rate of 4.5% per annum⁽²⁾. NicOx has already gained significant expertise in ophthalmology through its collaborations with Bausch + Lomb, Pfizer, and a network of leading advisors and key opinion leaders (KOLs).

If NicOx decides to exercise its option to acquire all of the shares of Altacor, the acquisition would bring an experienced commercial management team and a marketing platform supporting sales in the UK and Ireland as a first step from which to build a presence in other EU countries. Altacor also offers a near-term pipeline and key partnerships with leading specialist companies.

NicOx's goal is to build a diversified late-stage ophthalmology portfolio with a clear route to commercialization. The Company is currently evaluating a number of additional ophthalmic acquisition and in-licensing opportunities, including therapeutics, diagnostics and devices, both in the United States and in Europe.

Michele Garufi, Chief Executive Officer of NicOx, commented: "*The execution of this transaction is the first step in executing our strategy to become an international ophthalmology company. NicOx is impressed by the skills and expertise within Altacor, which brings marketed products, international leading partners and an innovative late-stage pipeline. If we exercise the option, the acquisition of Altacor will also provide NicOx with an established infrastructure supporting sales in the UK and Ireland as a base for the future launch of additional products.*"

“The positive top line results from the phase 2b study conducted with BOL-303259-X by Bausch + Lomb in patients with open-angle glaucoma or ocular hypertension announced recently have significantly strengthened our potential position in the field of ophthalmology. Altacor is the first step towards an expansion in the ophthalmic market through future acquisitions and in-licensing of additional assets as a basis for our growth in Europe and in the United States. We are making progress in our evaluation of other opportunities to achieve our goals.”

Dr Fran Crawford, CEO of Altacor, said: *“Altacor and NicOx have developed a strong working relationship. The companies are strategically well aligned, both having similar perspectives on the emerging ophthalmology market. We therefore believe NicOx is an excellent partner for Altacor and the investment announced today will enable us to secure the development of the portfolio, including our lead candidate ALT-005. NicOx’s R&D and partnering expertise will be of significant benefit as we progress our late-stage pipeline.”*

Web conference information

Michele Garufi, CEO of NicOx, will hold web conferences today, March 21, 2012:

- In French at 10:00 am CET / 09:00 am GMT (phone number: +33 (0)1 70 99 42 71; conference ID number: 4414623)
- In English at 11:00 am CET / 10:00 am GMT (phone number: +44 (0)20 3140 82 86 or +1 646 254 3362; conference ID number: 4182419)

The web presentation will be available on NicOx’s website (www.nicox.com). A replay of the web conference will be available from March 22 in the morning until March 28 midnight on NicOx’s website.

About Altacor

Altacor is a private specialist ophthalmology company founded in 2007 and based in Cambridge, UK. Altacor’s marketing platform in the UK and in Ireland for the commercialization of the **Clinitas** dry eye products is well established. The overall sales of the Clinitas products, which were launched between 2007 and 2011, reached approximately £660,000 in 2011 and are growing rapidly. They cover mild to severe dry eye through a complete action on the three layers of the tear film, with three OTC products (Clinitas Soothe®, Clinitas Hydrate® and Clinitas Ultra 3®) and two prescription products (Clinitas™ and Clinitas Gel™). Clinitas Soothe® and Clinitas™ feature the highest concentration of hyaluronic acid (0.4%) available for external ophthalmic use in the UK and benefit from a preservative-free formulation.

The most advanced assets and the key drivers identified for the future growth of Altacor’s revenues are ALT-005, a surgical antiseptic for ocular infection, and SOLO, a device for the insertion of IOLs:

