

# Press Release

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3<sup>RD</sup> MAY 2005

## Acquisition of APS Pharma GmbH expands Prostrakan's European sales & marketing operation

**(Galashiels, UK; 3<sup>rd</sup> May 2005)** ProStrakan Group plc ("ProStrakan"), the international specialty pharmaceutical company, today announces that it has acquired the Munich-based pharmaceutical company, APS Pharma GmbH ("APS"). The acquisition marks a significant expansion of ProStrakan's commercial activities in Germany by providing a profitable portfolio of marketed products and an experienced sales and marketing infrastructure.

As well as allowing for organic sales growth in Germany, ProStrakan plans to use the APS German sales infrastructure to distribute a number of its products once they have received approval in that country - products such as Tostrex® and Rectogesic®, both recently in-licensed from Cellegy [*see Notes to Editors below*].

APS promotes a range of products to general practitioners, hospital specialists and pharmacists in Germany, the EU's largest pharmaceutical market. Generating sales of €2.6 million in 2004, the company's principal products fall within areas of ProStrakan's existing therapeutic focus such as osteoporosis, metabolic diseases and urology.

Under the terms of the deal, ProStrakan has acquired 100% of the share capital of APS for a cash offer of €2.7 million.

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**Commenting, ProStrakan CEO, Dr Wilson Totten, said: "With the rapid growth of our development and marketing product portfolios, expanding our commercial capability across Europe has become a priority and Germany is an important market for us. This strategic move is further evidence of our ability to identify and acquire companies not only with significant growth potential, but also with the necessary infrastructure and expertise to commercialise other products in our portfolio, both current and future.**

**"We extend a warm welcome to our new colleagues in Germany who will make an important contribution to our continuing expansion."**

### **For further information, please contact:**

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## **NOTES TO EDITORS**

### **ProStrakan**

ProStrakan is an international specialty pharmaceutical company with leading edge research and development capabilities coupled to an expanding European commercial operation which is generating significant and growing revenues. The company's therapeutic focus is primarily on steroid chemistry, hormonal disorders and bone biology, areas which represent significant unmet need and high growth potential.

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Headquartered in Scotland and employing 290 people, the company has commercial operations throughout the UK and continental Europe. Its principal R&D sites are situated in Romainville, near Paris, and Galashiels in Scotland.

In 2004, ProStrakan achieved total sales in excess of £21 million. Principal marketed products include:

- Adcal D3: licensed in the UK, a calcium/vitamin D3 supplement indicated for the treatment of osteoporosis
- Isotard XL: licensed in the UK, indicated for the treatment of angina
- Tebetane: licensed in Spain, indicated for the treatment of benign prostate hypertrophy
- Droperidol: licensed in several EU countries excluding the UK, indicated for the treatment of post-operative nausea and vomiting

### **Other recent M&A activity**

In September 2004, ProStrakan acquired Madrid-based sales and marketing company, Devon Farmacéutica SLU, giving the company for the first time a commercial presence in Spain. This was followed in November 2004 by the acquisition of Elfar SA (also based in Madrid), a company with a portfolio of marketed products in Spain and its own established sales and marketing infrastructure.

In December 2004, ProStrakan entered into an exclusive licensing agreement with San Francisco-based Cellegy for the commercialisation of **Rectogesic®** (branded Cellegesic™ in the US) in Europe. Rectogesic is topical nitroglycerin ointment indicated for the treatment of the pain associated with chronic anal fissures. This deal followed the exclusive European licensing agreement with Cellegy entered into in July 2004 for **Tostrex®**, a transdermal testosterone gel indicated for male hypogonadism. Rectogesic has been approved in the UK and will be launched in mid-2005, with further launches following regulatory approvals in other European countries anticipated later in the year and through 2006. Tostrex has been approved in Sweden and will be launched there by the end of the current year, with further EU approvals and launches anticipated in 2006.

### **APS Pharma GmbH**

APS is based in Munich and employs 14 people, including a sales force of 9 sales representatives covering the regions of Germany. The company's main promoted products are:

- Calci APS: indicated for calcium and vitamin D deficiency
- Simva APS: indicated for hypercholesterolaemia
- Meto APS: indicated for hypertension

In 2004, APS achieved total sales of €2.6 million.

**ENDS**