



Sinclair Pharma plc
Preliminary results for the year ended 30 June 2009
Sustained EBITDA profit for second successive year as business restructured
to focus on commercialisation

12 October 2009, Godalming, UK: Sinclair Pharma plc (the "Company" or "Sinclair": SPH:L), the international specialty pharma company, today announces its preliminary results for the year ended 30th June 2009. Sinclair also announced today the acquisition of two major revenue-generating dermatology products, Flammazine and Flammacerium, from Solvay Pharmaceuticals for a total consideration of €17.5 million. The acquisition will be financed by a fundraising of up to £25 million (see separate press release).

FINANCIAL HIGHLIGHTS

- **EBITDA profit** before exceptional items of £2.3m (2008: £1.3m)
- **Total revenue** of £30.4m (2008: £30.3m)
- **Gross profit** of £20.7m (2008: £19.4m)
- **Operating loss** before exceptional items of £0.3m (2008: £0.8m)
- **Operating loss** after exceptional items of £2.7m (2008: profit of £2.2m)
- **Loss per share** after exceptional items of 3.9p (2008: earnings per share of 3.8p)

OPERATING HIGHLIGHTS

Restructured business to increase commercial focus and financial control:

- Goal to deliver sustainable profitability from recurring revenue
- Established a lean structure and reduced costs from non-core business functions
- Appointed Christophe Foucher as Chief Operating Officer, responsible for all commercial, supply-chain and manufacturing operations
- Acquired remaining minority interest in Laboratorios Novo Pharma in Spain and renamed Sinclair Pharmaceutical España

Consolidated own sales and marketing activities in the Country Operations in France, Italy and Spain:

- Appointed new Country Operations Directors
- Launched key products including:
 - Sebclair – a non-steroidal treatment for seborrheic dermatitis; cream launched in Spain, and shampoo and scalp fluid line extension launched in Italy
 - Papulex moussant – a topical anti-acne treatment launched in Spain

Continued expansion through marketing partner network

- Signed 65 new distribution agreements covering 27 products in 47 markets
- 44 launches of seven products in 22 countries
- Focussed on expansion in key territories including emerging markets

Maximising existing technologies through R&D and strategic licensing in/out activities

- £3.3m non-cash deal with BMG to develop Sinclair's existing gynaecological technology
- £2.1m agreement with Graceway for US distribution rights to Atopclair
- £0.9m non-cash licensing agreement with JB2 SA for Sinclair's onychomycosis kit
- £0.2m deal with major animal health company to evaluate the use of Delmopinol to treat or prevent periodontal disease in companion animals
- £0.2m milestone received from Orapharma following the validation of the Italian manufacturing site for Decapinol, which remains on track for launch during FY2010.

Grahame Cook, Chairman of Sinclair Pharma, commented:

“We are pleased to announce Sinclair’s second successive year of EBITDA profit since IPO. This achievement is a direct result of the continued hard work of Sinclair’s employees and management team in the face of economic uncertainty and the challenges it has presented to our business.

“By adapting our group via a restructuring programme we are now left with a much leaner business and one that is poised to put into action a new, focussed sales and marketing strategy and, in doing so, fully realise the value of our product portfolio. With a new structure and commercial strategy in place, the Board and Sinclair management look forward to delivering long-term profitability and achieving our ambition of becoming a leading international specialty pharma company that delivers shareholder value.”

- Ends -

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Sinclair’s management team will discuss the company’s results at a presentation and conference call for analysts today at 10.30am which will be held at Singer Capital Markets Ltd, One Hanover Street, London, W1S 1YZ. Please contact Joanna Whineray at Capital MS&L for further information on +44 (0)20 7307 5337 or Joanna.whineray@capitalmsl.com

Notes to Editors:

About Sinclair Pharma Plc www.sinclairpharma.com

Sinclair Pharma plc is an international specialty pharmaceutical company providing solutions to treat dermatological, oral care and gynaecological diseases through advanced surface technology and innovative delivery systems. It has a growing sales and marketing operation that is already present in France, Italy, Spain and Portugal, and a complementary marketing partner network that spans more than 90 countries.

“Safe Harbour” Statement under the US Private Securities Litigation Reform Act of 1995: Some or all of the statements in this document that relate to future plans, expectations, events, performances and the like are forward-looking statements, as defined in the US Private Securities Litigation Reform Act of 1995. Actual results of events could differ materially from those described in the forward-looking statements due to a variety of factors.

CHAIRMAN'S STATEMENT

Second year of EBITDA profit

The past 12 months have presented the global economy with some of the toughest challenges of recent times. The effects have been far reaching with no sector or geography left untouched. The life sciences, and especially pharmaceutical, industries have also felt the effects of the downturn with many wholesalers reducing the extent of their stocking to minimise their overall risk.

Against this backdrop Sinclair has delivered its second year of EBITDA profit. While the past year has not been without its challenges, we have responded to these by adapting our business to meet them head on.

The global outlook remains unclear but we share with you today solid results that underline Sinclair's potential. These results are testament to the continued hard work of Sinclair's employees and management team and their dedication in helping Sinclair work towards achieving its goals.

A new commercialisation strategy

Sinclair has always prided itself on its ability to develop high quality products for the treatment of a range of dermatological and oral treatments. Having established an extensive portfolio of products, our focus now is on fully realising the value of these products.

During the past year we have embarked upon an aggressive commercialisation strategy and have restructured our business to maximise the potential in our portfolio. At the same time we have created a new role – Chief Operating Officer – and promoted Christophe Foucher to this position, following his success in developing the Sinclair business in France. Under Christophe we have united the business development team and operating companies to form a single division with a common objective.

Following the acquisition of the remaining minority interest in Spain, Sinclair now has 100% owned operations in France, Italy and Spain. The depth of management expertise in these territories has been reinforced by the appointment of new Country Operations Directors.

Sinclair's own operations are complemented by an extensive network of marketing and distribution partners around the world. Sinclair continues to grow its global footprint by building on existing strong relationships and by increasing the level of marketing support it gives to its partners, allowing for greater efficiency within the supply chain.

In combination these proactive and decisive steps make me confident that our new approach equips us with the tools to progress our growth strategy.

Employees

Without the continued commitment and hard work of Sinclair's employees the results we disclose today would not have been possible. Led by a strong management team, Sinclair's employees are one of the greatest assets of the business. On behalf of the Board and shareholders I would like to thank them, and Sinclair's management, for their hard work.

