



## Interim Management Statement

Sinclair Pharma plc ("Sinclair" or "the Company": SPH:L), the international specialty pharma company, today issues its Interim Management Statement for the period 1 January 2011 to 18 May 2011.

- **Revenues to 31 March increased by 23% in constant currency terms versus prior year**
- **Three new products launched - Kelo-cote, Dosaderm and FlammaSpray**
- **Gross margin improvement trend continues**
- **Extended Invida partnership to include India**
- **Kelo-cote co-promotion partnership with Intendis in Spain**
- **Announced recommended merger to create Sinclair IS Pharma plc**

Sinclair is pleased to report that revenues to the end of the third quarter of our financial year (to 31 March 2011) are up 23% in constant currency terms compared to last year. The growth rate has declined in the third quarter of the financial year predominantly due to SKU reduction and the cessation of unprofitable product lines and distribution contracts in Eastern Europe.

These actions combined with the current instability in the Middle East and North Africa region have contributed to a temporary slowdown in like-for-like growth from the level achieved in the first half of the year. Management believe that these are transitory factors that will not impact revenues for long and fully expect the rate of like-for-like growth to accelerate again in the near future. Management has continued to maintain rigorous control over costs.

During the third quarter, Sinclair country operations in France, Spain, Italy and Germany launched Kelo-cote, our scar reduction product, FlammaSpray, our first Flamma line extension, and Dermadose the first monodose presentations of our core dermatology products. The initial response to these products has been very encouraging and they are expected to make a significant contribution to our future growth. In Spain, we are pleased to have appointed Intendis to co-promote Kelo-cote to dermatologists. Further Dosaderm and Flamma branded products will be launched later in the next financial year.

Gross margins continued to improve during the period with the comparable margin (excluding lower margin Flammazine) remaining higher than the same period last year.

Sinclair and Invida continue to work closely together to ensure the launch of the initial dermatology products across the Asia Pacific region is as quick as possible. In March, we announced that the partnership would be extended to include India in addition to the original 11 markets. This has further increased the growth opportunities and brand awareness of Sinclair's dermatology products in the emerging markets.

Invida will be launching the first products across the Asia Pacific in the summer, and will be profiling Sinclair's leading atopic dermatitis product at the World Congress of Dermatology in Seoul later this month.

The US launch of Decapinol Rinse by Sunstar Americas remains on track for summer this year with purchase orders already received and manufacture underway.

On 7 April Sinclair announced a recommended merger with IS Pharma plc to create Sinclair IS Pharma plc. Completion of the merger is scheduled for 23 May, following court sanctioning of the scheme of arrangement on 19 May. The merger will give Sinclair a proprietary presence in the UK and will accelerate the growth plans of both companies by creating one of the UK's largest specialty pharma companies. The merged company will be cash generative and have a strong platform for future growth with improved cross-selling opportunities and the ability to recapture margin on IS Pharma's products that are currently out licenced in Europe.

Chris Spooner, CEO, commented:

“The merger with IS Pharma is symbiotic. For Sinclair it brings a meaningful commercial presence and sales structure in the UK while fulfilling the IS Pharma strategy of creating a proprietary European presence. Importantly for Sinclair shareholders, it also strengthens the balance sheet and significantly accelerates time to profitability. The physical practicalities of putting the companies together would not have been possible without the recent restructuring and business simplification at Sinclair. With a focused sales and marketing effort in the core European markets, near-term launches for Invida and Sunstar and sharply improving profitability, the outlook for Sinclair IS Pharma is positive and exciting.”

**Ends**

**For further information please contact:**

**Sinclair Pharma plc**  
Chris Spooner, CEO  
Alan Olby, CFO

Tel: +44 (0) 1483 410 600

**Singer Capital Markets Ltd**  
Shaun Dobson  
Claes Spång

Tel: +44 (0)20 3205 7500

**Financial Dynamics**  
Ben Atwell  
Stephanie Cuthbert

Tel: +44 (0)20 7831 3113

**Notes to Editors:**

**About Sinclair Pharma Plc** [www.sinclairpharma.com](http://www.sinclairpharma.com)

Sinclair Pharma plc is an international specialty pharmaceutical company providing solutions to treat wounds, dermatological and oral diseases through advanced surface technology and innovative delivery systems. It has a growing sales and marketing operation that is present in France, Italy, Germany and Spain, and an extensive marketing partner network across selected developed & emerging markets.

*"Safe Harbor" 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.*

**Disclosure requirements required under the Takeover Code (the "Code")**

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

#### **Rule 2.10 Disclosure**

In accordance with Rule 2.10 of the Code, Sinclair Pharma plc ("Company") has 240,979,560 ordinary shares of 1p each in issue with ISIN GB0033856740.

#### **Publication on websites**

In accordance with Rule 19.11 of the Code, a copy of this announcement will be published, subject to certain restrictions relating to persons resident in restricted jurisdictions, on Sinclair Pharma's website at [www.sinclairpharma.com](http://www.sinclairpharma.com). For the avoidance of doubt, the contents of this website is not incorporated into and does not form part of this announcement.