



Sinclair Pharma plc

Interim Management Statement, Appointment of COO and Equity Credit Line

18th May 2009, Godalming, UK: Sinclair Pharma plc ("Sinclair": SPH:L), the international specialty pharma company, today issues its Interim Management Statement ("IMS"), announces the appointment of Christophe Foucher as Chief Operating Officer and the entry into an equity credit line with GEM Global Yield Fund.

Appointment of Chief Operating Officer

Sinclair announces today the appointment of Christophe Foucher as Chief Operating Officer for Sinclair. Christophe will be responsible for all Sinclair's commercial and supply chain activities in the company as well as contributing to the strategic direction of the business.

Dr Michael Flynn, CEO of Sinclair, said:

"We are delighted to appoint Christophe Foucher as COO of the Sinclair group as we increase our focus on commercialisation of our products. His enthusiasm, energy and commercial experience are already impacting the French and Southern European business and we are confident that the group will benefit from his leadership skills and experience."

Interim Update

In the period covered by this statement:

- The development of the revised formulation of Decapinol for the US market remains on track and Orapharma have identified the target launch date which will be during our next financial year (which commences 1st July , 2009). Sinclair has also received a payment of \$US 235,000 from Orapharma on achieving manufacturing validation at the new site.
- Sinclair further expanded its presence in the BRIC countries through agreements with Sunstar Americas for the Aloclair range covering Latin America and an agreement with Hurray Biotech Co. Ltd covering the Chinese market. Sinclair also continued to expand its sales network through further agreements in 27 countries.
- Two products were launched in two markets by Sinclair's own operations - Sebclair Cream for seborrhoeic dermatitis, in Spain and Jonctum for stretch marks, in France.
- Seven products were launched in six markets by Sinclair's partners, including the Aloclair range in Scandanavia, Papulex in Algeria and Sebclair shampoo in Turkey.

Financial outlook

During the period Sinclair has continued to carefully manage its financial resources and control costs. The current economic climate has led to some destocking by wholesalers which has had an impact on product sales. The impact of this on overall revenues has been reduced by increased licensing revenues and the stronger euro and therefore profitability for the full year is anticipated.

Agreement with GEM Global Yield Fund Limited

On 15 May 2009, Sinclair entered into a £10 million equity line of credit with a three year duration with GEM Global Yield Fund Limited ("GEM "). Sinclair will control the timing and maximum amount of



any draw down under this credit line and is not obliged to draw on the funds on offer. The key terms of the agreement are attached.

In addition, pursuant to the agreement with GEM, Sinclair has agreed to issue warrants to subscribe for up to 2m shares. 900,000 warrants were issued on 15th May 2009, with an exercise price of 37.19p.

Dr Flynn said:

“Sinclair’s revenues this year have been underpinned by licensing and royalty payments and an increase in new sales and marketing agreements. These agreements which also cover the Chinese and Latin American markets bring Sinclair closer to the goal of firmly embedding its footprint in the BRIC countries and will help drive future revenue growth.”

“We are also pleased to have secured the facility with GEM which provides Sinclair with a further alternative regarding working capital requirements if needed or to fund continued growth and development of the company.”

Dr Flynn further added:

“As we look towards the end of our financial year, we maintain our commitment to careful cost management. Although the challenges presented by the economic environment have had some impact on product sales due to de-stocking by wholesalers, we anticipate achieving profitability for the second successive year”.

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Key Terms of the Equity Credit Line with GEM

Under the agreement Sinclair has the option to require GEM to subscribe, on certain terms and conditions, for ordinary shares at an aggregate subscription price of up to £10 million over a three-year term starting on 15 May 2009.

This is done by way of a draw down notice in which Sinclair requests that GEM subscribe for a number of ordinary shares specified by Sinclair.

The number of Ordinary Shares that Sinclair can specify, and GEM’s minimum investment obligation relating to that draw down amount, are governed by parameters including the average daily trading volume over both Euronext and the London Stock Exchange during the fifteen trading days immediately preceding the date of the relevant draw down notice s.

