



Interim Results

for the six months ended 30 June 2010

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H1 2010 - Operating highlights

- **European business continues to grow**
 - EU revenues up 26%
 - Abstral sales of £7.4m
 - Adcal-D3 grew by 19%
- **More progress in the US**
 - Sancuso sales up 25%
 - Abstral regulatory review period extended
 - Fortesta refiled
- **Further contribution from worldwide partnering programme**
 - 10 new country launches
 - 14 regulatory submissions

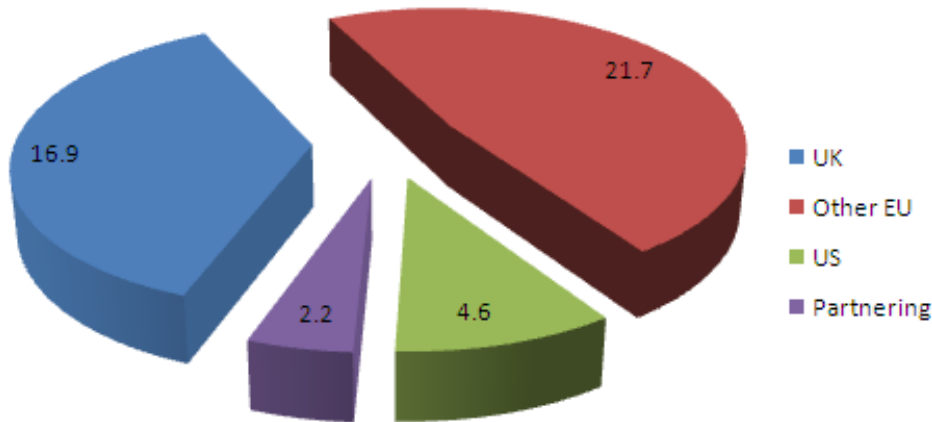
H1 2010 - Financial highlights

➤ £45.4m revenue	↑ 23%
➤ £44.1m product sales	↑ 28%
➤ Gross profit	↑ 19%
➤ EBITDA positive for H1	£1.2m
➤ Closing cash balance	£23.9m

Strong revenue growth and positive EBITDA

Financials – key business segments

£'m revenue split



- **Diversified business model**
 - EU sales 48% of total
 - UK 37% of sales
 - US business currently 10%
 - Partnering income 5%
- **Key growth drivers**
 - EU growth 26% (29% at CER)
 - US contribution up 25% to £4.6m

Non-UK business expands to 63% of total

Financials- sales analysis

	H1'10	H1'09	Growth	Growth
	£'m	£'m	£'m	%
Abstral	7.4	1.0	6.4	646%
Adcal-D3	10.9	9.1	1.8	19%
Pan-EU	10.2	8.8	1.4	15%
Other EU	10.1	11.7	-1.6	-14%
EU	38.6	30.6	8.0	26%
US	4.6	3.7	0.9	25%
Partnering	2.2	2.7	-0.5	-18%
Total Revenues	45.4	37.0	8.4	23%

Key drivers

- Revenues up 25% @ CER (£0.8m adverse)
- EU up 29% @ CER (€/£ 1.15 vs 1.11 H1'09)
- US up 28% @ CER (\$/£ 1.53 vs 1.49 H1'09)
- Partnering
 - Product sales up 165%
 - Licensing down by £1.1m