Outlook

The implementation of a clearly focussed commercialisation strategy, underpinned by an agile and efficient business structure, means we are well positioned to drive up product revenues without sacrificing margins. We believe our business presents several significant opportunities for ongoing growth and our short-term goal remains to achieve sustainable profitability based on recurring product revenues. The Board continues to believe that the commercial success of Decapinol in the US will be one of the key drivers for the Group and remains confident in Sinclair's ability to deliver long-term profitability.

We look to the year ahead with optimism as we continue our journey to becoming a world class specialty pharma company, with innovative products that meet the needs of the patient.

Grahame Cook ACA
Chairman

CHIEF EXECUTIVE'S REVIEW

Overview

Despite the challenging economic environment, we are pleased to report our second successive year of profitability at the EBITDA level. Revenues for the year ended 30 June 2009 were £30.4 million, impacted by wholesaler de-stocking, particularly in the second half. However, a combination of greater revenues from licensing fees and strong cost control resulted in an EBITDA of £2.3m before exceptional items.

Sinclair has a strong and growing portfolio of products, both on the market and in development, and an extensive network of sales and marketing partners; the Group is now focused on the commercialisation of our products.

We have restructured and streamlined the business. Christophe Foucher has been appointed as Chief Operating Officer with responsibility for all commercial and supply chain activities in the Group. With 14 years of experience, he is implementing the commercial strategy designed to enable Sinclair to optimise the core business and achieve its long term goals. This restructuring includes the integration of the business development and operating companies to form a single division Sinclair Global Operations with a common objective.

Sinclair has purchased the outstanding 49.95% of Laboratorios Novo Pharma S.L., to create Sinclair Pharmaceutical España. Sinclair now has 100% owned operations in France, Italy and Spain and the depth of management expertise in these territories has been reinforced by the appointment of new Country Operations Directors. Sinclair has also streamlined its operations in the UK and, as a result of the regulatory changes in the market, has closed its UK sales operation, now distributing its UK products solely through marketing partners. Financial control has been increased by the appointment of a financial controller dedicated to the commercial and manufacturing operations.

OPERATIONAL REVIEW

Sales & Marketing

Sinclair Global Operations

The newly formed **Sinclair Global Operations**, headed up by COO Christophe Foucher, is divided into:

- **Country Operations** (*formerly operating companies*)
- **International Operations** (*formerly business development*)

The principal focus of the restructured organisation is on improving execution, leverage, responsibility and accountability across the company. In addition, the appointment of Jean-Louis Lamandé as Financial Controller for Sinclair Global Operations increases the level of financial input into the decision-making process.

Country Operations

During the full year 2009, Country Operations contributed £12.4m to group revenues.

France

The French operation continues to spearhead the changes within the organisation and has established the working model for Country Operations. During the period we appointed Celine Genty as Country Operations Director and we reinforced the marketing team with a Pharmacy Team, increasing the level of expertise in the business.

We continue to leverage the strength of the existing French brands dedicated to dermatology and the sales team now has full coverage of 3,200 dermatologists in both hospitals and private clinics. Following the successful introduction of a sell-out team, we have introduced and piloted a sell-in support team and support advisors in France. The success of this process is clearly demonstrated by the launch and sales of our Jonctum stretch marks cream, where areas with sell-out support ordered

more frequently. This model will be replicated in Italy in the new financial year and Spain in the coming years.

There has also been an enhanced focus on direct sales to pharmacies with OTC promotions of Oxyplastine and Ephydrol. As a result, we have seen direct sales increase by 8% year on year.

Looking forward, we have recently started a high profile Key Opinion Leader programme called Controverse that will help to cement Sinclair's position as a specialist in the dermatology sector.

Sinclair Pharma France contributed £9.8m to group revenues during the year.

Italy

At the end of the last financial year the business was restructured to focus on the therapeutic areas of acne, dry and sensitive skin and seborrhoeic dermatitis. In addition, the sales force has been reorganised to use agents rather than sales representatives providing greater flexibility and enabling improved coverage and targeting.

During the year, Italy saw the successful launch of Sebclair Shampoo, Sebclair Scalp Fluid, Papulex moussant, and new formula Dermachronic.

In Italy, we appointed Paolo Prioglio as Country Operations Director, reinforcing the marketing team and increasing the level of expertise in the business.

Sinclair Srl contributed £2.0m to group revenues.

Spain

Sinclair reinforced its presence in Spain through the acquisition of the remaining shares in Laboratorios Novo Pharma S.L. This move was strengthened with the appointment of Santiago Calavia Torres as Country Operations Director of Dermatology and renaming the entity Sinclair Pharmaceutical España. Spain has seen the successful launch of Sebclair and Papulex.

Sinclair Pharmaceutical España contributed £0.2m to group revenues during the period.

UK

During the first half of the year the UK business was restructured to focus on specialty dermatology sales. In December 2008 Sinclair increased its sales presence through a co-promotion collaboration with York Pharma. However as a result of the regulatory changes in the market, and as part of the organisational restructure, Sinclair closed its UK sales operation in June 2009, but continues to sell products through marketing partners.

Sinclair Pharma UK contributed £0.4m to group revenues during the period.

International Operations

International Operations incorporates Sinclair's extensive network of marketing and distribution partners. This currently extends to 94 countries and product sales in 58 countries. The network leverages the experience and local knowledge of our partners to extend the commercial reach of our product portfolio.

Sinclair continues to increase its global footprint and 2009 saw the continued geographical expansion of Sinclair's product distribution with product sales of £9.6m. This was a result of 45 launches in 22 markets covering seven product ranges by the marketing partner network. Sinclair is also increasing the level of marketing support it gives to its partners, implementing a new objective of increasing product sell out, and ultimately generating more predictable income in relation to orders and re-orders.

As part of the reorganisation, International Operations is focusing on geographical expansion in key markets such as India, Poland, Greece, Turkey and Israel.

Licensing Revenues

During the year Sinclair recognised licence fees and milestones of £7.4m (2008: £4.8m).

The major components of this are:

- the agreement with Graceway for the sales of US distribution rights to Atopiclair cream and lotion for £2.1m
- the non-cash licensing agreement with BMG Pharma for the licence of Sinclair's gynaecological portfolio which contributed £3.3m
- the non-cash licensing agreement with JB2 SA for a licence of Sinclair's onychomycosis kit, which contributed £0.9m.

Sinclair also received several smaller licence fees including: £0.2m from a major animal health company to enable the company to evaluate the use of Delmopinol to treat or prevent periodontal disease in companion animals and £0.2m from Orapharma following validation of the Italian manufacturing site.