- **ALT-005** is being developed by Altacor as a surgical pre-operative antiseptic solution specifically for ophthalmic use. The potential market for this product is correlated with the large number of ocular surgeries performed worldwide. For instance, it is estimated that there will be more than 16 million cataract surgeries globally in 2012⁽³⁾ and more than 1.8 million intravitreal injections were reported in the United States for the 12-month period ending October 2011⁽⁴⁾. A phase 3 study was recently initiated in the United States with ALT-005, with the second phase 3 study being planned later this year. Altacor plans to file an application for approval of ALT-005 in selected EU countries and in the United States, where ALT-005 is partnered with a U.S. specialty company.
- **SOLO** is a device for the insertion of advanced materials IntraOcular Lenses (IOLs) licensed exclusively by Altacor from Ophthalmopharma in July 2011. Worldwide IOL sales were expected to reach \$2.35 billion in 2011⁽³⁾. STAAR Surgical (STAAR), a U.S. company specializing in lenses for ophthalmic surgery, was recently granted non-exclusive worldwide rights for the commercialisation of SOLO. STAAR currently expects to apply for a CE mark later this year in Europe. A U.S. filing is also planned at a later stage.

Details of the investment and option agreements

Under the terms of the investment agreement entered into by NicOx, Altacor and the existing shareholders of Altacor, NicOx will invest £2 million in cash in exchange for new ordinary Altacor shares representing approximately 11.8% of Altacor’s outstanding shares (post transaction) and NicOx will have the right to appoint a member to Altacor’s Board of Directors.

In addition, the call option agreement grants NicOx an exclusive option to acquire the remaining Altacor shares it does not own for an initial consideration of £9 million that may be paid in NicOx shares, in cash or in any combination of cash and shares, at NicOx’s discretion. NicOx may exercise this option on or before May 31, 2012. If the payment is wholly or partly in shares, NicOx will seek shareholder approval by July 31, 2012. If the required quorum to hold the extraordinary shareholders’ meeting is not reached, NicOx may decide, but is not obliged, to pay the entire initial consideration in cash. Should NicOx exercise the option, the acquisition would be made on a cash-free basis on the completion date⁽⁵⁾.

The call option agreement also provides for potential additional payments upon achievement of defined milestones including the FDA submission and approval of an ALT-005 New Drug Application (NDA) and other pipeline events. These payments could total up to £8.5 million and would be paid to Altacor’s shareholders in NicOx warrants giving right to NicOx shares, in cash or in any combination of cash and warrants, at NicOx’s discretion.

If the transaction is completed and subject to NicOx's Board of Directors and shareholders meeting approval, Andy Richards, Altacor's Chairman, would be appointed as an Observer to NicOx's Board of Directors.

- (1) Based on the exchange rate as of March 20, 2012, for information purposes only.
 - (2) *The Ophthalmic Pharmaceutical Market Outlook to 2016* Business Insight, September 2011.
 - (3) *2011 Comprehensive Report on the Global IOL Market* Market Scope, May 2011.
 - (4) IMS Health, Patient Medical Claims, November 2010 thru October 2011.
 - (5) (A) Following NicOx Shareholders' Meeting's approval of the transaction if the acquisition is paid, in whole or in part, in shares and/or warrants, or (B) 20 business days following NicOx's exercise of the call option if the acquisition is paid incash only.
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About NicOx

NicOx (Bloomberg: COX:FP, Reuters: NCOX.PA) is a pharmaceutical company focused on the research, development and future commercialization of drug candidates. NicOx is applying its proprietary nitric oxide-donating R&D platform to develop an internal portfolio of New Molecular Entities (NMEs) for the potential treatment of inflammatory, cardio-metabolic and ophthalmological diseases.

The Company's pipeline includes several nitric oxide-donating NMEs, which are in development internally and with partners, who include Merck (known as MSD outside the United States and Canada), Bausch + Lomb and Ferrer.

NicOx S.A. is headquartered in France and is listed on Euronext Paris (Compartment C: Small Caps).



This press release contains certain forward-looking statements. Although the Company believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated in the forward-looking statements.

Risks factors which are likely to have a material effect on NicOx's business are presented in the 4th chapter of the « *Document de référence, rapport financier annuel et rapport de gestion 2011* » filed with the French Autorité des Marchés Financiers (AMF) on February 29, 2012 and available on NicOx's website (www.nicox.com) and on the AMF's website (www.amf-france.org).

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