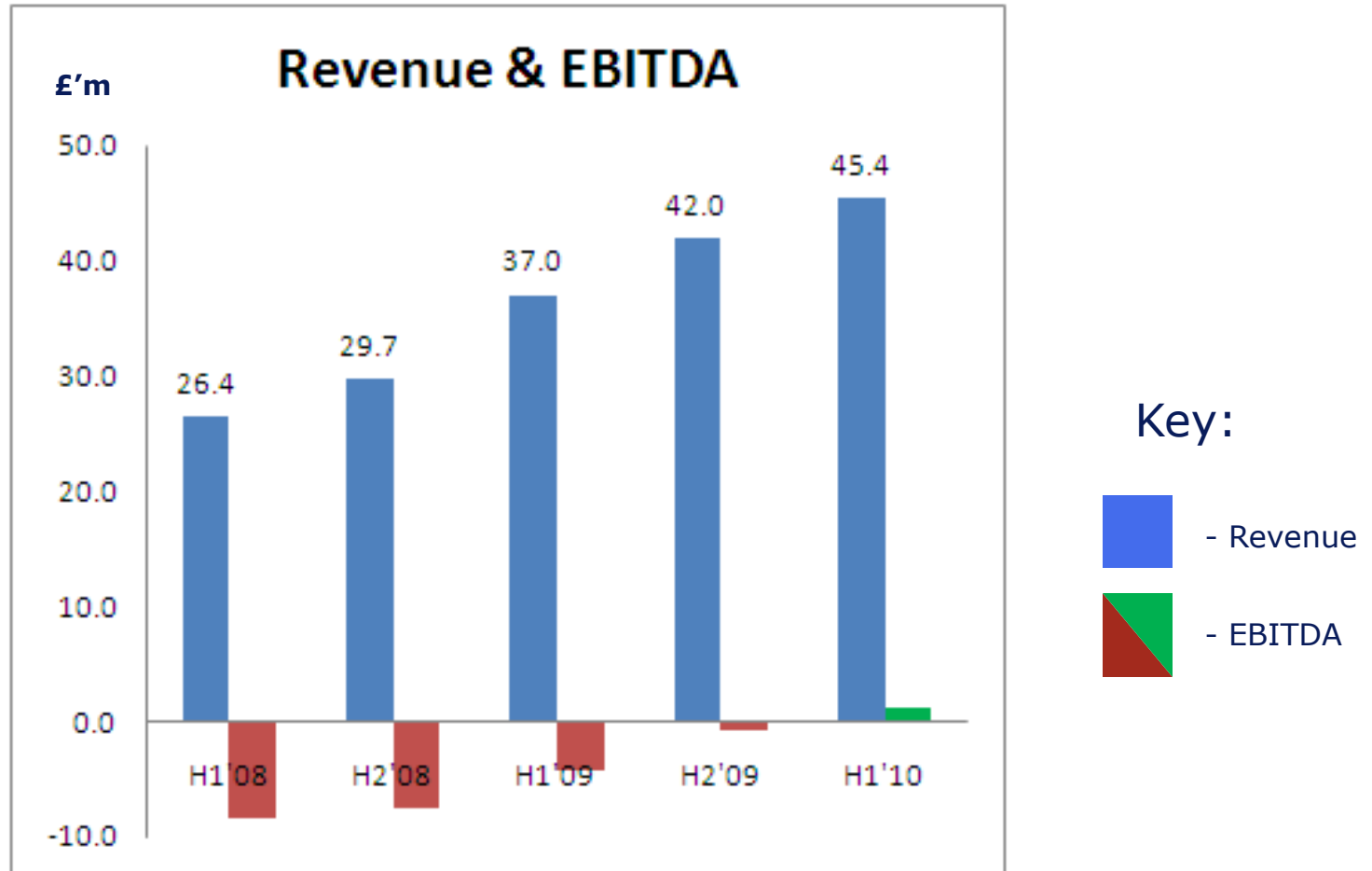
Financials – reported profit & loss

IFRS	H1'10 £m	H1'09 £m	Variance %
Revenues	45.4	37.0	23%
Gross Profit	29.5	24.8	19%
<i>Gross margin %</i>	65%	67%	(3%)
Distribution costs	(20.5)	(19.5)	5%
Administrative expenses	(4.2)	(4.3)	(2%)
Development	(3.6)	(5.3)	(32%)
Total expenses	(28.3)	(29.1)	(3%)
EBITDA	1.2	(4.3)	n/m

Key drivers

- Gross margins down 2bps
 - lower licensing receipts
 - product mix
 - fx £0.4m adverse
- Expense reduction 3%
 - tight control
 - fx £0.2m favourable
 - R&D post launch approval commitments in 2009
- EBITDA positive
 - significant change

Financials – reported profit & loss cont'd



Solid move to profit over last five periods

Financials – reported profit & loss cont'd

IFRS	H1'10 £m	H1'09 £m	Variance %
EBITDA	1.2	(4.3)	n/m
Depreciation, Amortisation, Impairments	<u>(2.0)</u>	<u>(2.4)</u>	(16%)
Operating loss	(0.8)	(6.7)	(88%)
Net finance costs	<u>(1.9)</u>	<u>(2.7)</u>	(31%)
Loss before tax	(2.7)	(9.4)	(72%)
Taxation	(0.2)	(0.3)	(29%)
Loss for the year on continuing operations	(2.9)	(9.7)	(70%)
Discontinued operations	<u>(0.0)</u>	<u>(0.2)</u>	n/m
Loss for the year	(2.9)	(9.9)	(71%)

Key drivers

- Absence of £0.3m impairment in 2009
- Finance costs down 31%
 - £1.2m warrants swing
 - Increased borrowings
 - Reduced deposit rates
- Minor tax charge
 - Deferred taxes
 - Losses carried forward
- 2009 discontinued item from prior disposal

Financials - cash flow

IFRS	H1'10 £m	H1'09 £m	Variance %
Cash From Operations	(1.3)	(8.6)	(85%)
Finance cost	<u>(2.3)</u>	<u>(1.9)</u>	24%
Net Cash from Operations	(3.6)	(10.5)	(66%)
Net Cash from Investing	(0.3)	(0.8)	(62%)
Net Cash from Financing	<u>7.8</u>	<u>5.0</u>	50%
Net Cash Movement	3.9	(6.3)	n/m

Closing cash balance	23.9	28.1	(15%)
Net debt position	22.6	13.9	63%

Key drivers

- EBITDA positive
- Working capital investment £2.5m
- £8m draw down in April 2010
- Cash balance increased since December '09