During the period we also signed 65 new distribution agreements covering 27 products in 47 markets. By extending the commercial presence of our product portfolio on an increasingly global basis, we continue to make available to patients effective solutions for specific dermatological and oral health needs.

RESEARCH AND DEVELOPMENT

The organisational restructuring has led to the establishment of the R&D steering committee which has representatives from the technical team and the commercial team. The committee evaluates opportunities arising from internal R&D activities as well as potential in-licensing and co-development prospects.

R&D is focused on the development of new products and supporting existing products – particularly through creating line extensions. Innovative delivery systems and the use of advanced surface technology are our areas of focus within the dermatology area.

Pipeline Development

We have continued to advance our pipeline and expand its future potential through the signing of two product development and commercialisation deals with BMG Pharma, a privately-owned US-based company. BMG will be developing and registering a number of gynaecology products from Sinclair's pipeline. Sinclair has in-licensed a range of skin anti-infection products based on patented silver nanotechnology from BMG. These innovative deals present Sinclair with significant pipeline development opportunities and new product assets. We also acquired proprietary organic zinc technology which may be combined with other technologies or used alone and a hydrogen peroxide delivery system which can be used as an antibacterial in acne treatments.

There are 56 products and line extensions in the current R&D pipeline covering dermatology and gynaecology, many of which we believe have the potential to deliver substantial revenues.

Regulatory Affairs

During FY 2009 we achieved two new product registrations in the EU. These registrations were the EU approval of Decapinol Perio vials for the management of gum pockets in periodontal disease and DermaChronic foam for the treatment of sensitive skin or chronic skin conditions such as atopic dermatitis, xerosis, psoriasis and eczema.

Clinical Data

Supporting clinical and experimental data are of critical importance in demonstrating the efficacy and mechanisms of actions of our products and can also be a source of competitive advantage providing us with distinct product claims.

During the year, results of 18 proof of concept studies were accepted for publication, while four were published in peer reviewed journals, including:

- **Atopiclair Cream:** Treatment of pruritus in mild to moderate atopic dermatitis with a topical non steroidal agent. Veraldi S, Lunardon L, Schianchi R; The Journal of Drugs in Dermatology and two studies evaluating the emollient **DermaChronic Cream and Cleanser** and our acne product **Papulex Cream Oil Free**.

In addition ten clinical abstracts were presented at the 17th Congress of the European Academy of Dermatology and Venereology (EADV) during September 2008 in Paris.

Intellectual Property

Sinclair's approach to product pipeline development combines the sourcing and developing of novel technologies externally with newly-acquired and existing technologies to create new product concepts. In order to maximise the commercial benefits arising from the innovative advantages inherent in our products, Sinclair invests in the development of strong intellectual property for all of its new products. Currently 35 Sinclair products enjoy patent protection.

Manufacturing & Logistics

The Sinclair Group manufacturing and logistics function is managed and coordinated by the team in Milan. The team's role is to enable Sinclair's products to be validated and commercialised successfully either in-house or in contract manufacturing facilities. The team is responsible for global supply chain operations as our products are distributed worldwide. Sinclair manufactures around two-thirds of its products through contract manufacturers and a third of its products in-house through its Clery facility in France. In FY 2009 approximately 11 million product units were manufactured. In a drive to reduce cost of goods and maximise synergies, all in-house production will be handled at Clery. An increasingly automated process is being implemented in Clery in order to optimise manufacturing which will ultimately help make Sinclair a leaner business.

Directors and Advisors

Board and Management changes

In November 2008, Steve Harris stepped down as Non-Executive Chairman. Grahame Cook, previously the Senior Independent Director, was appointed as Non-Executive Chairman. Penny Freer will now take on the role of Senior Independent Director.

During the year we further bolstered Sinclair's team with the appointment of Dr Ross Macdonald as Vice President of Business Development for North America & South Pacific. In addition, following the appointment of Christophe Foucher as COO and his subsequent success in restructuring the business, I am pleased to announce today that he will be joining the Board.

Finally, following nine years as CEO of Sinclair Pharma, I will be retiring at the next AGM, at which point Chris Spooner will take on the role of CEO. It has been a pleasure working with the talented and dedicated team at Sinclair during a transformational period in the company's history and I feel confident that the new management team will take Sinclair forward through the next stage of its growth.

Dr Michael Flynn

Chief Executive Officer

FINANCIAL REVIEW

Highlights

Sinclair recorded its second profitable full year at the EBITDA level. EBITDA before exceptional items was £2.3m (2008: £1.3m) with basic loss per share after exceptional items of 3.9p (2008: earnings per share of 3.8p).

Revenues, which were affected by wholesaler de-stocking, increased by 0.4% to £30.4m (2008: £30.3m), gross profit increased by 6% to £20.7m (2008: £19.4m) and the operating loss for the year, before exceptional items, reduced to £0.3m (2008: £0.8m).

The 80% increase in EBITDA prior to exceptional items was achieved through a strong contribution from licensing fees, combined with tight cost control.

Revenue

Total revenue for the year increased marginally by 0.4% to £30.4m (2008: £30.3m), reflecting the challenges presented by the economic climate which led to wholesalers reducing their stockholdings as a result of cash constraints. This resulted in a one off reduction in sales during the year and going forward smaller, more frequent orders for Sinclair. Revenues generated from licensing fees, including non-cash licensing agreements, more than off-set the effects of de-stocking, leading to the small increase in overall revenue.

Product revenue for the year was £22.0m (2008: £24.8m). A further £1.0m was contributed by royalty payments (2008: £0.7m). Revenue of £7.4m was also generated by licence fees and milestone payments (2008: £4.8m).

Direct sales through country operations

Sinclair's own sales and marketing operations in the UK, France, Italy, and Spain generated revenue of £12.4m, a decrease of 10% year on year (2008: £13.7m), £1.1m of this decrease being a result of ceasing promotion activities to dispensing doctors in the UK in July 2008.

A breakdown of the contribution from Sinclair's own sales and marketing operations for the period are

	FY 2009	<i>FY 2008</i>
	£m	<i>£m</i>
France	9.8	<i>9.0</i>
Italy	2.0	<i>2.6</i>
UK	0.4	<i>1.5</i>
Spain	0.2	<i>0.6*</i>
Total	12.4	<i>13.7</i>

* FY08 figure includes revenue of £0.3m from CS Portugal, Sinclair's joint venture partner in Portugal. CS Portugal has been deconsolidated from the Group results in FY09 as the Group no longer has effective management control of this associate from 1 July 2008.

