



Sinclair IS Pharma plc

Trading Update

London, UK, 13 January 2012 Sinclair IS Pharma (AIM:SPH.L) (“Sinclair IS” or the “Group”), the international specialty pharma company, announces a trading update for the six months ended 31 December 2011 ahead of its interim results which will be announced on 23 February 2012.

- Revenue for the first half grew by more than 65% to reach approximately £23.4 million
- Like-for-like revenue growth of 9% for the period
- Sinclair IS profitable at the EBITDA level for the first half
- Continued focus on a smaller number of key brands, which management believes will be central to the Company’s future success, including Flammazine and Kelo-cote
- Disposal of non-core Mysoline and acquisition of ex-US rights for Kelo-cote®

Trading update

Revenues for the six months ended 31 December 2011 were approximately £23.4 million, compared to £14.1 million for the same period last year, an increase in excess of 65%, and in-line with market expectations despite difficult trading conditions in our core European markets.

Like-for-like revenues (excluding product acquisitions and disposals, licence fees and currency fluctuations) increased by 9% over the period driven by the focus on a smaller number of key brands and the initial launches by Invida of Sinclair IS products across the Asia-Pacific region. Revenues from the Flamma franchise, Kelo-cote, Atopiclair and Bio-Taches all grew strongly in the period. Unsurprisingly, pharmaceutical market volumes and pricing remain under significant pressure across European markets; we have also seen de-stocking by wholesalers in a number of our European operations during the period. While de-stocking has held back like for like revenue growth in the period we are encouraged to see prescription data which shows that underlying demand for our products, so far, remains strong.

The first half year is the maiden reporting period for the enlarged Sinclair IS group following the merger with IS Pharma. The Group will report a small profit at the EBITDA level for the period compared with a loss of £1.3 million reported for the same period last year.

Commercial update

During the first half Invida, the Company’s partner for the Asia Pacific region, successfully launched two of Sinclair IS’s leading dermatology brands; Atopiclair for atopic dermatitis (into seven markets) and Papulex for acne (into six markets). Invida has seen good demand for these products and initial sales have been encouraging. Invida will launch these products into other territories in the region during the second half.

In-line with the Group’s strategy to complement its proprietary sales infrastructure with selected co-promotion partners, Sinclair IS entered into exclusive promotion agreements with Therabel and Norgine in the first half, to market and commercialise Xclair, the Group’s treatment for radiation dermatitis, in France and Spain respectively.

As part of its strategy to focus on fewer, bigger brands during the period the Group disposed of Mysoline, a non-core product acquired from the merger with IS Pharma, for £11.1 million and used the cash to part fund the acquisition of Advanced Bio-Technologies, Inc. The acquisition gave Sinclair



IS global ownership, excluding the US, to scar prevention and treatment product Kelo-cote®, a well-established, potentially high growth product, which is now Sinclair IS' second largest brand.

Chris Spooner, CEO of Sinclair IS, commented: "I am pleased with the strong performance of the Company during the first half. We have continued to deliver on our strategy to focus on fewer, bigger brands and build strong strategic partnerships. We are making good progress to becoming a high growth, self-sustaining international specialty pharma business. The first wave of launches by Invida has been very promising and we continue to focus on striking additional multi-country, multi-product deals in emerging markets during the second half."

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Notes to Editors:

About Sinclair IS Pharma plc – www.sinclairispharma.com

Sinclair IS Pharma is an international specialty pharmaceutical company focused on treatments in dermatology, wound care, oncology support and critical care through advanced surface technology and innovative delivery systems. The Company has a growing sales and marketing operation with a direct sales presence in the top five European markets and an extensive marketing partner network across selected developed and emerging markets.

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