



## Sinclair IS Pharma plc - Trading Update

London, 11 July 2013 Sinclair IS Pharma plc (AIM:SPH.L) ("Sinclair IS" or the "Group"), the international specialty pharma company, announces a trading update for the twelve months ended 30 June 2013 ahead of its full year results which will be announced in mid-September 2013.

- Revenue for the year reaches £55.4 million, +4% like-for-like\* ("LFL")
- Significant 9% LFL growth in Dermatology brands
- Powerful Sculptra® launch adds to growing Kelo® franchise in Aesthetic Dermatology
- MENA and Asia drive 20% LFL growth in International operations
- Strong operating cash flow reduces net debt to £6.8 million

Revenues for the full year, which include a six month contribution by Sculptra®, were £55.4 million following the expected strong second half performance across the Group.

Revenue growth for the full year is 8% on a reported basis and 4% on a LFL basis. Dermatology brands now make up c.80% of Group sales and continue to grow strongly with LFL growth in the period of 9%. Growth in the Group's 5 EU Country operations was impacted by non-core brands in particular Variquel® and Cryogesic® with a 5% LFL decline in contrast to a further substantial 20% LFL advance in International operations. As a consequence, adjusted EBITDA\*\* for the full year is expected to be in-line with market expectations.

The continuing marketing focus on the key product portfolio has again produced strong rates of overall growth for the Group's leading brands in the period with Kelo-cote® (+16% LFL), Bio-Taches® (+65% LFL), Papulex® (+21% LFL), Atopiclair® (+42% LFL), and Sebclair® (+43% LFL) compared with last year.

The Group's core 5 EU Country operations benefited from the successful launch of Sculptra® and the continuing growth of Kelo-cote®. Sculptra® sales in Western Europe, which were declining before acquisition, started in January 2013. New dedicated aesthetic sales and marketing teams across Europe have significantly improved brand awareness and have initially concentrated on retraining existing and past Sculptra® practitioners. This has resulted in a marked turnaround with sales now running ahead of the comparable period last year, with Sculptra® and Succееv® contributing revenues of £4.2 million in the period to 30 June 2013. Aesthetics is expected to be a key growth driver for the Group in future. Kelo-cote®, our leading brand, has also benefited from dedicated European aesthetic sales forces growing by 8% LFL in Europe over the year. As reported in the first half the combination of generic competition and alternative presentations continued to affect Variquel® and Cryogesic®. Variquel® revenues stabilised in the second half and for the full year are down 25% after a 36% fall in H1 but with the likelihood of price pressures increasing.

International revenues were again driven by excellent growth both in Asia 37% LFL, and MENA 27% LFL. Menarini Asia continued to invest heavily in Atopiclair® and Papulex® driving sales in 11 Asian countries. The continuing success of Kelo-cote® in China and South Korea was supplemented by the launch of Kelo-stretch® as Glyderm® by Menarini Asia in Indonesia, Thailand, and Taiwan. In the MENA region sales from the wider Kelo® franchise more than doubled in the year, substantially adding to significant further progress by Bio-Taches®, the leading product by revenues in the region. The collaboration announced in March 2013 with Hikma Pharmaceuticals to commercialise



Flammacerium® in 18 MENA countries further underlines the importance of the region to the Group's growth plans.

The Group successfully exited all in-house manufacturing in June 2013, thereby completing the most significant legacy restructuring issue facing the Group.

Net debt at 30 June 2013 was reduced to £6.8 million due to a strong improvement in operating cash flow (30 June 2012: £9.1 million).

Chris Spooner, CEO, commented "Our strategy to focus on Dermatology and set price where we can is proving to be robust. The rollout of our multi-country, multi-product International strategy is now of great significance to the Group but equally is still at an early stage in terms of market penetration, and we are well placed for further growth this coming year both organically and by acquisition or in-licensing if suitable opportunities arise."

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

\*\* Adjusted EBITDA is defined as earnings before interest, taxation, depreciation, amortisation, share based payment charges and exceptional items.

## Ends

### For further information please contact:

#### Sinclair IS Pharma plc

Chris Spooner  
Alan Olby  
Robert Taylor

Tel: +44 (0) 20 7467 6920

#### Peel Hunt LLP

James Steel  
Vijay Barathan

Tel: +44 (0) 20 7418 8900

### Notes to Editors:

#### About Sinclair IS Pharma plc – [www.sinclairispharma.com](http://www.sinclairispharma.com)

Sinclair IS Pharma is an international specialty pharmaceutical company centred on Dermatology, in particular – Aesthetics, Wound care, and Skin care. The group has a direct sales and marketing presence in the top five European markets and a rapidly growing International division concentrated on the Emerging Markets through long term multi-product, multi-country, sales, marketing and distribution deals with key strategic partners.

*"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.*