Revenue through international operations

Revenue generated for the year from our marketing partners was £18.0m, an increase of 8% year on year (2008: £16.5m). A breakdown is summarised below:

	FY 2009	<i>FY 2008</i>
	£m	<i>£m</i>
Product sales	9.6	<i>11.0</i>
Royalties	1.0	<i>0.7</i>
License fees and milestones	7.4	<i>4.8</i>
Total	18.0	<i>16.5</i>

During the year Sinclair recognised license fees and milestones of £7.4m (2008: £4.8m). The major components of this are the agreement with Graceway for the sales of US distribution rights to Atopiclair Cream and Lotion for £2.1m, the non-cash licensing agreements with BMG Pharma for the license of Sinclair's gynaecological portfolio (£3.3m) and the licensing agreement with JB2 SA for Sinclair's onychomycosis kit (£0.9m). Additional smaller components include £0.2m from a major animal health company to enable it to evaluate the use of Decapinol to treat or prevent periodontal disease in companion animals and £0.2m from Orapharma following validation of the Italian manufacturing site.

Non-cash licensing agreements contributed £4.2m to both revenue and profit in the year (2008: £1.2m).

Revenue Analysis

Following the challenges of the current economic environment we have seen the impact on our business of wholesalers reducing their stockholdings as a result of cash constraints. This resulted in a one off reduction in sales during the year and followed by smaller, more frequent orders for Sinclair.

Despite overall product revenue increasing by only 0.4%, the Top 10 products (revenue and royalties excluding licence fees) have seen an increase of 21% year on year, with eight out of ten products in the Top 10 experiencing growth. The relative position of the key products remained the same and we continue to have eight products that contributed more than £1m in annual product revenue. This has been led by continued growth of Aloclair and Fazol, the gathering momentum of Sebclair and export of the French products such as Papulex and Oxyplastine.

However the B.lift and B.derm dermocosmetic products and Claro are no longer in this year's Top 10 products, which have significantly impacted revenue this year. This was a direct consequence of substantial sales made into the market in June 2008 that were not repeated in 2009 due to a slow sell out.

Exceptional Items

During the year there were some exceptional items recorded which were outside the normal trading activities:

- Foreign exchange gains of £1.7m were recorded in the year on the translation of an intra-group loan balance as a result of the Sterling's weakening against the Euro during the year.
- Restructuring costs of £1.4m include severance costs and costs relating to the restructuring of the sales forces in Italy, France, and the closure of the UK sales operations during the year.
- Exceptional acquisition related costs were incurred in relation to a strategic acquisition opportunity during the summer of 2008. These discussions were put on hold as a result of the market volatility in the autumn of 2008. Costs of £0.6m were incurred to that point.
- An impairment provision of £0.9m has been made against the value of the product rights for Spiromix, as a result of manufacturing delays which resulted in the product not being available for sale in Italy during the year.
- A provision of £1.2m has been made during the year for a debt due from a distributor. Movements on other doubtful debt provisions are included within administrative expenses.

Total Operating Expenses

Total operating expenses for the Group excluding exceptional items were £21.0m, a 4% increase on the prior year (2008: £20.2m). This increase was driven by Sterling's weakness which added £1.6m to expenses compared to the prior year. On a constant exchange rate basis, total operating expenses fell by £0.2m in the year, reflecting the initial impact of the restructuring activities undertaken in the year.

A renewed focus on sales and marketing increased these costs by 1.5%, in addition to the impact of Sterling's weakness on costs. Other administrative expenses decreased by £0.3m after the impact of currency movements as a result of the restructuring efforts. This was in spite of an increase in amortisation of £0.3m (at constant exchange rates), demonstrating our resolute commitment to growing the business while keeping costs under tight control.

Operating Loss

Sinclair recorded an operating loss for the year of £0.3m (2008: £0.8m) before exceptional items.

Taxation

There is no corporation tax charge on the profit for the year as a result of the tax losses carried forward from prior years.

Financing Costs

Financing costs of £1.4m including exceptional items, were incurred as result of the Group's increased level of net debt (2008: £1.1m). This includes £0.6m interest on debt and £0.3m foreign exchange loss resulting from the translation of Euro debt.

An exceptional cost of £0.3m was also incurred in relation to professional fees associated with the negotiation of a financing agreement which failed to come to fruition due to unfavourable terms.

Liquidity & Capital Resource

Sinclair had cash balances of £0.1m (2008: £1.1m) at 30 June 2009. Net cash outflow during the year was £1.3m (2008: £3.3m), which included cash used in operating activities of £0.5m (2008: £3.7m) and cash used in investing activities of £2.8m (2008: £4.2m). Cash inflow from financing was £2.0m (2008: £4.6m) which includes £1.0m, net of expenses, from an institutional placing of new shares in December 2008.

In May 2009, Sinclair entered into a £10m equity line of credit with a three year duration with GEM Global Yield Fund Limited. Sinclair will control the timing and maximum amount of any draw down under this credit line and is not obliged to draw on the funds on offer. To date none of this facility has been utilised.

Following the period, in September 2009, Sinclair issued convertible unsecured loan notes worth approximately £2.3 million to a leading institutional investor. A first series of £1 million of the notes were issued immediately with the final £1.3 million drawn down in early October.

Loss/earnings per share

Sinclair recorded a basic loss per share of 3.9p (2008: earnings per share of 3.8p).

Additions to intangible assets

Additions to intangible assets were £6.7m resulting from the addition of the silver nanotechnology arm to the skincare portfolio (£3.9m), the in-licensing of zinc technology (£1.4m) and the hydrogen peroxide technology (£1.0m), all of which are non-cash transactions procured through strategic product swaps, as well as some other smaller additions. These additions resulted in an increased amortisation charge of £2.1m (2008: £1.5m).