Strategic Intent

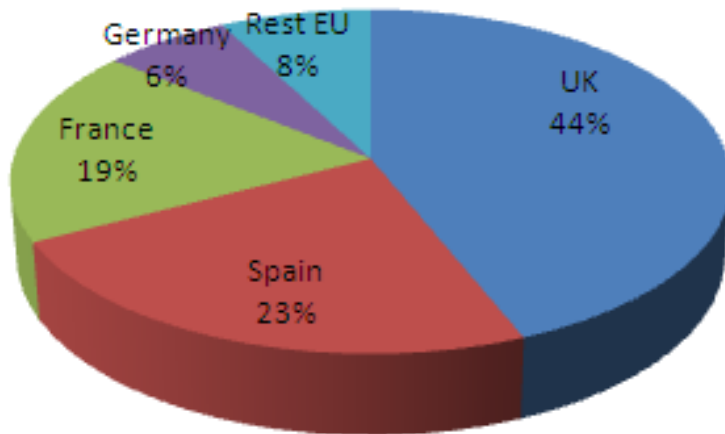
- Fast-growing international specialty pharma company
 - A diversified business model
 - Established EU sales & marketing
 - Developing US operations
 - Worldwide partnering programme
- Patient-friendly products
- UK based and listed on LSE (PSK.L)

Strategy

- to in-license and develop late-stage, patient-friendly products
- to market these products through our own sales force in the EU & US
- to out-license our products in non-core geographies

Europe - summary

EU Revenues £38.6m +26%



- Broad-based marketing & distribution capability
- Range of pan-EU and country-specific products
- Own sales force in top 5 EU markets
- Partnerships in other EU markets

Adcal-D3 – ProStrakan's Best-Seller

- Marketed in UK only
- UK's market-leading calcium vitamin D3 oral supplement
- 46% UK cash market share – all time high (IMS June 2010)
- Sales up a further 19% to £10.9m in H1 2010
- Line extensions – flavoured and dissolve – build and protect market position



Pan-European Products

Rectogesic



- Topical treatment for pain associated with chronic anal fissures
- Only approved prescription product in most of Europe
- EU sales of £4.9m in H1 2010 – growth of 25%

Tostran



- Testosterone gel for androgen-deficient males
- Metered dose system
- Sales growth of 27% to £1.3m in H1 2010

US - Summary

- Focus on oncology support
- Headquartered in Bedminster, New Jersey
- 50 strong sales force
- Sancuso launched late 2008
- Preparing for US approval of Abstral

Sancuso - Continued sales progression

- Transdermal granisetron patch for CINV (Chemotherapy Induced Nausea and Vomiting)
- Sales up 25% following series of initiatives:
 - Brought under new management led by Abid Karim
 - Revised structure & focus for sales team onto bigger accounts
 - Co-pay patient assistance programme
 - Specialty pharmacies (not tracked by IMS)
 - Broadened coverage by private managed care and Government organisations
 - Sharpened focus to target specialist prescribers, hospitals and clinics



Abstral – US update






- Exclusive rights for North America in-licensed 31st July 2008
- NDA filed August 2009
 - Assigned standard 10 month review by FDA
 - Extended by 3 months
 - Expect decision H2 2010



Partnering

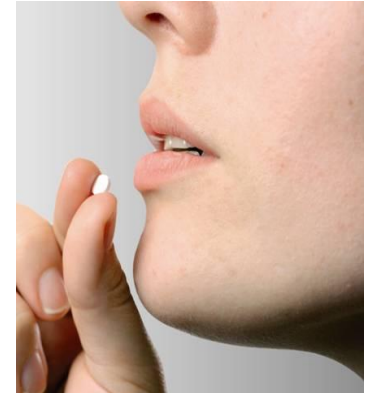
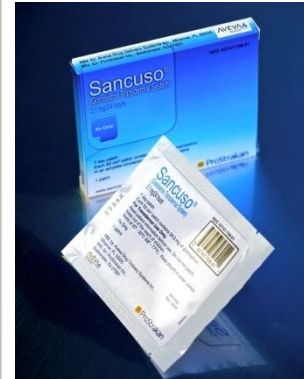
- Increasingly important part of the business
 - Evolving from milestone income to royalties on sales
 - 35 Partnerships worldwide
- 10 product launches so far in 2010 (out of 19 planned)
 - Abstral launched in 7 out of 8 CEE countries to which it has been out-licensed
 - First product shipments of Sancuso to South Korea and Phillipines
- 14 regulatory filings achieved out of 16 planned
- Product sales via partners increased in H1 2010 by 165% compared with H1 2009
- Partnering revenues reduced by 18% to £2.2m (2009: £2.7m)
 - 2009 benefited from Gedeon Richter licence receipts

Strong Forward Newsflow

	Geography	Developments
		<p>Launched: UK, Germany, France, Spain, Sweden, Italy, Norway Italian launch scheduled September 2010</p>
		<p>NDA approval expected H2 2010</p>
<p>Fortesta</p>		<p>NDA refiled (by Endo) in June 2010 Decision expected late H2 2010</p>

Well-Positioned for Further Strong Growth

- Portfolio of patient-friendly medicines with strong growth profile
- Broad marketing and distribution capability in the EU and US
- Worldwide partnering programme under way and generating revenues
- Two US approvals pending
- Ambitious management team with a commitment to growing shareholder value
- Achieved first period of positive EBITDA





 **ProStrakan**

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