Following this notice there is a pricing period following which GEM will notify Sinclair of the exact number of ordinary shares for which it is subscribing and the applicable price for that subscription, which will be 90.5% of the average of the closing sale prices on the relevant market during the pricing period). GEM may subscribe for 50% - 200% of the draw down amount, save that in respect of the first subscription it may subscribe for 50% - 100% of the draw down amount. Sinclair will then issue the ordinary shares in return for cash.

A shareholder in Sinclair has made his ordinary shares available for loan to GEM during each pricing period.

The agreement contains representations and warranties from each of GEM Global and Sinclair which are repeated on each drawdown and may be terminated in the event of a Material Adverse Change or Jerry Randall, Michael Flynn and the Sinclair Pharma ESOT ceasing to collectively hold more than 10% of the issued shares in Sinclair.



Under the agreement, a fee of 1.5% of the commitment is payable. In addition the Agreement provides for the issue of warrants to GEM Global over ordinary shares, at 125% of the closing price on the London Stock Exchange of the Ordinary Shares on the day before issue. The warrants expire 5 years from the date of issue. Warrants over 900,000 shares at 37.19 pence were issued on signing of the agreement on 15 May 2009. Warrants over a further 300,000 shares will be issued on closing of the first draw down, a further 400,000 shares will be issued on closing of the second draw down, and warrants over a further 400,000 shares will be issued on closing of the third draw down. If no draw downs are made then no warrants will be issued save for the warrants over 900,000 shares issued on signing.

GEM Global is not a U.S. Person and is subscribing for the ordinary shares pursuant to, and subject to the terms and conditions of, the Agreement in offshore transactions within the meaning of Regulations under the US Securities Act.

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Notes to Editors:

About Sinclair Pharma Plc www.sinclairpharma.com

Sinclair Pharma plc is an international specialty pharmaceutical company. It has a growing sales and marketing operation that is already present in France, Italy, UK, Spain and Portugal, and a complementary marketing partner network that spans more than 80 countries.

Sinclair has proven expertise in acquiring or developing commercially attractive and undervalued products, registering these products and bringing them to market within a short timeframe. Sinclair focuses on niche therapeutic areas and its current portfolio includes products for dermatological conditions and oral health.

About GEM

Global Emerging Markets Limited ("GEM"), www.gemny.com was founded in 1991. The firm is a US\$2.7 Billion alternative investment group that manages a diverse set of investments vehicles across the world.

About Sunstar Americas

Sunstar Americas is the Latin Americas subsidiary of Sunstar, a Japanese company, which is one of the five largest professional oral care companies in the world. Sunstar Americas brands have leading market share positions in the dental markets in several Latin Americas territories. The agreement with Sinclair Pharma will extend the presence of Aloclair across 12 markets including Colombia, Venezuela, Panama and Chile.

Expansion into China

The agreement pertaining to the Chinese market has been signed with Hurray Biotech Co. Ltd through their collaboration with the CSPC pharmaceutical group. CSPC is one of the biggest medical groups in



China with 53 marketing and sales offices around mainland China. The agreement will see the launch of Sinclair's dermatology products, **Atopiclair**, **Sebclair** and **Xclair**, in the Chinese market for the first time.

Christophe Foucher

Christophe Foucher has 16 years' experience in the pharmaceutical industry at a senior level in Europe, Africa and Asia. He joined the Sinclair Group in January 2008 as General Manager for Sinclair Pharma France. Prior to joining Sinclair, Christophe held several senior management positions at Galderma Laboratories where he delivered annual double digit sales growth over a four year period, gaining market leadership positions in the company's major territories. In July 2008, he was appointed Southern Europe Director in charge of operations in Italy, Spain and Portugal for Sinclair Pharma. Christophe has a doctorate degree in Pharmacy, an INSEAD diploma in Finance and an MBA from IAE of the university of Caen and a master in galenic.

Commercial Structure

The appointment of Christophe Foucher enables Marco Mastrodonato to now focus his responsibility in the company on new strategic collaborations and new product development..

"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.