Jerry Randall ACA

Chief Financial Officer

Unaudited Consolidated Income Statement For the year ended 30 June 2009

Notes	Unaudited 2009			Audited 2008			
	Pre- exceptional items £'000	Exceptional items (note 3) £'000	Total £'000	Pre- exceptional items £'000	Exceptional items (note 3) £'000	Total £'000	
Revenue	2	30,408	-	30,408	30,278	-	30,278
Cost of sales		(9,704)	-	(9,704)	(10,830)	-	(10,830)
Gross profit		20,704	-	20,704	19,448	-	19,448
Selling, marketing and distribution costs		(9,535)	-	(9,535)	(8,444)	-	(8,444)
Administrative expenses	3	(11,477)	(2,428)	(13,905)	(11,803)	2,997	(8,806)
Operating (loss)/profit		(308)	(2,428)	(2,736)	(799)	2,997	2,198
Finance income	4	131	-	131	67	380	447
Finance costs	4	(1,173)	(260)	(1,433)	(741)	(330)	(1,071)
(Loss)/profit before taxation		(1,350)	(2,688)	(4,038)	(1,473)	3,047	1,574
Taxation	5	417	-	417	410	1,354	1,764
(Loss)/profit for the year		(933)	(2,688)	(3,621)	(1,063)	4,401	3,338
Attributable to:							
Minority interest		-	-	-	1	-	1
Equity holders of the Company		(933)	(2,688)	(3,621)	(1,064)	4,401	3,337
		(933)	(2,688)	(3,621)	(1,063)	4,401	3,338
(Loss)/earnings per share (basic)	6	(1.0p)	(2.9p)	(3.9p)	(1.2)p	5.0p	3.8p
(Loss)/earnings per share (diluted)	6	(1.0p)	(2.9p)	(3.9p)	(1.2)p	4.8p	3.6p

Unaudited Consolidated Balance Sheet At 30 June 2009

	Note	Unaudited 2009 £'000	Audited 2008 £'000
Non-current assets			
Goodwill	7	51,062	48,110
Intangible assets	8	19,708	14,811
Investments		165	-
Property, plant and equipment		1,643	1,827
Deferred tax assets		1,304	708
Other non-current assets		89	317
		73,971	65,773
Current assets			
Inventories		3,807	3,380
Trade and other receivables	9	9,764	14,469
Current tax receivable		48	1,580
Cash and cash equivalents		88	1,052
		13,707	20,481
Total assets		87,678	86,254
Current liabilities			
Financial liabilities – borrowings	11	(3,733)	(3,108)
Trade and other payables	10	(9,865)	(11,666)
Deferred income		(713)	(566)
Current tax liabilities		(163)	(86)
Provisions		(382)	-
		(14,856)	(15,426)
Non-current liabilities			
Financial liabilities – borrowings	11	(4,602)	(4,140)
Deferred income		(280)	(357)
Other non-current liabilities		(239)	-
Provisions		(343)	-
		(5,464)	(4,497)
Total liabilities		(20,320)	(19,923)
Net assets		67,358	66,331
Equity			
Share capital		1,033	935
Share premium account		23,131	21,472
Merger reserve		50,474	50,474
Other reserves		6,528	4,198
Retained deficit		(13,808)	(10,760)
Total shareholders' equity		67,358	66,319
Minority equity interests		-	12
Total equity		67,358	66,331

Unaudited Consolidated Statement of Changes in Shareholders' Equity

For the year ended 30 June 2009

	Share capital	Share premium	Merger reserve	Other reserves	Retained deficit	Attributable to equity holders of the parent	Minority interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 July 2007 (audited)	935	21,472	50,474	271	(14,775)	58,377	11	58,388
Exchange differences arising on translation of overseas subsidiaries	-	-	-	3,927	-	3,927	-	3,927
Net expense recognised directly in equity	-	-	-	3,927	-	3,927	-	3,927
Profit for the year	-	-	-	-	3,337	3,337	1	3,338
Total recognised income for the period	-	-	-	3,927	3,337	7,264	1	7,268
Share based payments – value of employee services	-	-	-	-	678	678	-	678
Balance at 30 June 2008 (audited)	935	21,472	50,474	4,198	(10,760)	66,319	12	66,331
Exchange differences arising on translation of overseas subsidiaries	-	-	-	2,330	-	2,330	-	2,330
Net income recognised directly in equity	-	-	-	2,330	-	2,330	-	2,330
(Loss) for the year	-	-	-	-	(3,621)	(3,621)	-	(3,621)
Total recognised income for the period	-	-	-	2,330	(3,621)	(1,291)	-	(1,291)
Share based payments	-	-	-	-	573	573	-	573
Options and warrants exercised	1	-	-	-	-	1	-	1
Share capital issued	97	1,722	-	-	-	1,819	-	1,819
Share issue expenses	-	(63)	-	-	-	(63)	-	(63)
Purchase of minority interests	-	-	-	-	-	-	(12)	(12)
Balance at 30 June 2009 (Unaudited)	1,033	23,131	50,474	6,528	(13,808)	67,358	-	67,358

Unaudited Consolidated Cash Flow Statement For the year ended 30 June 2009

		Unaudited 2009 £'000	Audited 2008 £'000
	Note		
Cash flows from operating activities			
Net cash outflow from operations	12	(1,225)	(3,250)
Interest paid		(803)	(281)
Interest paid on finance leases		(45)	(41)
Taxation received/(paid)		1,603	(124)
Net cash used in operating activities		(470)	(3,696)
Investing activities			
Interest received		456	67
Purchases of property, plant and equipment		(482)	(166)
Proceeds from sale of property, plant and equipment		27	47
Purchase of intangible assets		(2,005)	(3,907)
Payment of contingent consideration re CS Dermatologie		(237)	(223)
Deconsolidation of Portugal subsidiary		(129)	-
Acquisition of subsidiary undertaking, net of cash acquired		(400)	(14)
Net cash used in investing activities		(2,770)	(4,196)
Financing activities			
Repayments of obligations under finance leases		(219)	(156)
Proceeds from borrowings		3,866	5,370
Repayments of borrowings		(3,203)	(653)
Proceeds from issue of share capital		1,598	-
Share issue costs		(63)	-
Net cash generated from financing activities		1,979	4,561
Net decrease in cash, cash equivalents and bank overdrafts		(1,261)	(3,331)
Cash, cash equivalents and bank overdrafts at 1 July		(354)	2,604
Exchange gains on cash and bank overdrafts		18	373
Cash, cash equivalents and bank overdrafts at end of year		(1,597)	(354)
Cash, cash equivalents and bank overdrafts includes:			
Cash and cash equivalents		88	1,052
Bank overdrafts		(1,685)	(1,406)
Cash, cash equivalents and bank overdrafts		(1,597)	(354)

1. Basis of preparation

The financial information has been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted for use in the European Union. In preparing this financial information management has used the principal accounting policies as set out in the Group's annual financial statements for the year ended 30 June 2008 and which will be used in preparing the financial statements for the year ended 30 June 2009. There have been no changes to the accounting policies during the year.

The preliminary financial information has not been audited and does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The financial information for the year ended 30 June 2008 has been extracted from the Group's financial statements for the year ended 30 June 2008. The auditors' report on the financial statements for the year ended 30 June 2008 was unqualified and did not contain statements under either section 498 (2) or section 498 (3) of the Companies Act 2006. The financial statements for the year ended 30 June 2008 have been delivered to the Registrar of Companies.

