

28 March 2008

Maelor plc ('Maelor' or the 'Company')

Acquisition of Speciality European Pharma International AG

The Board of Maelor plc (AIM:MLR), the specialist hospital medicines group, is pleased to announce the acquisition of Speciality European Pharma International AG ('SEPI AG'), a wholly owned subsidiary of Speciality European Pharma Limited ('SEP'). SEPI AG, a Swiss-based pharmaceutical company with a profitable portfolio of specialist hospital pharmaceutical products, is being acquired for an initial cash consideration of £9.25 million and up to a further £5 million in deferred consideration, conditional on SEPI AG meeting certain regulatory criteria and sales targets.

Highlights

- An acquisition fully aligned with Maelor's stated strategy of building a focused late-stage pharmaceutical and medical devices business in the specialist hospital medicine sector.
- A further step in the transformation of the business creating a growing and significantly profitable enlarged group, driven in particular by existing and significant potential sales from the critical care drug, Haemopressin®.
- Consolidates a presence in the major European markets through a distributor network outside the UK and enables a low-risk step into the US market through a licensee.
- As a virtual business it can be readily integrated into Maelor's existing infrastructure with minimal cost and distraction.
- A catalyst for further change across the Company including adoption of the name IS Pharma – "International Speciality Pharmaceuticals" to more closely reflect the nature of the business.
- Consolidation of the Company's existing shares on a 1 for 7 basis and restructuring of the Company's balance sheet.
- Strong trading continues to period end, results for the year ended 31 March 2008 anticipated to be ahead of expectations.

The acquisition of SEPI AG represents the next step in the implementation of the Board's strategy and is undertaken in the context of strong trading for the year and results which are anticipated to be ahead of expectations. SEPI AG is a virtual and profitable specialist hospital business with a pro forma EBITDA of c. £0.9 million to the year ended December 2007. The primary asset in the portfolio is Haemopressin. This product is generating the majority of revenue and offers strong growth potential both in existing markets and through its anticipated regulatory approvals across Europe and the US. Maelor is the existing distributor for Haemopressin in the UK and Ireland, so the product is well known to the Company.

Following on from the successful German launch of their prostate cancer drug, Plenaxis®, SEP have taken a strategic decision to focus on expanding their franchise in urology. As a result, SEPI AG's portfolio of hospital specialist products is no longer considered core to SEP's business. The divestment of SEPI AG will provide SEP with the capital required to launch Plenaxis throughout Europe and to invest in new late stage product opportunities in the urology field.

A conditional placing of 13,000,000 Consolidated Ordinary Shares at 77 pence (after taking into account the 1 for 7 share consolidation and being 11 pence at the existing unconsolidated basis), which has been arranged by Noble & Company Limited, will raise £10.0 million (before expenses). Completion of the acquisition of SEPI AG is expected to take place (subject, *inter alia*, to shareholder approval) on 25 April 2008.

Commenting on the acquisition Tim Wright, CEO of Maelor, said:

“We are very pleased to announce the acquisition of Speciality European Pharma International and our recent successful fund raising against a backdrop of strong trading. It represents the next step in our strategy of creating a profitable specialist hospital medicines business, growing organically and by targeted acquisition.

With further planned regulatory approvals, the acquisition enables us to consolidate our presence in Europe and take a low risk step into the US. Given the virtual nature of SEPI and our familiarity with the key product Haemopressin, the acquisition is aligned with our focused approach. We are confident that we will be able to rapidly integrate and grow the business so as to maximise earnings and shareholder value.”

- ENDS -