



3rd October 2008

**NORGINE DENOUNCES ABPI POSITION ON PPRS
NEGOTIATIONS AND RESIGNS**

Leading European specialty pharmaceutical company, Norgine, today announced its resignation from the UK trade association, the Association of the British Pharmaceutical Industry (ABPI).

Norgine is resigning because it believes that the ABPI is not representing the interests of smaller, specialised pharmaceutical developers. In Norgine's opinion, this has most recently been demonstrated during the Pharmaceutical Price Regulation Scheme (PPRS) negotiations. In particular, Norgine believes that the ABPI has adopted negotiating positions which favour the business interests of a limited number of global multinationals to the detriment of other parts of its membership and the UK healthcare system.

Commenting on this resignation, Norgine's Chief Operating Officer, Peter Martin, remarked:

"It has become clear in recent years that the ABPI's agenda is driven by the interests of its largest multinational members and that it is no longer representing the interests of small and medium sized companies with existing products on the market. The domination of the association by a handful of large companies, whose business model depends on patent-protected 'me-too' blockbuster medicines, has resulted in perverse consequences for those of us who are trying to help patients and their carers in more specialised niches such as gastroenterology. Norgine believes that the contribution of smaller innovative companies towards improving patient care needs to be appropriately recognised."

Norgine will continue with its membership of the Ethical Medicines Industry Group (EMIG), which represents small and medium sized companies operating in the UK pharmaceutical sector. Norgine in the UK will also continue to comply with the Prescription Medicines Code of Practice Authority (PMCPA) Code of Practice.

Frequently Asked Questions

1. In which policy areas specifically does Norgine differ from the ABPI?

Norgine believes strongly that patients and their carers can benefit enormously from innovations and improvements in formulations of existing medicines which can improve patient compliance and enable the development of new indications for these existing medicines. In Norgine's view, the ABPI has not been fully supportive towards the importance of these healthcare innovations – this has been clearly demonstrated by the position taken by the ABPI in the recent PPRS negotiations with the Department of Health, where the ABPI took a conscious decision to sacrifice such products in order to protect the freedom of pricing for 'me-too' patent protected medicines.

Furthermore, we have repeatedly expressed concerns about the uncertainty surrounding the legal borderline between a medicinal product and a medical device, and the potential risk to patients resulting from the commercialisation of medicinal products misclassified as devices. Unfortunately, this is another area where the ABPI was unable to take an active role due to an apparent conflict of interest with one of its largest members, whose affiliates elsewhere in Europe are exploiting this legal uncertainty.

2. Does this herald a similar move by Norgine in other European countries?

No. We are members of the relevant trade associations in most of the European countries where we are present. As long as these associations continue to represent our interests fairly and effectively, as they have done in the past, we shall continue our memberships.

ENDS

If you would like any further information, or to set up an interview please contact:

Medicom Group: Olivia Spiro on 020 8481 8129 (olivias@medicomgroup.com) or Sarah Dyson on 0208 4818145 or 07960195556 (sdyson@medicomgroup.com).

Notes to editors

- The PPRS is a voluntary agreement between the Department of Health and the pharmaceutical industry, as represented by the ABPI. It aims to provide the parameters for a pricing framework which allows the NHS to access innovative branded medicines at reasonable cost, while supporting and incentivising competitive pharmaceutical research and development.
- The current PPRS negotiations include a 'loss of exclusivity' arrangement, which could inadvertently affect product availability and lead to a reduction in important innovations of existing medicines.
- Excepting the ABPI, Norgine remains an active and satisfied member of the relevant trade associations affiliated with EFPIA in most of the European countries in which the company operates.
- The EMIG was established in 1985 as the forum for small to medium-sized pharmaceutical companies operating in the UK. EMIG has grown substantially in recent years and now represents over 45 member companies.

About Norgine

Norgine is an independent, successful European specialty pharmaceutical company that has been established for over 100 years and has a presence in all the major European markets. In 2007 Norgine's sales were €220 million, the 21st consecutive year of double-digit growth. The company employs over 1,000 people of whom around 400 are in sales and marketing.

Norgine's current focus is pharmaceutical products that address significant unmet clinical need in areas such as gastroenterology, hepatology and pain management. The company currently markets a range of products in its key therapeutic areas e.g. MOVICOL[®] for the treatment of chronic constipation and faecal impaction, MOVIPREP[®] a new generation bowel cleansing preparation, KLEAN-PREP[®] for bowel preparation prior to colonoscopy, and ORAMORPH[®] for the treatment of moderate to severe pain associated with cancer.

Norgine has an active Research and Development effort and currently has products at various stages of clinical development. In addition to its site at Hengoed, Norgine also has a manufacturing site at Dreux in France.

Norgine's website is www.norgine.com