The preliminary financial information has been prepared on the going concern basis which assumes that the Group has adequate resources to continue in business for the foreseeable future. The company has today announced the acquisition of two revenue-generating products from Solvay Pharmaceuticals for €17.5m, and an associated fundraising of up to £25m (see separate announcement), and on the basis of which the Directors consider the going concern basis to be appropriate.

CS Portugal has been deconsolidated from the Group results in FY09 as the Group no longer has effective management control of this associate from 1 July 2008.

This announcement was approved by the Board of Sinclair Pharma plc on 12 October 2009.

2. Segmental information

The information below is not the full segmental disclosure as required by IAS 14 but selected segmental information only.

The Group's primary segment reporting is by business sector with geographical location of assets being the secondary format. The Group is organised into two operating segments: development, registration and commercialisation of products through marketing partners (international operations), and direct sales and marketing of pharmaceutical products to doctors and pharmacies (country operations).

Primary reporting format – business sector

	Unaudited 2009			Audited 2008		
	International operations £'000	Country operations £'000	Total £'000	International operations £'000	Country operations £'000	Total £'000
Revenue	18,032	12,376	30,408	16,540	13,738	30,278
Segmental operating (loss)/profit before exceptional items	1,905	(2,213)	(308)	836	(1,635)	(799)
Exceptional items			(2,428)			2,997
Operating (loss)/profit			(2,736)			2,198
Finance income			131			447
Finance cost			(1,433)			(1,071)
(Loss)profit before tax			(4,038)			1,574
Taxation			417			1,764
(Loss)/profit for the financial year			(3,621)			3,338

Revenue Analysis

By destination, the Group's revenue derives from the UK, rest of Europe, the US and rest of World.

	Unaudited 2009 £'000	Audited 2008 £'000
United Kingdom	1,129	2,450
Rest of Europe	18,319	18,517
United States of America	7,280	2,804
Rest of World	3,680	6,507
	30,408	30,278

An analysis of revenue by category is set out in the table below:

	Unaudited 2009 £'000	Audited 2008 £'000
Product revenue	21,999	24,808
Royalties	985	660
Licence fees and milestones	7,424	4,810
	30,408	30,278

Non-cash transactions of £4.2m are included in Licence fees and milestones and net profit (2008: £1.2m).

3. Exceptional operating items

Exceptional items represent significant items of income and expense which due to their nature or the expected infrequency of the events giving rise to them, are presented separately on the face of the income statement to give a better understanding to shareholders of the elements of financial performance in the year, so as to facilitate comparison with prior periods and to better assess trends in financial performance.

	Unaudited 2009 £'000	Audited 2008 £'000
Foreign exchange gains	1,671	3,699
Restructuring costs	(1,442)	-
Aborted acquisition costs	(555)	(334)
Goodwill impairment	-	(368)
Impairment provision on product rights	(898)	-
Provision for doubtful debts	(1,204)	-
	(2,428)	2,997

Foreign exchange gains of £1,671,000 represent the gain on the translation of an intra-group loan balance (2008: gain of £3,699,000). This is a non-cash item.

Restructuring costs of £1,442,000 include severance costs and costs relating to the restructuring of the sales forces in Italy and France, and the closure of the UK sales operation and Northampton site during the year.

Exceptional acquisition related costs were incurred in relation to a strategic acquisition opportunity during the summer of 2008. These discussions were put on hold as a result of the market volatility in the autumn of 2008. Costs of £555,000 were incurred to that point.

Exceptional acquisition related costs in the prior year were incurred in preparing for a major acquisition in July 2007. Sinclair was substantially outbid in this transaction which resulted in a charge of £334,000 for professional fees.

An impairment provision of £898,000 has been made against the value of the product rights for Spiromix, as a result of manufacturing delays which resulted in the product not being available for sale in Italy during the year.

An impairment charge of £368,000 was recorded in 2008 against the goodwill arising on the acquisition of Sinclair Pharma UK Limited (formerly Ashbourne Pharmaceuticals Limited) following the decision to restructure this operation and exit the dispensing doctors' market in the UK.

A provision of £1,204,000 has been made during the year for a doubtful debt due from a distributor. Movements on other doubtful debt provisions are included within administrative expenses.

4. Finance income and costs

	Unaudited	Audited
	2009	2008
	£'000	£'000
Finance costs		
Interest on bank loans and overdrafts	(591)	(326)
Interest due on finance leases	(45)	(41)
Net foreign exchange losses on financing activities	(319)	(338)
Unwinding of discount on contingent consideration for Groupe CS Dermatologie	-	(18)
Share based payments charge – warrants issued	(86)	-
Other finance charges	(132)	(18)
Exceptional finance costs	(260)	(330)
Finance costs	(1,433)	(1,071)
Finance income		
Bank interest receivable	2	22
Interest received on tax refund re Groupe CS Dermatologie – exceptional item	-	380
Interest receivable on trade receivables	50	45
Unwinding of discount on non-current asset	77	-
Other interest income	2	-
Finance income	131	447
Net finance expense	(1,302)	(624)

Exceptional finance costs relate to professional fees incurred arranging finance facilities that the Directors decided not to enter into as the terms were unfavourable.

The Company has issued warrants to GEM Global Yield Fund Limited (“GEM warrants”) to subscribe for ordinary 1p shares in the Company, under the agreement for GEM providing a three year £10m equity line of credit.

5. Taxation

	Unaudited	Audited
	2009	2008
	£'000	£'000
Research and development tax credits receivable	-	(140)
Overseas tax	96	81
Deferred overseas tax	(523)	(351)
Release of overseas tax provision – exceptional item	-	(1,354)
Withholding tax	10	-
Tax credit on operating (loss)/profit	(417)	(1,764)

6. (Loss)/earnings per share

The basic (loss)/earnings per share has been calculated by dividing the (loss)/profit for the year, by the weighted average number of shares in existence for the year. Shares held by the Employees' Share Trust, including shares over which options have been granted to Directors and staff, have been excluded from the weighted average number of shares for the purposes of calculation of the basic (loss)/earnings per share.

The loss and weighted average number of shares for the purpose of calculating the diluted loss per share are identical to those used for the basic loss per share at 30 June 2009, as the exercise of share options and warrants would have the effect of reducing the loss per share and therefore is not dilutive.

For the year ended 30 June 2008 diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Potential ordinary shares of the Company are share options, warrants and awards. A calculation has been undertaken to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding options, warrants and awards.

