



Distribution agreement with Valeant and Placing to raise £9.0m

Highlights

- Long term exclusive distribution agreement with Valeant for Sculptra[®], and New-Fill[®] in Western Europe, and an exclusive sub-distribution agreement for Suceev[®] in Western Europe
- Sinclair IS to market the products alongside Kelo-cote[®] to broaden its aesthetic dermatology portfolio
- Placing to raise £9.0m at 28p per share, a 4% premium to the closing price on 28th September 2012

LONDON - Sinclair IS Pharma plc (AIM:SPH.L) ("Sinclair IS" or the "Company"), the international specialty pharmaceutical company, announces that it has entered into an exclusive 100 years agreement with an affiliate of Valeant Pharmaceuticals International, Inc. ("Valeant") for the distribution of injectable aesthetic dermal filler products Sculptra[®] and New-Fill[®], and the sub-distribution of Suceev[®] (collectively, the "Products") in Western Europe. Sinclair IS will make an upfront payment of €9.0m for the rights. The Company will make additional sales-based payments over the life of the distribution agreement.

The Products together generated revenues of €9.1m (approximately £7.3m at current exchange rates) in the year ended 31 December 2011. Annualised EBITDA contribution after investment in selling and promotional costs is expected to exceed £2.0m.

Sinclair IS will be responsible for sales, marketing and distribution of the Products in Western Europe with distribution expected to commence at the beginning of December 2012. Sinclair IS is already established in the European aesthetics market with Kelo-cote[®], which is actively promoted by the Company's sales forces, and co-promotion partners in Western Europe. Sinclair IS will now take its ambitions in aesthetics a step forward, by leveraging its sales and marketing infrastructure, including providing promotional support for the Products.

The transaction will be funded through a placing to raise £9.0m, through the issue of 32,142,858 new ordinary shares of 1p each in the Company (the "Placing Shares"), at 28p per share, a 4% premium to the closing price on 28th September 2012. The proceeds of the placing will be used to fund the up-front payment, as well as working capital and transaction costs. An application has been made for the Placing Shares to be admitted to trading on AIM with admission expected to occur on 4th October 2012.

The agreement is expected to be earnings enhancing to the Company in the current financial year. Sculptra[®] is expected to become Sinclair IS's third largest brand after Kelo-cote[®] and Flammazine[®] in terms of sales. The agreement is in line with the Company's strategy to deliver operating leverage by increasing revenues utilising its direct sales infrastructure in the UK, France, Germany, Spain and Italy.

Dermal fillers are used in the correction of scarring, wrinkles, and other skin depressions, and are an important part of the fast growing global aesthetics market, which is expected to continue to grow strongly over the next few years. Sculptra[®] and Suceev[®] are both dermal fillers for aesthetic procedures. Sculptra is a dermal filler that works by stimulating natural collagen growth, while Suceev is a hyaluronic acid-based filler. New Fill[®] is used for the treatment of HIV-associated lipodystrophy, a condition characterised by the loss of subcutaneous fat as a result of HIV infection, and its treatment using anti-retroviral drugs.

Chris Spooner, Sinclair IS' CEO commented:

"We are delighted to announce this agreement with leading dermatology player, Valeant. The deal extends our dermatology portfolio and enables us to further leverage our existing sales and marketing infrastructure in Western Europe. Our proven ability to add value to existing brands leads us to believe that we can reinvigorate the sales of these Products whilst a greater presence in aesthetics is also expected to advance our strategy for Kelo-cote."

Ends



For further information please contact:

Sinclair IS Pharma plc

Chris Spooner
Alan Olby
Robert Taylor

Tel: +44 (0) 20 7467 6920

Jefferies Hoare Govett (NOMAD and Broker)

Nick Adams
Alex Collins

Tel: +44 (0) 20 7029 8000

FTI Consulting

Stephanie Cuthbert
Simon Conway

Tel: +44 (0) 20 7831 3113

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.