



Year end trading update

Profit growth strong; underlying EBITDA up at least 17%

Burton-on-Trent, UK – 24 July 2014 – Clinigen Group plc ('Clinigen' or the 'Group', AIM: CLIN), the specialty global pharmaceutical company, today provides the following trading update for the year ended 30 June 2014.

Highlights

- Like for like revenues* on a constant currency basis up in excess of 7% on prior year and reported revenues not less than £126m.
- Gross margins increased to over 30% delivering growth in excess of 17% on prior year.
- Underlying EBITDA up at least 17% on prior year.
- Closing net cash position of £5.3m; combined with the borrowing facility of £35m, provides opportunity for continued expansion.
- Significant growth in GAP; good new business pipelines for both GAP and CTS.
- Acquisition of Savene complements Cardioxane, and strengthens dexrazoxane market position for SP.

* Like for like sales represent revenues adjusted for Foscavir stock fill (£3m) in FY13.

Group performance

Clinigen continues to drive strong organic growth, demonstrated by in excess of 50% growth in GAP revenues, greater than 10% growth in SP revenues and revenues up more than 11% in H2 on H1 in CTS. This, combined with improved gross margins and lower than expected administrative costs, has resulted in over 17% growth in underlying EBITDA.

Foscavir in-market sales are matching the global growth of the transplant market. The integration of two new products during FY14, Cardioxane and Savene, is running to plan and they are expected to complete their transition to Clinigen during FY15. Both of these brands are formulated from the active ingredient dexrazoxane, and going forward Clinigen's revitalization opportunities are enhanced by acquiring both of these products.

The Group continues to have strong cashflows, which this year have funded the acquisition of Savene and the second staged payment for Cardioxane. The closing net cash position combined with the bank facility provides funding for further product acquisitions.

Peter George, Chief Executive Officer, Clinigen said,

"This has been another great year for Clinigen. All three operating businesses have contributed to a strong trading performance and we have seen good organic growth, especially in GAP. We're particularly pleased with the increased gross margins and, yet again, the excellent growth of EBITDA.

"We are also seeing good acquisition and complementary product opportunities for SP, which supports our strategy to focus on niche, hospital-only, specialty pharmaceutical products. This strategy plays well in the current environment where big pharmaceutical companies are looking to divest more mature products.

"At this early stage, we are confident of another strong year ahead and we remain on track to be the leading provider of CTS and GAP services."

Operational businesses

- **CTS**

CTS continues to be the main revenue generator of the Group albeit the revenues are lumpy. Revenues in FY14 will be lower than the prior year due to the previously explained anti-viral studies in FY13 which were not repeated this year.

A recent market research report estimates the clinical trial supply market to be \$1.5-2.0bn globally, with spend on individual clinical trial comparators ranging from \$200K to \$20m. Clinigen is in a good position, with its regulatory and global distribution expertise, to target this large market. The goal for the Group is to become the global leader in clinical trial supply and continued growth is supported by the division's strong sales pipeline.

- **GAP**

GAP continues to be the fastest growing Clinigen business. A measure that reflects this significant growth is the number of drug units delivered, which has increased to 58,000 in FY14 from 31,000 in the prior year.

As previously announced, H1FY14 saw the winding down of one large high revenue, lower margin program which has not been replicated in the second half of the year. Despite this, GAP has maintained its gross profits.

Clinigen GAP's growing reputation in the delivery of global access programs places it in a strong position to increase market share in the outsourced global access market, estimated to be in excess of \$500m. This position is reflected in the division's robust new business pipeline.

- **SP**

Revenues have been boosted as a result of a full year's ownership of Cardioxane and a small contribution from newly acquired Savene in the final quarter of this year. SP remains the largest contributor to the Group's gross profits.

Foscavir continues to be a reliable generator of revenue and profits. Year on year revenues and volumes were impacted last year by stock fills and this year by new bulk supply distribution agreements, which benefit cashflow but mean actual sales do not accurately reflect in-market sales. For the full year results, the Group will report on underlying in-market sales which are expected to reflect the growth of the transplant treatment area. There has also been improvement in the average selling price of Foscavir.

Under the agreement for Cardioxane with Novartis, sales are not recognized at the market value until the Marketing Authorization (MA) for the specific territory has been transferred. All MAs for Cardioxane have now been transferred, apart from Latam and South Korea which are on schedule. The integration of Savene into the operational business also remains on track. More detail on the revitalization plans for these two dexrazoxane products will be provided at the full year results.

The lifting of the suspension on the European Marketing Authorisation for the antibiotic Vibativ, in March 2014, was an important milestone in the development of the European launch of the product. This launch is now anticipated to be October/November this year following unforeseen delays in product availability and sensitivity testing.

Overall, Clinigen continues to deliver on its objective of building its specialty pharmaceutical portfolio and is on track to have ten products over the next four to five years.

The information contained in this statement has not been audited and may be subject to further review. The Group expects to publish its final results for the year to 30 June 2014 on Wednesday 24 September 2014.

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About Clinigen Group

The Clinigen Group is a specialty global pharmaceutical company headquartered in the UK, with offices in the US and Japan. The Group, dedicated to delivering 'the right drug, to the right patient at the right time', has three operating businesses; Specialty Pharmaceuticals (SP), Clinical Trials Supply (CTS), and Global Access Programs (GAP). SP focuses on acquiring and in licensing specialist, hospital only medicines worldwide and commercializing them within niche markets. CTS sources commercial medical products for use in clinical studies only, including comparator drugs, adjuvant drugs and rescue therapies. GAP specializes in the consultancy, development, management and implementation of programs providing access for patients and their clinicians to drugs not available in their markets.

For more information, please visit www.clinigengroup.com.

Forward-looking statement

This announcement contains certain projections and other forward-looking statements with respect to the financial condition, results of operations, businesses and prospects of Clinigen Group plc ("Clinigen"). These statements are based on current expectations and involve risk and uncertainty because they relate to events and depend upon circumstances that may or may not occur in the future. There are a number of factors which could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Any of the assumptions underlying these forward-looking statements could prove inaccurate or incorrect and therefore any results contemplated in the forward-looking statements may not actually be achieved. Recipients are cautioned not to place undue reliance on any forward-looking statements contained herein. Clinigen undertakes no obligation to update or revise (publicly or otherwise) any forward-looking statement, whether as a result of new information, future events or other circumstances.