	Unaudited 2009	Audited 2008
(Loss)/profit attributable to equity shareholders (£'000)	(3,621)	3,337
Weighted average number of shares	92,904,290	87,241,256
Adjustment for share options, warrants and awards	-	4,523,701
Diluted weighted average number of shares	92,904,290	91,764,957
Basic (loss)/earnings per share (pence)	(3.9p)	3.8p
Diluted (loss)/earnings per share (pence)	(3.9p)	3.6p

7. Goodwill

	Unaudited 2009	Audited 2008
	£'000	£'000
Cost		
At 1 July	50,989	45,929
Additions	355	67
Exchange adjustments	2,597	4,993
At 30 June	53,941	50,989
Accumulated amortisation and impairment		
At 1 July	2,879	2,511
Impairment charge (note 3)	-	368
At 30 June	2,879	2,879
Net book value at year end	51,062	48,110

Additions in the year ended 30 June 2009 relate to the purchase of the minority interest in Laboratorios Novo Pharma SL (now Sinclair Pharmaceutical España) for €330,000 plus expenses.

Exchange adjustments arise as a result of the impact of the difference in the Sterling : Euro exchange rate at the beginning and end of the year on balances recorded in Euros.

8. Intangible Assets

	Unaudited	Audited
	2009	2008
	£'000	£'000
Cost		
At 1 July	17,779	11,511
Additions	6,743	4,586
Disposals	(108)	(491)
Exchange adjustments	1,379	2,173
At 30 June	25,793	17,779
Amortisation and impairment		
At 1 July	2,968	1,469
Charge for the year	2,084	1,483
Disposals	(6)	(51)
Impairment charge (note 3)	898	13
Exchange adjustments	141	54
At 30 June	6,085	2,968
Net book value at year end	19,708	14,811

Additions in the current period principally relate to the acquisition of rights to the silver nanotechnology, the zinc technology and the purchase of additional rights under an existing agreement for H202. Additions of £5,363,000 were from non-cash transactions.

Exchange adjustments arise as a result of the impact of the difference in the Sterling : Euro exchange rate at the beginning and end of the year on balances recorded in Euros.

9. Trade and other receivables

	Unaudited	Audited
	2009	2008
	£'000	£'000
Trade receivables	8,911	12,154
Less provision for impairment of trade receivables	(1,389)	(113)
Trade receivables net of provision	7,522	12,041
Other receivables	1,243	1,144
Prepayments and accrued income	999	1,284
	9,764	14,469

10. Trade and other payables

	Unaudited	Audited
	2009	2008
	£'000	£'000
Trade payables	5,471	6,418
Other taxes and social security costs	788	426
Other payables	1,029	2,060
Accruals	2,577	2,762
	9,865	11,666

11. Borrowings

	Unaudited 2009 £'000	Audited 2008 £'000
Bank loans	4,050	4,022
Other borrowings	492	-
Obligations under finance leases	60	118
Non-current borrowings	4,602	4,140
Obligations under finance leases	66	218
Bank loans	1,629	1,350
Bank overdrafts	1,685	1,540
Other borrowings	353	-
Current borrowings	3,733	3,108
Total borrowings	8,335	7,248

Borrowings included above are repayable as follows:

On demand or within one year	3,733	3,108
Over one and under two years	2,291	1,299
Over two and under five years	2,311	2,841
Total borrowings	8,335	7,248

The minimum lease payments under finance leases fall due as follows:

	2009 £'000	2008 £'000
Not later than one year	70	229
Later than one year but not more than five	65	128
	135	357
Future finance charges on finance leases	(9)	(21)
Present value of finance lease liabilities	126	336

12. Cash flow from operations

	Unaudited	Audited
	2009	2008
	£'000	£'000
(Loss)/profit before tax	(4,038)	1,574
Adjustments for:		
Finance income	(131)	(447)
Finance costs	1,433	741
Share based payment - value of employee services	487	678
Depreciation	493	572
Amortisation of intangible assets	2,084	1,483
Non-cash licence agreements	(5,363)	-
Impairment charges	915	381
Loss/(profit) on disposal of property, plant & equipment	56	(15)
Loss/(profit) on sale or disposal of product rights	102	(35)
Increase/(decrease) in provision for doubtful debts	1,268	(696)
Increase/(decrease) in provisions – net of finance costs provision	465	-
Exchange gains	(2,304)	(4,424)
	(4,533)	(188)
Changes in working capital (excluding effects of acquisitions)		
Increase in inventories	(192)	(888)
Decrease/(increase) in receivables	4,419	(4,528)
(Decrease)/increase in payables	(989)	2,676
Increase/(decrease) in deferred income	70	(322)
Net cash outflow from operations	(1,225)	(3,250)

Appendix:

Product Review

Dermatology

Sinclair provides specific solutions to dermatologists and pharmacists for patients suffering from skin damage and skin injuries through its own operations in France, Italy and Spain and through its international network of marketing partners. It aims to do this by delivering higher value products with special attributes based on its surface treatment technologies and innovative delivery systems (foams, kits and sprays), treating major skin conditions such as acne, eczema, fungal conditions and addressing family dermatology and personal care needs. Core products in our Dermatology portfolio include Papulex, Sebclair, Bio-Taches, Atopiclair, Oxyplastine and DermaChronic.

Papulex

Papulex is a dermo-cosmetic range of five products indicated for acne prone skin. Its duo of actives makes it a superior treatment of mild to moderate acne and the ideal accompaniment to acne Rx treatments. The whole range contains nicotinamide 4%, an active chosen for its efficacy and tolerability. Nicotinamide at such concentration prevents and treats inflammation, reducing papule numbers by 75%¹. The anti bacterial adhesion active, covered by a patent of Sinclair, inhibits *P. acnes* adhesion by 82%² and thus stops it proliferating and limits inflammation.

Papulex is currently available in 10 countries including France, Russia, Tunisia and Morocco. During the year Papulex generated revenues of £1.2m, and was launched in Algeria and Spain.

Sebclair

Sebclair is a non-steroidal range of three products, available as a cream, shampoo and scalp fluid, indicated for the management of seborrhoeic dermatitis, including relief and management of the most common signs and symptoms such as scaling/flaking, reddening, burning and pain³. Seborrhoeic dermatitis is characterised by inflammation and desquamation in areas with a rich supply of sebaceous glands, namely the scalp, face and upper trunk.

Following the initiation of commercial rollout, Sebclair has generated revenues of £1.0m this financial year and is available in France, Portugal, Spain, Italy, Poland and Turkey and was launched in the USA following the end of the financial year.

