

Sinclair IS Pharma plc

Pre-close trading update

London, UK, 14 July 2011 Sinclair IS Pharma (“Sinclair IS” or the “Group”), the international specialty pharma company, announces a trading update for the twelve months ended 30 June 2011 ahead of its full year results which will be announced in mid-September 2011.

Revenues for the full year, which include a first time contribution of IS Pharma PLC (“IS Pharma”) from 20 May 2011, are expected to be ahead of expectations at £32.7m following a strong performance by the Sinclair business in the fourth quarter. At the profit line, as anticipated, the Group is expected to produce a loss, reflecting continued investment in the business to drive revenue growth.

Revenue growth for the full year is expected to be 18% on a reported basis and 10% on a like-for-like basis (“Lfl*”) and compares to 9% Lfl growth in the first half. This Lfl revenue performance has been achieved by focussing on products that have the potential to grow faster than their markets, by extending the sales reach through additional co-marketing arrangements and by taking products into new markets internationally.

The second half improvement in revenues occurred despite the difficult political environment in North Africa which has seen product orders delayed across that region. Furthermore, as previously advised, revenues and Lfl growth rates have been further impacted by the deliberate termination of non-strategic distributor contracts in order to reduce business complexity. During the financial year, the number of individual distribution agreements in Eastern Europe was reduced from 45 to 16, whilst in India the termination of the Wockhardt agreement also reduced sales prior to Invida’s re-launch of the products in the coming months.

Sinclair IS has entered into co-marketing arrangements for certain core products to augment its sales presence in leading European markets. For example, in Spain (revenues +180%), Kelo-cote is co-marketed with Bayer Intendis, while the launch of OTC sunburn treatment FlammaSpray by Vemedia has pushed sales in excess of 30,000 units since launch in March. Atopiclair reimbursement in France and the good performance of direct sales to pharmacies also solidified France return to growth (+21%). The Group is engaged in negotiations for several further deals in dermatology, oral care and hospital products and expect to enter into further alliances in the near-term for both Sinclair and IS Pharma products in Europe. Outside Europe, the Group is similarly engaged in various discussions aimed at widening distribution into leading emerging markets.

The merger with IS Pharma completed successfully on 20 May 2011. The integration review process is complete and has identified cost savings of approximately £1.0m. The integration process is already well advanced and is expected to be completed by the end of 2011. Ann Hardy (formerly IS Pharma’s COO) has been appointed the Group’s Technical Director, ultimately responsible for the supply side including manufacturing, regulatory affairs, quality assurance and product development. Andrew Morris has been recruited to manage the Group’s UK and Irish business from the new London Corporate/UK Commercial Operations office.

Chris Spooner, Chief Executive of Sinclair IS Pharma commented:

“Over the last twelve months the Group has made significant progress in building a high growth, self-sustaining international specialty pharmaceutical business. We have delivered solid growth while simplifying our business, expanding our EU infrastructure and growing our emerging markets franchise. With an enlarged product portfolio, robust pipeline and strong balance sheet, Sinclair is now well positioned for the next phase of its growth.

“We are pleased with the strength of the revenue performance towards the end of 2011 notwithstanding the significant headwinds affecting us. We expect an acceleration of Lfl revenue growth in FY12 with the benefit of new product and new market launches as well as an improving outlook in North Africa.”

* Lfl revenues exclude product acquisitions and disposals, one-off licence fee income and currency fluctuations.

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About Sinclair IS Pharma Plc www.sinclairispharma.com

Sinclair IS 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, UK, Italy, Germany and Spain, and an extensive marketing partner network across selected developed & emerging markets.

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