Bio-Taches

Bio-Taches is part of the Derma Omnium range Sinclair acquired in FY 2008. The range also includes Gen Ongles which treats nail deficiencies and Affina Lift which helps to prevent and correct the effect of skin ageing. Bio-Taches prevents and treats hyperpigmentations. The superior combination of actives resulting in azelogylicine reduces the activity of hyperproductive melanocytes, inhibits melanine production and reduces free radicals liberation that causes inflammation. The range offers an emulsion, a peel-off mask and two sun care products. Bio-Taches is available in 13 countries including Russia and Saudi Arabia.

The Derma Omnium range contributed £0.8m revenues during the year.

Atopiclair

Atopiclair is a non-steroidal range containing two products, indicated for the symptomatic treatment of atopic dermatitis, including the relief and management of the most common signs and symptoms such as itching, burning and pain⁶. Atopiclair helps to relieve dry skin by enhancing barrier function, maintaining a moist skin environment, due to hyaluronic acid which is beneficial to the healing process. Atopiclair also acts as an anti-oxidant. The product is supplied as a cream and as a lotion.

In December 2008, Sinclair signed an agreement to sell the US distribution rights and license the patent for use in atopic dermatitis, pertaining to Atopiclair cream and lotion, to its US marketing partner Graceway for £2.1m (\$3.1million). The payment is equivalent to the royalties Sinclair would have anticipated to receive from Graceway over the next five years. Atopiclair sales in the US have

been affected by the economic environment, in common with other atopic dermatitis treatment sales in the US.

Atopiclair delivered revenues of £2.1m this year and is available in 14 countries, and was launched in Korea, Poland and Israel.

Oxyplastine

Oxyplastine is an ointment formulated to prevent and protect skin against irritation, in particular in cases of nappy rash. Oxyplastine forms a barrier on the skin protecting it from external irritating agents. Its astringent properties are due to a high concentration of zinc oxide (46%) reinforcing its efficacy.

In France, Oxyplastine is a household brand but is sold in 18 countries in total, including Germany, Switzerland and Algeria. During the year Oxyplastine generated revenues of £1.5m.

DermaChronic

The DermaChronic range consists of a cleanser, a cream and a shampoo. The range is indicated for people with sensitive skin or people with skin conditions such as xerosis, atopic dermatitis, psoriasis and eczema. Cream stability is achieved by a new self-preservation system that exploits the physical, not the chemical, properties of the products.

Dermachronic is available in France and Italy. During the year, it generated revenues of £0.3m.

B.lift and B.derm

B.lift is a range of corrective dermatology products which are applied as creams and gels and which have special matrices that facilitate the penetration of the active ingredient, Hexapeptide B, to help reverse skin wrinkles. **B.derm** is a range of patented products containing hyaluronic acid for sensitive and hyper reactive skin. Seven new distribution deals have been signed for these products during the period.

Oral Health

Sinclair provides oral care solutions for mouth and gum diseases to specialists and pharmacists, marketed through its international network of partners. The oral care portfolio consists of two main product ranges, Decapinol and Aloclair.

Decapinol

Decapinol® is an innovative range of treatments that helps treat gingivitis and prevent periodontitis. Delmopinol, a surface-active agent is the key ingredient in Decapinol. It is able to form a cationic barrier that reduces surface tension on the teeth and gums, preventing microbial adhesion and colonisation on their surface, thus hampering the adherence of bacteria and significantly slowing the formation of new plaque without adversely altering the oral bacterial flora. Decapinol is proven to reduce gingivitis and bleeding gums by 36% more than placebo and oral hygiene and in clinical trials had fewer side effects and was better tolerated than the gold standard - chlorhexidine⁷.

Decapinol gel can reduce gingivitis and mild to moderate periodontitis acting on plaque adhesion and consequently on gingival inflammation and it is safe and well-tolerated⁸.

In the US we are closely working with Orapharma to support their launch preparations of Decapinol in the financial year 2010 and received a fee of £0.2m following successful validation of the Italian manufacturing site. We also continue to exploit other potential biofilm applications of Delmopinol and received payment from a major animal health company to enable it to evaluate the use of Decapinol to treat or prevent periodontal disease in companion animals.

Decapinol is now available in seven countries: Greece, Italy, Slovakia, Finland, Cyprus, Israel and Norway. During the year, it was launched in three markets: Italy, Slovakia and Israel and generated revenues of £0.8m.

Aloclair & Aloclair plus

Aloclair is indicated to relieve the pain caused by aphthous mouth ulcers and other minor oral lesions and also provides fast pain relief from chafing and irritation caused by braces and ill fitting dentures. Its action is local and mechanical, not pharmacological, and it can be administered several times a day. Aloclair is available in three delivery formats, Aloclair Rinse, Aloclair Gel and Aloclair Spray.

Aloclair Rinse clearly displays analgesic properties, which relieve the pain associated with aphthous mouth ulcers⁹.

During the year the global roll-out of Aloclair continued with launches in 15 markets including Mexico, Korea and Greece. Aloclair generated revenues of £2.6m this year.

Gynaecology

Sinclair is developing gynaecological solutions for gynaecologists and pharmacists to be marketed through its international network of marketing partners, outside the Americas. In order to achieve this we have out-licensed a range of early stage gynaecology technologies to BMG Pharma, to develop and register Sinclair's products, targeting a range of indications such as interstitial cystitis, genital warts, vaginitis, vulvitis and anal and nipple fissures. Moving forwards gynaecology will be one of Sinclair's major focus areas.

References:

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7: Lang NP et al. Plaque formation and gingivitis after supervised mouth rinsing with 0,2 delmopinol hydrochloride, 0,2%, clorexidine digluconate and placebo for 6 months. Oral diseases 1998; 4: 105-113

8: A double-blind, vehicle-controlled pilot clinical study to examine the efficacy and tolerability of MAS033 (Decapinol Gel) in the management of chronic gingivitis and mild to moderate periodontitis, Luca Francetti MD, DDS, Giordano Bordini DDS, Matteo Basso DDS, PhD, Marco Rosso DH, Monica Loia DH, Section of Periodontology, Department of Health technologies, Galeazzi Institute, University of Milano, Mila, Italy

9: Lesclous, P (2002) Faculty of Dental Surgery (Paris, France) "Summary assessment of the antalgic efficacy of Aloclair RINSE against common aphthae"

10: Evaluation designed to ascertain the degree, onset & duration of pain relief provided by Aloclair Rinse, (2002) Dental Surgery (Dorset, UK)